

AGENDA

STANISLAUS COUNTY REDEVELOPMENT AGENCY

1010 10TH STREET, BASEMENT LEVEL, MODESTO

SEPTEMBER 28, 2010

9:05 A.M.

- I. CALL TO ORDER**
- II. CONSENT CALENDAR (Those items marked with an *)**
- III. APPROVAL OF MINUTES**
 - *A. Minutes of September 14, 2010
- IV. CORRESPONDENCE**
 - A. None
- V. PUBLIC HEARINGS**
 - A. None
- VI. AGENDA ITEMS**
 - *A. Approval to Authorize the Executive Director to Negotiate Final Conditions and Scope of Service and Enter into a Contract with KNN Public Finance to Prepare a Debt Capacity Study for a Cost Not to Exceed \$21,000
 - *B. Approval to Authorize the Executive Director to Negotiate Final Conditions and Scope of Service and Enter into a Contract with Urban Analytics to Prepare a Fiscal Impact Analysis and Pass-Through Analysis for a Cost Not to Exceed \$9,500
 - *C. Approval to Authorize a Contract with the Housing Authority of Stanislaus County to Provide \$600,000 for Affordable Housing Rehabilitation
- VII. PUBLIC FORUM**
- VIII. ADJOURNMENT**

**MINUTES
STANISLAUS COUNTY REDEVELOPMENT AGENCY
SEPTEMBER 14, 2010**

The Stanislaus County Redevelopment Agency met in the Joint Chambers at 10th Street Place, Basement Level, 1010 10th Street, Modesto, California.

I. CALL TO ORDER

The meeting was called to order at 10:01 a.m.

Members present: Jim DeMartini, Jeff Grover, William O'Brien, Dick Monteith, and Vito Chiesa

Members absent: None

Staff present: Kirk Ford, Executive Director

II. CONSENT CALENDAR (*)

Upon motion by Agency members O'Brien/Chiesa, Agency unanimously approved the Consent Calendar, including approval of the Minutes. (5-0)

III. APPROVAL OF MINUTES

A. Upon motion by Agency members, O'Brien/Chiesa, the Agency unanimously approved the minutes of December 15, 2009. (5-0)

IV. CORRESPONDENCE

A. None

V. PUBLIC HEARINGS

A. None

VI. AGENDA ITEMS

*A. Set a public hearing on October 19, 2010 at 6:35 p.m., to consider the adoption of the 2010-2014 Implementation Plan for the Stanislaus County Redevelopment Agency Project Area No. 1.

VII. PUBLIC FORUM

No one spoke.

VIII. ADJOURNMENT

The meeting adjourned at 10:02 a.m.



Kirk Ford
Executive Director

Sitting as the Redevelopment Agency
THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Redevelopment Agency

BOARD AGENDA # 9:05 a.m. *VI-A

Urgent

Routine

AGENDA DATE September 28, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Authorize the Executive Director to Negotiate Final Conditions and Scope of Service and Enter into a Contract with KNN Public Finance to Prepare a Debt Capacity Study for a Cost Not to Exceed \$21,000

STAFF RECOMMENDATIONS:

Authorize the Executive Director to negotiate final conditions and scope of services and enter into a contract with KNN Public Finance to prepare a Debt Capacity Study for a cost not to exceed \$21,000.

FISCAL IMPACT:

The cost of preparing a Debt Capacity Study will be paid for by the Stanislaus County Redevelopment Agency's Capital Projects budget and will not exceed \$21,000.

BOARD ACTION AS FOLLOWS:

No. 2010-608

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

One of the techniques redevelopment agencies utilize to fund large-scale projects is to incur indebtedness using future property tax increment for debt service. To date, the Stanislaus County Redevelopment Agency has used a combination of loans, grants, tax increment bonds, and its annual property tax increment allocation to fund many of its programs and projects. Although the Agency will continue to utilize all available funding opportunities, this debt capacity study will explore the level of indebtedness the Agency could incur by pledging future property tax increment for debt repayment upon the construction of large-scale projects.

Key to determining debt capacity will be:

- Utilizing the Agency's current financial data as a basis for the forecasting of tax increment revenues;
- Forecasting tax increment revenues and resulting cash flow available to pay debt service; and
- Evaluating current municipal bond market appetite for tax allocation bonds.

To date, the Agency has issued two tax allocation bonds: 1) \$4.5 million in 2003 for the Salida Storm Drain project; and, 2) \$15.6 million in 2005 for the Keyes Storm Drain project. The Salida bond was subsequently sold to the United States Department of Agriculture (USDA) with on-going repayment of the debt to USDA in the form of a 38-year loan. Payment of the Keyes bond is also on-going with the last payment scheduled to occur in 2036.

The Agency has received a scope of services from KNN Public Finance (KNN) showing a maximum cost of \$21,000 for preparation of a debt capacity study. (See Attachment "1") KNN anticipates it will take approximately 8 to 12 weeks to complete the study.

The Agency has not gone out for a request for qualifications/proposal for preparation of a debt capacity study, since KNN has provided this service to the Agency in the past. KNN, formerly Kelling, Northcross and Norbriga, prepared a debt capacity study for the Agency in 2005 and has been used by Stanislaus County over the years as its financial advisor and bond facilitator. Their work with the County has included performing several debt capacity studies. KNN's historical data and knowledge of both the Agency and the County will help to facilitate the timely preparation of a debt capacity study. The Agency's current deadline for incurring debt is June 2011 and, as such, timing is critical, if the Agency is to secure any additional bond(s) to facilitate the implementation of large-scale projects. Furthermore, redevelopment agencies are required to have debt in order to be eligible to receive tax increment.

In conjunction with a debt capacity study, the Agency will be requesting authorization to retain Urban Analytics to prepare assessments of the Agency's pass-through payment obligations. These assessments are needed to determine the economic cost to the Agency associated with elimination of the June 2011 debt incurrence deadline. Both

firms worked together in preparation of documents for the Agency's 2005 Keyes bond. If the Agency is authorized to retain both firms, Agency staff will work with both firms, prior to finalizing any contracts for service, to eliminate unnecessary duplication of services and to reflect cost adjustments associated with changes to the scopes of service.

POLICY ISSUES:

A debt capacity study will improve the Agency's ability to effectively plan for the implementation of large-scale infrastructure projects. Traditionally, the efforts of the Stanislaus County Redevelopment Agency fall within the Board Priorities of A Well Planned Infrastructure System, A Healthy Community and Effective Partnerships.

STAFFING IMPACTS:

The Agency will utilize existing staffing resources to oversee this project.

CONTACT PERSON:

Kirk Ford, Planning & Community Development Director. Telephone: (209) 525-6330

ATTACHMENT:

1. Proposed Scope of Service dated August 14, 2010, from KNN Public Finance



Date: August 14, 2010

To: Angela Freitas
Deputy Director, Stanislaus County Redevelopment Agency

From: Mark Li
KNN Public Finance

cc: David Leifer and Marian Breitbart
KNN Public Finance

Re: **Proposed Scope of Services and Fee for a Stanislaus County Redevelopment Agency
2010 Debt Capacity Study**

Per your request, in the following memo KNN Public Finance ("KNN") proposes a scope of services and fee for a Stanislaus County Redevelopment Agency ("RDA") 2010 Debt Capacity Study. Overall, the purpose of the debt capacity study is to estimate the amount of debt the RDA can reasonably issue for both housing set-aside and non-housing capital projects. Key to determining debt capacity will be (1) utilizing the RDA's current financial data as a basis for the forecasting the tax increment revenues, (2) forecasting tax increment revenues and resulting cash flow available to pay debt service and (3) evaluating current municipal bond market appetite for unrated and un-insured tax allocation bonds ("TABs"). As in 2005 when the RDA issued \$15.6 million in TABS, future RDA bond offerings are anticipated to also be unrated and un-insured because of tax payer concentration. In 2005, E&J Gallo Winery represented over 70% of tax increment revenues.

Scope of Services

The proposed scope of services for the debt capacity study includes the following:

1. Analyze the RDA's fiscal year 2010-2011 assessed values, historical growth, audited financial statements and current year budget to determine the historical amount of annual revenues available to pay debt service on TABs.
2. Analyze the RDA's tax increment revenue forecast (if available) or update the tax increment revenue forecast developed by KNN for the 2005 Debt Capacity Analysis. As part of the forecast also analyze the RDA's expected annual expenditures.
3. Evaluate the near-term and longer-term potential for growth in tax increment revenues as well as the cap on cumulative tax increment revenues. Develop various tax increment forecasts with differing growth assumptions.
4. Determine the impact of pass-through agreement step-up provisions on the future tax increment revenues. Consult with County Auditor and/or Bond Counsel (Jones Hall) as necessary.
5. Analyze each of the Agency's currently outstanding debt obligations to determine the timing and amount of future debt service payments and the legal security of each obligation, and whether each

such debt is secured or unsecured, and senior or subordinate to any potential new tax increment debt the RDA may issue.

6. Preliminary evaluation of potential projects and eligibility for tax-exempt financing or financing from the housing set-aside.
7. Confer with RDA on administrative costs and cash funded project requirements including reservation of cash for taxable projects.
8. Evaluate the potential impact of proposed State of California budget balancing measures on the future tax increment revenues available to pay debt.
9. Discuss with Bond Counsel any important legal considerations.
10. Confer with bond rating agencies (to confirm high taxpayer concentration is problematic), bond insurers, underwriters and potential investors in order to assess the impact on debt capacity from alternative debt service coverage, bond yield and bond structuring assumptions.
11. Determine the RDA's debt capacity for both housings set-aside and non-housing capital projects. Evaluate the impact on debt capacity from alternative interest rate assumptions.
12. Estimate costs of TAB issuance including a detailed break-down of upfront costs, annual costs, contingent costs and non-contingent cots.

KNN Fee

The 2005 Debt Capacity Study was at a fixed fee of \$12,500 and a maximum of \$350 for expenses. In 2005, the hourly costs and expenses to produce the study far exceeded the fixed fee and expense allocation. Also, it has been over 5 years since the 2005 Debt Capacity Study and our costs of doing business have risen with inflation. Accordingly, for the 2010 Debt Capacity Study we propose to bill at hourly rates as indicated in the table that follows:

Title	Rate
Managing Director (David Leifer)	\$325.00
Vice President (Marian Breitbart & Mark Li)	\$295.00
Assistant Vice President	\$250.00
Associate	\$225.00
Analyst	\$195.00

We will cap the total hourly fees incurred at \$20,000 and \$1,000 of expenses. Expenses include the subscription to the Urbics database of assessed value and tax data, conference calls, travel, etc. The fees and expenses will be itemized and payable upon completion and acceptance of the final report. The hourly rates above are the same as those charged for our recent debt capacity work at Sonoma County. We anticipate the debt capacity study will take approximately 8 to 12 weeks to complete, but could be expedited if necessary.

As always, KNN will provide the enhanced scope of service that Stanislaus County has come to expect from us. The above hourly rates reflect our extensive knowledge of the county and its history. KNN (David Leifer) has served as the financial advisor to Stanislaus County for over 12 years and the RDA. KNN provided financial advisory pre-transaction and transaction services for the RDA's 2005 TABs.

Sitting as the Redevelopment Agency
THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Redevelopment Agency

BOARD AGENDA # 9:05 a.m. *VI-B

Urgent Routine

AGENDA DATE September 28, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Authorize the Executive Director to Negotiate Final Conditions and Scope of Service and Enter into a Contract with Urban Analytics to Prepare a Fiscal Impact Analysis and Pass-Through Analysis for a Cost Not to Exceed \$9,500

STAFF RECOMMENDATIONS:

Authorize the Executive Director to negotiate final conditions and scope of services and enter into a contract with Urban Analytics to prepare a Fiscal Impact Analysis and Pass-Through Analysis for a cost not to exceed \$9,500.

FISCAL IMPACT:

The cost of preparing a Fiscal Impact Analysis and Pass-Through Analysis will be paid for by the Stanislaus County Redevelopment Agency's Capital Projects budget and will not exceed \$9,500.

BOARD ACTION AS FOLLOWS:

No. 2010-609

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

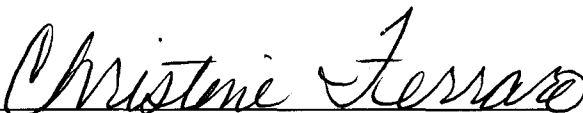
1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The California Redevelopment Law (CRL) provides for redevelopment agencies to make pass-through payments to taxing entities affected by the adoption of a redevelopment plan. Pre-1994, redevelopment agencies were authorized to enter into pass-through agreements with taxing entities whereby the agency agreed to pay an affected taxing agency a portion of the tax increment it received in order to alleviate the financial burden or detriment caused by the redevelopment plan. The passage of AB 1290 in 1993 established a specific schedule of statutory pass-through payments to be made by agencies to taxing entities affected by redevelopment plans adopted after 1993.

The Stanislaus County Redevelopment Agency Project No. 1 was adopted in 1991 with a deadline to incur debt of 25-years (2016). The passage of AB 1290 also altered the deadline for incurring debt for pre-1994 plans to 20-years (2011). As such, the Agency's ability to incur debt to finance redevelopment projects is set to expire in June, 2011. The ability to incur debt is critical to the Agency's ability to eliminate blight to the degree specified in the adopted redevelopment plan. Without the ability to incur debt, the Agency is limited to paying for projects with tax increment on hand and redevelopment agencies are required to have debt in order to be eligible to receive tax increment.

The passage of SB 211 in 2001 allows redevelopment agencies to eliminate time deadlines for incurring debt. However, the action of eliminating time deadlines for debt incurrence triggers AB 1290 statutory pass-through payments to any taxing entity without a pass-through agreement with the agency. Statutory pass-through payments are allocated among the affected taxing entities in proportion to the percentage share of property taxes each affected taxing entity receives during the fiscal years the funds are allocated. The statutory pass-through formula establishes the following three overlapping tiers of payments to affected taxing entities:

- Years 1-10 – 20 percent of the gross tax increment.
- Years 11-30 – The payment amount for years 1-10 plus 16.8 percent of the gross tax increment generated after year 10.
- Years 31 through the end of the plan – The payment amount for years 1-10 plus the payment amount for years 11-30 and 11.2 percent of the gross tax increment generated after year 30.

The community that has adopted the redevelopment plan, if it so elects, can only participate in the first tier of pass-throughs. The statutory pass-through formula also provides specific provisions of certain school districts.

Approval to Authorize the Executive Director to Negotiate Final Conditions and Scope of Service and Enter into a Contract with Urban Analytics to Prepare a Fiscal Impact Analysis and Pass-Through Analysis for a Cost Not to Exceed \$9,500

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Of the fifty-one (51) affected taxing agencies identified at the time Project No. 1 was adopted; only twenty-seven (27) of the taxing agencies have agreements with the Stanislaus County Agency. The remaining twenty-four (24) taxing agencies either claimed to receive, or the Agency has voluntarily agreed to make, CLR Section 33676 payments in lieu of an agreement. Under former Section 33676 of the CRL, taxing entities could separately receive their share of the growth in valuation due to inflation (2% payments).

Due to the complexity of both the Agency's existing pass-through structure and the statutory pass-through structure, a fiscal impact analysis is necessary to determine the true fiscal cost to the Agency, and affected taxing agencies, associated with elimination of the time for debt incurrence as allowed by SB 211. The Agency has received a scope of services from Urban Analytics showing a maximum cost of \$5,000 for preparation of a fiscal impact analysis. (See Attachment "1") Urban Analytics anticipates it will take approximately 8 weeks to complete the study.

In addition to the fiscal impact analysis, the Agency has requested Urban Analytics to provide a scope of services for an evaluation of the pass-through payments performed by the Stanislaus County Auditor-Controller's Office for Fiscal Year 2009-2010. (See Attachment "2") The purpose of this analysis is to verify that the Agency's pass-through payments are being accurately calculated. Due to the complexity of the Agency's pass-through obligations, this assessment will also ensure that both Urban Analytics and the County Auditor-Controller are in agreement with the methodology used to determine the Agency's pass-through obligations. Urban Analytics is proposing to reduce the cost of this second analysis by 10%, a reduction from \$5,000 to \$4,500, if the Agency elects to proceed forward with both analyses concurrently. Prepared concurrently, the cost for both analyses is \$9,500.

The Agency has not gone out for a request for qualifications/proposal for preparation of a fiscal impact analysis or a pass-through analysis, since Urban Analytics has provided similar services to the Agency in the past; preparation of documents for the Agency's 2005 Keyes Storm Drain bond and the preparation of tax increment projections in 2008. Urban Analytics historical data and knowledge of both the Agency and the County will help to facilitate the timely preparation of the desired analyses. The Agency's current deadline for incurring debt in June 2011 and, as such, timing is critical if the Agency is to consider the fiscal impacts associated with the elimination of the time for debt incurrence. Time is not as critical for the pass-through analysis, but it makes fiscal sense for the Agency to periodically verify the accuracy of pass-through payments. In this case, the Agency would receive a slight cost reduction by having both analyses prepared concurrently.

In conjunction with the fiscal impact analysis and pass-through analysis, the Agency will be requesting authorization to retain KNN Public Finance to prepare a debt capacity study. The debt capacity study will explore the level of indebtedness the Agency could incur by pledging future property tax increment for debt repayment. Incurring debt, in

Approval to Authorize the Executive Director to Negotiate Final Conditions and Scope of Service and Enter into a Contract with Urban Analytics to Prepare a Fiscal Impact Analysis and Pass-Through Analysis for a Cost Not to Exceed \$9,500

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the form of a tax increment bond, prior to June 2011 will be critical to the agencies ability to effectively implement large-scale infrastructure projects if elimination of the current debt incurrence deadline does not occur. Both firms worked together in preparation of documents for the Agency's 2005 Keyes bond. If the Agency is authorized to retain both firms, Agency staff will work with both firms, prior to finalizing any contracts for service, to eliminate unnecessary duplication of services and to reflect cost adjustments associated with changes to the scopes of service.

POLICY ISSUES:

A fiscal impact analysis is needed to determine the economic cost to the Agency associated with elimination of the June 2011 debt incurrence deadline. In addition, a pass-through analysis will verify that the Agency is accurately meeting its obligations to affected taxing entities. Traditionally, the efforts of the Stanislaus County Redevelopment Agency fall within the Board Priorities of A Well Planned Infrastructure System, A Healthy Community and Effective Partnerships.

STAFFING IMPACTS:

The Agency will utilize existing staffing resources to oversee this project.

CONTACT PERSON:

Kirk Ford, Planning & Community Development Director. Telephone: (209) 525-6330

ATTACHMENT:

1. Proposed Scope of Service for Fiscal Impact Analysis from Urban Analytics
2. Proposed Scope of Service for Pass-Through Analysis from Urban Analytics

SCOPE OF SERVICES

Introduction

The following scope of services from Urban Analytics (the Consultant) is focused on providing the Stanislaus County Redevelopment Agency (the Agency) with an assessment of the fiscal impact that could occur should the debt incurrence limit now in place in Redevelopment Project No. 1 (the Project Area) be removed. The Consultant has also provided the Agency with a separate Scope of Services for an assessment of the passthrough calculations prepared by the County.

Urban Analytics will draw on its experience with the Agency and with redevelopment tax increment matters in California in executing the services described below. The firm recently completed similar analyses for two other clients. The firm will obtain and utilize county tax roll data in this assignment and will make data available through the Urbics website to staff.

Task 1. Project Initiation.

Consultant will identify, with Agency staff, material that will be required to complete the assignment. It is anticipated that the Agency will work with Consultant and with the County Auditor's office to provide the following items:

- Current year assessed valuation and tax increment calculations as reported by tax rate area by the Auditor. If 2010-11 calculations are not available, 2009-10 calculations will be used.
- Current year property tax allocation percentages (sometimes referred to as AB8 factors) used by the Controller. If 2010-11 calculations are not available, 2009-10 calculations will be used.
- Statements of Indebtedness for October 1, 2010 and October 1, 2009.
- Verification of taxing entities currently subject to contractual passthrough payments under Section 33401, including copies of Section 33401 passthrough agreements.
- Verification of taxing entities currently receiving 2% (Section 33676) payments, and identification of those payments made through contractual agreements and those which are, or have in the past, been made voluntarily.

Task 2. Analysis of Fiscal Impact

Consultant will prepare a tax increment model that incorporates statutory AB1290 passthrough payments commencing in 2011-12 for all taxing entities that do not currently have a contractual passthrough agreement with the Agency. The statutory passthrough payments will utilize a base assessed valuation set in 2010-11, as the current debt incurrence limit is June 2011.

Consultant will verify with the Auditor's staff the likely method by which the Auditor's Office will calculate AB1290 payments given the tax rate area method of tax increment calculation used by the Auditor. It is expected that the method used will be consistent with the method used in existing AB1290 project areas in Stanislaus County. Consultant will review with the Agency the 2% payments made voluntarily and determine whether they will be replaced by statutory AB1290 payments.

Consultant will also prepare a tax increment model showing no statutory passthrough payments, assuming the debt incurrence limit is not eliminated.

Task 3. Report Preparation

Consultant will prepare a summary table showing the net fiscal impact to the Agency of removing the debt incurrence limit, by comparing the tax increment available to the Agency through the remaining life of the Project Area with and without the statutory passthrough payments. The net impact will be expressed both in current dollars and in dollars deflated to 2010, using a reasonable deflation factor.

While the redevelopment plan allows the Agency to collect tax increment through 2044, it can only be collected to the extent the Agency has sufficient indebtedness to claim it. Should the debt incurrence limit not be removed (or should be limit be removed but the Agency not incur any additional debt), the Agency may be in a position of having insufficient debt to claim the full amount of tax increment, particularly in later years. This foregone revenue is an additional potential fiscal impact. An attempt will be made to estimate the revenue foregone in the event no further indebtedness is established after June 2011, using existing indebtedness shown on the most recent Statement of Indebtedness.

The Report will include a written summary of the findings and the summary tables.

TIMING AND FEES

The Agency has requested two separate Scopes of Service for assignments related to fiscal matters of the Agency. As there is significant overlap in the preparation and analysis required for the Scopes, there is a cost savings to be realized from performing both assignments. This is reflected in the fee structure described below.

Urban Analytics is prepared to commence work on the above Scope of Services once authorized by the Agency. It is estimated that a preliminary analysis of the fiscal impact will be completed in six weeks from authorization by Agency, subject to the timeliness with which the necessary information is received from the Agency and the Controller's office. A final analysis will be submitted two weeks following review and receipt of comments from the Agency.

The fee for the fiscal impact report, including Tasks 1 through 3, is \$5,000. In the event that the Agency elects to proceed with the separate assignment concerning an audit of passthrough payments, the fee for this Scope will be reduced by 10% to \$4,500. The fee assumes the assignment will be completed by phone and email; meetings requiring travel will be billed on a time and expense basis at an hourly rate of \$215 and an overhead rate of 15% of expenses. The fees include all data and materials necessary for the completion of the services described in the Scope above.

Ninety percent of the fee will be payable upon submission of the preliminary analysis with the remaining ten percent payable upon submission of the final document. In the event that the project is suspended or stopped by the Agency prior to completion of the preliminary analysis, a pro-rated fee will be charged based on work completed.

David Mealy, principal of Urban Analytics, will provide all services in this Scope. The firm and its principal have no known conflicts of interest.

Urban Analytics may provide additional services on a time-and-materials basis, as mutually agreed by the Agency and Urban Analytics. The hourly rate for such additional services is \$215 for 2010, increasing by five (5) percent for each subsequent calendar year.

SCOPE OF SERVICES

Introduction

The following scope of services from Urban Analytics (the Consultant) is focused on providing the Stanislaus County Redevelopment Agency (the Agency) with an evaluation of the passthrough payments performed by the Stanislaus County Auditor's Office for fiscal year 2009-10 in Redevelopment Project No. 1 (the Project Area). The Consultant has also provided the Agency with a separate Scope of Services for an analysis of the fiscal impact of elimination of the debt incurrence limit from the redevelopment plan.

Urban Analytics will draw on its experience with the Agency and with redevelopment tax increment matters in California in executing the services described below. The firm regularly reviews and performs passthrough calculations for clients. The firm will obtain and utilize county tax roll data in this assignment and will make data available through the Urbics website to staff.

Task 1. Project Initiation.

Consultant will identify, with Agency staff, material that will be required to complete the assignment. It is anticipated that the Agency will work with Consultant and with the county Auditor's office to provide the following items:

- 2009-10 assessed valuation and tax increment calculations as reported by tax rate area by the Auditor.
- 2009-10 passthrough calculations as provided by the County Auditor.
- Copies of Section 33401 fiscal agreements with all taxing entities.
- Verification of taxing entities currently receiving 2% (Section 33676) payments, and identification of those payments made through contractual agreements and those which are, or have in the past, been made voluntarily.

Task 2. Analysis of Passthrough Payments

Consultant will utilize a tax increment model to independently calculate the passthrough payment amounts for 2009-10. The model will utilize the tax rate area method of calculating tax increment, and will review the detailed spreadsheets provided by the Auditor's office. The tax rate area method is one in which tax increment is calculated within each tax rate area and summed to the project area, rather than calculating it on the project area as a whole. The method may eliminate negative increment at the tax rate area level, thereby increasing the amount of tax increment on a project area basis relative to a method in which negative increment is eliminated at the project area level. The method used by the Stanislaus County Auditor is specifically authorized for the County under state law.

Where differences are found, the Auditor's methods will be reviewed for consistency with the terms of the 33401 agreements and with redevelopment law. Given the unique nature of tax increment calculation as performed in Stanislaus County there may be differences in

how the authorizing law is interpreted; such differences in interpretation will be identified and discussed with Agency staff.

Once the reasons for any discrepancies in passthrough payment calculations are identified and discussed with Agency staff, they will be discussed with the Auditor's staff. The outcome of those conversations and email exchanges will be shared with Agency staff and incorporated into a report.

Task 3. Report Preparation

Consultant will prepare a summary table showing the differences in 2009-10 passthrough payments as calculated by the Consultant and by the Auditor's office. A written summary will be prepared describing the reasons for the differences and discuss any recommended steps for the Agency.

TIMING AND FEES

The Agency has requested two separate Scopes of Service for assignments related to fiscal matters of the Agency. As there is significant overlap in the preparation and analysis required for the Scopes, there is a cost savings to be realized from performing both assignments. This is reflected in the fee structure described below.

Urban Analytics is prepared to commence work on the above Scope of Services once authorized by the Agency. It is estimated that a preliminary report of the findings will be completed in six weeks from authorization by Agency, subject to the timeliness with which the necessary information is received from the Agency and the Auditor's office. A final analysis will be submitted two weeks following review and receipt of comments from the Agency.

The fee for the report, including Tasks 1 through 3, is \$5,000. In the event that the Agency elects to proceed with the separate assignment concerning an analysis of fiscal impacts related to the elimination of the debt incurrence limit, the fee for this Scope will be reduced by 10% to \$4,500. The fee assumes the assignment will be completed by phone and email; meetings requiring travel will be billed on a time and expense basis at an hourly rate of \$215 and an overhead rate of 15% of expenses. The fees include all data and materials necessary for the completion of the services described in the Scope above

Ninety percent of the fee will be payable upon submission of the preliminary analysis with the remaining ten percent payable upon submission of the final document. In the event that the project is suspended or stopped by the Agency prior to completion of the preliminary analysis, a pro-rated fee will be charged based on work completed.

David Mealy, principal of Urban Analytics, will provide all services in this Scope. The firm and its principal have no known conflicts of interest.

Urban Analytics may provide additional services on a time-and-materials basis, as mutually agreed by the Agency and Urban Analytics. The hourly rate for such additional services is \$215 for 2010, increasing by five (5) percent for each subsequent calendar year.

Sitting as the Redevelopment Agency
THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Redevelopment Agency

BOARD AGENDA # 9:05 a.m. *VI-C

Urgent

Routine

AGENDA DATE September 28, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Authorize a Contract with the Housing Authority of Stanislaus County to Provide \$600,000 for Affordable Housing Rehabilitation

STAFF RECOMMENDATIONS:

1. Approve the expenditure of \$600,000 of Housing Set-Aside funds to be used by the Housing Authority of Stanislaus County to provide affordable housing rehabilitation.
2. Authorize the Executive Director, on behalf of the Agency, to execute a contract with the Housing Authority of Stanislaus County to provide affordable housing rehabilitation.
3. Direct the Auditor-Controller to increase appropriations by \$600,000 per the financial transaction sheet.

FISCAL IMPACT:

The Stanislaus County Redevelopment Agency's Housing Set-Aside Fund has a sufficient fund balance to allow for the \$600,000 expenditure. The Agency annually budgets funds to provide for housing rehabilitation.

BOARD ACTION AS FOLLOWS:

No. 2010-610

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The California Redevelopment Law (CRL) requires an agency set-aside 20% of its gross tax increment to address affordable housing. The Stanislaus County Redevelopment Agency has agreed to contribute 25% of its gross tax increment to its Housing Set-Aside fund. The need to promote and invest in rehabilitation and improvement programs for existing housing with the intent and purpose of enhancing the tenure and condition of the structures and properties is one of the Agency's goals and objectives for the elimination of blight.

The Agency's Housing Rehabilitation Program provides assistance to very low, low, and moderate income homeowners with the rehabilitation of owner-occupied single-family dwellings. The focus of the program is to address health and safety issues by making necessary repairs including but not limited to: roof repairs/replacements, accessibility improvements, HVAC repairs/upgrades, electrical repairs/upgrades, window repairs/upgrades, and water heater replacement. In cases where the cost to rehabilitate the dwelling exceeds seventy-five percent of the rehabilitated value of the dwelling, a total reconstruction of the dwelling is undertaken. Rehabilitation efforts include a focus on energy efficiency and weatherization as a means of reducing long-term energy costs for the homeowners.

The Agency itself does not directly produce or rehabilitate affordable housing. Instead, the Agency provides financial assistance to public and non-profit entities in order to ensure affordable housing opportunities are provided within the redevelopment project area. All entities utilizing Agency funding are required to adhere to established criteria and assisted housing is subject to recorded affordability covenants as required by the CRL.

The Housing Rehabilitation Program provided by the Housing Authority of Stanislaus County (HA) is funded by a number of local jurisdictions and has been an integral part of the Agency's affordable housing program for approximately ten years. The funding provided by the Agency will be limited to housing rehabilitation activities undertaken within the Agency's project area. Agency staff routinely monitor the HA's activities and serve as the loan committee responsible for reviewing and approving the use of Agency funds.

The contract to be executed with the HA includes language referencing the Home Investment Partnership Program (HOME). Stanislaus County routinely leverages Redevelopment Agency funds with HOME funds allocated to the County. Use of leveraged funds is still limited to the Agency's project area, but contract language recognizes the HOME program which at times has more restricted criteria for the use of funds.

Approval to Authorize a Contract with the Housing Authority of Stanislaus County to Provide \$600,000 for Affordable Housing Rehabilitation
Page 3

Funds allocated to the HA will be used to provide loans to homeowners to cover the costs of rehabilitation; including eligible administration and program delivery cost. The services the HA will provide as part of their contract with the Agency include but are not limited to:

- Marketing the Housing Rehabilitation Program with the community;
- Receiving applications from property owners;
- Researching property title, verifying income for initial eligibility, collecting and verifying other information necessary to determine program eligibility;
- Conducting on-site pre-inspections to facilitate the preparation of work write-ups for contractor bidding;
- Conducting contractor-bidding process;
- Overseeing and managing rehabilitation activities;
- Conducting post-rehabilitation inspections to verify project completion;
- Loan document preparation and loan servicing; and
- Preparing and maintain files for all program participants.

POLICY ISSUES:

The Stanislaus County's Redevelopment Agency is required to use its Housing Set-Aside fund to increase, improve, and preserve the community's supply of affordable housing. Traditionally, the efforts of the Stanislaus County Redevelopment Agency fall within the Board Priorities of A Well Planned Infrastructure System, A Healthy Community, and Effective Partnerships.

STAFFING IMPACTS:

There are no staffing impacts associated with this item.

CONTACT PERSON:

Kirk Ford, Planning & Community Development Director. Telephone: (209) 525-6330

ATTACHMENT:

1. Contract to be executed with the Housing Authority of Stanislaus County
2. Budget Journal

**COUNTY OF STANISLAUS
STANDARD AGREEMENT**

Agreement Number:

1. This Agreement is entered into between the **Stanislaus County Redevelopment Agency** and the following named Contractor: **The Housing Authority of the County of Stanislaus**

(If other than an individual, state whether a corporation, partnership, etc.): a local public entity

2. **The term of this Agreement is:** October 1st 2010 to Until Project Complete and all Funds Expended

3. The maximum amount of payment based on X lump sum, or time \$ **(See Exhibit B)**

4. The parties agree to comply with the terms and conditions of the following exhibits, which by this reference, are made a part of the Agreement:

(a) Exhibit A -- Standard Contract Conditions (LF 4.01)

(b) Exhibit B -- Scope of Work

IN WITNESS WHEREOF, the parties have executed this Agreement on

(Date)

CONTRACTOR

Contractor's Name

Housing Authority of the *County of Stanislaus*

By *(Authorized Signature)* _____

Printed Name and Title of Person Signing

William A. Fagan, Executive Director

Mailing Address

P.O. Box 581918
Modesto, CA 95358-0033

Taxpayer Identification/Social Security No.

COUNTY OF STANISLAUS

Department Name

Stanislaus County Planning and Community Development / Stanislaus Redevelopment Agency

By *(Authorized Signature)* _____

Printed Name and Title of Person Signing

Kirk Ford, Executive Director


Mailing Address

1010 10th Street, Suite 3400, Modesto, CA 95354

Approved for Content:


Angela Freitas, Deputy Director

Approved for Form:


Thomas E. Boze, County Counsel

- (a) Any filing fees, permit fees, or other fees paid or advanced by the Contractor.
- (b) Expenses, fees or charges for printing, reproduction or binding of documents at actual costs.
- (c) The cost of any subcontractors, consultants, experts or investigators retained by the Contractor, provided the County has agreed in writing to reimburse the Contractor for such costs.
- (d) Travel costs, including transportation, lodging and meals, provided the County has agreed in writing to reimburse the Contractor for such costs. Any reimbursement for travel costs shall be subject to and not exceed those amounts paid to the County's employees under the current Stanislaus County Travel Policy.

2.4 Invoices. The Contractor shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the County shall pay in full within 30 days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.5 Maximum Amount of Contract. The parties hereto acknowledge the maximum amount to be paid by the County for services provided and expenses shall not exceed the amount set forth in Paragraph 3 of the signature page of the Agreement, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Contractor in the performance of work or services under the Agreement.

2.6 Other Compensation. Contractor shall not be entitled to nor receive compensation in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.7 Taxes. County will not withhold any Federal or State income taxes or Social Security tax from any payments to Contractor. The Contractor, not the County, has the sole responsibility to promptly pay all taxes and other assessments levied on any payments made to the Contractor.

2.8 Payment to Subcontractors and Suppliers. Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Contractor must apply all funds and progress payments received by the Contractor from the County for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Contractor shall direct or otherwise manifest the Contractor's intention and desire that payments made by the Contractor to subcontractors, suppliers and materialmen shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.

3. Termination. Either party may terminate this agreement upon 30 days prior written notice to the other party. Termination shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor, subject to any applicable setoffs. This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

4. Licenses, Certificates and Permits. Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work under the Agreement must be procured and maintained in full force and effect during the term of the Agreement at the Contractor's sole cost and expense.

5. Office Space, Supplies, Equipment, Etc. Unless otherwise provided in another exhibit to the Agreement, the Contractor shall provide at its sole cost and expense, all office space, supplies, equipment, vehicles, reference and other written materials, and telephone service as is necessary for Contractor to provide the services under the Agreement.

6. Insurance.

6.1 Required Insurance. Contractor shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

(a) General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Contractor under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

(b) Automobile Liability Insurance. If the Contractor or the Contractor's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

(c) Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, the Contractor certifies under section 1861 of the Labor Code that the Contractor is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Contractor will comply with such provisions before commencing the performance of the work of this Agreement.

(d) Professional Liability Insurance. If professional services are provided under this Agreement, then Contractor shall also maintain professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate. Such professional liability insurance shall be continued for a period of no less than one year following completion of the Consultant's work under this Agreement.

6.2 Deductibles. Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Contractor shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Contractor agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Contractor's defense and indemnification obligations as set forth in this Agreement.

6.3 Additional Insured. The Contractor shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming the County and its officers, officials and employees as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Contractor, including the insured's general supervision of the Contractor; (b) services, products and completed operations of the Contractor; (c) premises owned, occupied or used by the Contractor; and (d) automobiles owned, leased, hired or borrowed by the Contractor. The Workers' Compensation insurance carrier shall agree to waive all rights of subrogation against the County and its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the

Contractor.

6.4 Primary & Separate Coverage. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The Contractor's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Contractor's insurance and shall not contribute with Contractor's insurance.

6.5 Reporting. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees or volunteers.

6.6 Notice of Cancellation. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. The Contractor shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

6.7 Rating. Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to the County; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-VII shall be acceptable to the County; lesser ratings must be approved in writing by the County.

6.8 Subcontractors. Contractor shall require all its subcontractors to comply with the insurance and indemnity requirements stated herein, or shall include subcontractors as additional insureds under its insurance policies.

6.9 Proof of Insurance. At least ten (10) days prior to the date the Contractor begins performance of its obligations under this Agreement, Contractor shall furnish County with certificates of insurance and with original endorsements establishing coverage required by this Agreement, including, without limitation, those effecting coverage for subcontractors of the Contractor. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

6.10 Insurance Limits. The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

7. Defense and Indemnification. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. The Contractor's obligation to indemnify the County for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Contractor in contributing to such damage or loss.

8. Status of Contractor. All acts of Contractor and its officers, employees, agents, representatives, subcontractors relating to the performance of the Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Except as otherwise expressly provided in the Agreement,

Contractor has no authority to bind or incur any obligation on behalf of County or to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9. Records and Audit. Contractor shall maintain and keep all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years after the termination or completion of this Agreement. Any authorized representative of County shall have access to any such records writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Contractor.

10. Nondiscrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Contractor and its subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code, § 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11. Assignment. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

12. Amendment and Modification. The Agreement may be amended by the mutual written consent of the parties; provided, however, the County may, at anytime, without notice to any sureties, by written order designated or indicated to be a "contract modification," make any change in the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner or time of performance of work. If the Contractor intends to dispute the change, the Contractor must, within ten (10) days after receipt of a written "contract modification," submit to the County a written statement setting forth the disagreement with the change.

13. Disputes. Any dispute arising under or relating to the terms of the Agreement, or related to performance under the Agreement, shall be decided in writing by the County contract manager. The Contractor shall be furnished a copy of the written decision and the decision shall be final and conclusive unless, within fifteen (15) calendar days from the date of receipt of such copy, the Contractor mails or delivers a written appeal to the Director of the County Department. The decision of the Director, or designee, shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith, or not supported by any substantial evidence. Pending final decision on any dispute, the Contractor shall proceed diligently with the performance of work as directed by the contract manager unless the Contractor has received a notice of termination.

14. Waiver of Default. Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

15. Notice. Any notice or communication regarding Agreement that a party is required or may desire to make shall be in writing and may be personally served or sent by prepaid first class mail to the respective parties at the address set forth on the signature page of this Agreement. Notice is deemed received upon deposit in the mail.

16. Conflicts. Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

17. Entire Agreement. The Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties and contains all the agreements between the parties with respect to the subject matter of the Agreement. No other agreement, statement or promise not contained in this Agreement shall be valid or binding.

18. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

19. Construction. Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

20. Governing Law and Venue. This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

END OF STANDARD CONDITIONS (LONG FORM)

Exhibit "B"

Housing Rehabilitation Program

SCOPE OF WORK:

ALLOCATION

Total Allocation Amount: \$600,000

PROGRAM DESCRIPTION

Oversee and manage a housing rehabilitation program assisting qualified homeowners with health and safety related repairs to owner occupied single-family and manufactured homes located within the sub-areas of the Stanislaus County Redevelopment Agency Project No.1. Allocated funds shall be used to provide loans to participating homeowners to cover the cost of rehabilitation; including eligible administration and program delivery costs.

SERVICES TO BE PROVIDED

The Contractor shall provide the following services:

Market the Housing Rehabilitation Program within the Community.

Receive applications from property owner's desiring health and safety types of repairs.

Research property title; verify income for initial eligibility, collect and verify other information necessary to determine program eligibility of potential participants.

Verify ownership using Realquest® software.

Verify homeowner's insurance at eligibility. Send request to insurance provider to have County listed as Additional Insured or a Loss Payable Endorsement. Yearly verification requested, but not required.

Conduct onsite pre-inspections to facilitate the preparation of work write-ups for contractor bidding.

Conduct post-rehabilitation inspection to verify project completion.

Establish and maintain an eligibility list.

Conduct contractor-bidding process.

Obtain Redevelopment Agency approval of all loans and verify completion of all applicable loan paperwork prior to awarding of any contracts.

Award contracts and track project progress through completion.

Service all loans made with allocated funds in accordance with terms of the loan and for the life of the loan.

Prepare and maintain files for all program participants and/or activities. These files shall include all documents and information relative to the individual project(s) per HOME Investment Partnerships Program and California Redevelopment Law standards. These files shall be current, complete records, including, but not limited to, contracts, source documents supporting accounting transactions, eligibility and service records as may be

applicable, a ledger, personnel and payroll records, cancelled checks and related documents and records to assure proper accounting of funds and performance of this contract in accordance with HOME regulations. To the extent permitted by law, the Redevelopment Agency is permitted access to all books, accounts or records of any kind for purposes of audit or investigation, in order to ascertain compliance with the provisions of this contract. Records shall be maintained for a period of five years or in accordance with 24 CFR Part 92.508 (c), whichever is longer.

The Contractor will cooperate in the preparation of, and will furnish any and all information required for, reports required to be made by either the Redevelopment Agency or the County of Stanislaus.

The Contractor agrees to defend, indemnify and hold harmless the Redevelopment Agency and its officers, employees, and agents from any and all acts, claims, omissions, liabilities and losses by whomever asserted arising out of acts or omissions of Contractor in the performance of the Scope of Work except those arising by reason of the sole negligence of the Redevelopment Agency, its officers, employees or agents.

Loan repayments, interest or other return on Redevelopment Agency funds disbursed through this contract shall be collected by the Contractor and transferred to the Redevelopment Agency within 3 days of receipt.

The Contractor shall comply with all applicable laws, ordinances and codes of Federal, State and local governments, in the performance of this Agreement.

The Contractor agrees to comply with all requirements which are now or which may hereafter be imposed by HUD for the HOME Program, as well as such requirements as may be imposed by the City of Turlock/Stanislaus County HOME Consortium.

The Contractor shall be responsible for conducting the environmental review of any projects assisted through this contract in compliance with the National Environmental Protection Act and 24 CFR 58. A copy of any such review shall be sent to the Redevelopment Agency for the Agency's review, approval and formal acceptance prior to awarding of any contract.

The Contractor agrees that it will comply with the Americans with Disabilities Act and Title VII or the Civil Rights Acts of 1964, and that no person in the United States shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era veteran's status, political affiliation or any other non-merit factors be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available to the Contractor by the Redevelopment Agency pursuant to this contract.

For the purpose of these Acts no person shall:

- a. Deny any services or other benefit provided under the program or activity.
- b. Provide any service or other benefit which is different or is provided in a different form from that provided to others under the program or activity;
- c. Subject to segregated or separate treatment in any facility in or in any manner or process related to receipt of any service or benefit under the program or activity;
- d. Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit under the program or activity;

- e. Treat an individual differently from others in determining whether that individual satisfies and admission enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or other benefit provided under the program or activity; or
- f. Deny an opportunity to participate in a program or activity as an employee.

To comply with the HOME regulation that funds be spent within 3 days of disbursement, **the Contractor shall request reimbursements of incidental expenditures.** In the case of a known large expense, the Contractor may request, in writing, from the Redevelopment Agency, an advance of the necessary amount of the funds, which will be expended within the time allowed. The amount of each request shall be limited to the amount needed.

COMPENSATION

The Contractor shall be compensated for the services provided under this agreement as follows:

Project Reimbursement Fees:

Loan Origination Fee:	\$110
Loan Underwriting Fee:	\$200
Document Preparation Fee:	\$115
Notary Fee:	\$20
Scope of Work Inspection:	\$130
Work Write-Up and Specs:	\$100
Project Bidding:	\$60
Contractor Selection:	\$50
Construction Monitoring:	\$100

The Contractor shall be compensated at a rate of fifteen percent (15%) of the total construction cost for each project funded under this contact.

The Contractor shall be compensated fifty dollars (\$50.00) each for all other completed applications.

The Contractor shall be compensated at the rate of ten-dollars (\$10.00) for each monthly loan payment processed. (This fee may be subject to an increase of 3% each year for inflation).

The Contractor shall submit a written invoice identifying the name of the individual performing services, the date the services were performed, a description of the services, and the total cost of the services. Any requests for payment of **reimbursable expenses** shall be itemized on the invoice. The Redevelopment Agency shall pay the Contractor within thirty (30) days of the receipt of the invoice.



**BOARD OF SUPERVISORS
DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT**

2010 OCT 28 P 4: 01 1010 10TH Street, Suite 3400, Modesto, CA 95354
Phone: 209.525.6330 Fax: 209.525.5911

DATE: October 29, 2010
TO: Suzi Seibert, Clerk BOS
RE: Stanislaus County RDA / Housing Authority Agreement
Housing Rehabilitation Program \$600,000

BOS Resolution #2010-610

For your records.

Thank you

Roxanne L. Hubbs, SST
525-5926
hubbsr@stancounty.com

COUNTY OF STANISLAUS STANDARD AGREEMENT

Agreement Number:

1. This Agreement is entered into between the **Stanislaus County Redevelopment Agency** and the following named Contractor: **The Housing Authority of the County of Stanislaus**
(If other than an individual, state whether a corporation, partnership, etc.): a local public entity

2. **The term of this Agreement is:** October 1st 2010 to Until Project Complete and all Funds Expended

3. The maximum amount of payment based on X lump sum, or ___ time \$ _____ **(See Exhibit B)**

4. The parties agree to comply with the terms and conditions of the following exhibits, which by this reference, are made a part of the Agreement:

- (a) Exhibit A -- Standard Contract Conditions (LF 4.01)
- (b) Exhibit B -- Scope of Work

IN WITNESS WHEREOF, the parties have executed this Agreement on

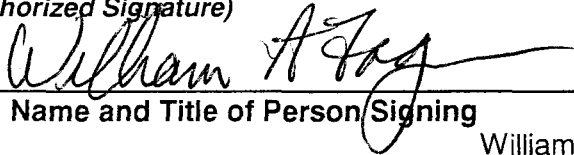
(Date)

CONTRACTOR

Contractor's Name

Housing Authority of the *County of Stanislaus*

By (Authorized Signature)



Printed Name and Title of Person Signing

William A. Fagan, Executive Director

Mailing Address

P.O. Box 581918
Modesto, CA 95358-0033

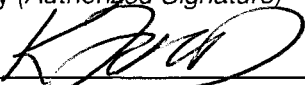
Taxpayer Identification/Social Security No.

COUNTY OF STANISLAUS

Department Name

Stanislaus County Planning and Community Development / Stanislaus Redevelopment Agency

By (Authorized Signature)



Printed Name and Title of Person Signing

Kirk Ford, Executive Director

Mailing Address

1010 10th Street, Suite 3400, Modesto, CA 95354

Approved for Content:


Angela Freitas, Deputy Director

Approved for Form:

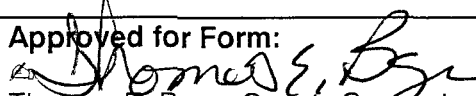

Thomas E. Boze, County Counsel

EXHIBIT A
STANDARD CONTRACT CONDITIONS
(Long Form 4/5/01)

1. Description of Work.

1.1 Work To Be Performed. The Contractor shall provide work or services as described in the Scope of Work and, if the Contractor has submitted a work proposal, the Contractor shall provide work or services in accordance with that proposal, which shall be attached to and, by this reference, made a part of the Agreement. In the event that any provision or description of work in the Contractor's proposal conflicts or is inconsistent with any similar provision or description of work described in the Scope of Work, the Scope of Work shall prevail, control or otherwise have precedence.

1.2 Contract Manager. Each party shall designate in writing a contract manager who shall be the day-to-day representative for administration of this agreement, and, except as otherwise specifically provided, shall have full authority to act on behalf of the respective party with respect to this Agreement. The County Department Head, or designee, or the Board of Supervisors, may also perform any and all acts which could be performed by the contract manager under this Agreement.

1.3 Work Schedule. A work schedule for the hours and times for completion of said services and work shall be prepared and implemented by the Contractor; provided, however, that such schedule is subject to review by and concurrence of the County.

1.4 Work Product. All documents, drawings and written work product prepared or produced by the Contractor under this Agreement, including without limitation electronic data files, are the property of the Contractor; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Contractor may copyright the same, except that, as to any work which is copyrighted by the Contractor, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

1.5 Compliance with Laws. Services and work provided by the Contractor will be performed in a timely manner in compliance with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions.

2. Compensation.

2.1 Lump Sum Payment. If the signature page of the Agreement indicates lump sum payment, then the Contractor shall be compensated for work performed or services provided under the Agreement on a lump sum basis for each task as described in the Scope of Work, or in any proposal submitted by the Contractor, that is attached to and made part of the Agreement, by making periodic or progress payments upon completion of each task or item of work. The County shall retain ten (10) percent of all periodic or progress payments made to the Contractor until completion and acceptance of all work tasks and payment of all subcontractors retained, hired or used by the Contractor.

2.2 Time & Materials Payment. If the signature page of the Agreement indicates time and materials payment, then Contractor compensation shall be based on the hours worked by the Contractor and/or the Contractor's employees or subcontractors, multiplied by the applicable rate set forth in the Contractor's current, dated schedule-of rates attached hereto and, by this reference, made a part hereof; provided, however, the Contractor will provide the County 30-days notice before any change in the rate schedule takes effect.

2.3 Expenses. In addition to the aforementioned fees, Contractor will be reimbursed for the following expenses, plus any expenses agreed to in writing by the parties, that are reasonable, necessary and actually incurred by the Contractor in connection with providing or performing the work or services under the Agreement.

- (a) Any filing fees, permit fees, or other fees paid or advanced by the Contractor.
- (b) Expenses, fees or charges for printing, reproduction or binding of documents at actual costs.
- (c) The cost of any subcontractors, consultants, experts or investigators retained by the Contractor, provided the County has agreed in writing to reimburse the Contractor for such costs.
- (d) Travel costs, including transportation, lodging and meals, provided the County has agreed in writing to reimburse the Contractor for such costs. Any reimbursement for travel costs shall be subject to and not exceed those amounts paid to the County's employees under the current Stanislaus County Travel Policy.

2.4 Invoices. The Contractor shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the County shall pay in full within 30 days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.5 Maximum Amount of Contract. The parties hereto acknowledge the maximum amount to be paid by the County for services provided and expenses shall not exceed the amount set forth in Paragraph 3 of the signature page of the Agreement, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Contractor in the performance of work or services under the Agreement.

2.6 Other Compensation. Contractor shall not be entitled to nor receive compensation in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.7 Taxes. County will not withhold any Federal or State income taxes or Social Security tax from any payments to Contractor. The Contractor, not the County, has the sole responsibility to promptly pay all taxes and other assessments levied on any payments made to the Contractor.

2.8 Payment to Subcontractors and Suppliers. Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Contractor must apply all funds and progress payments received by the Contractor from the County for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Contractor shall direct or otherwise manifest the Contractor's intention and desire that payments made by the Contractor to subcontractors, suppliers and materialmen shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.

3. Termination. Either party may terminate this agreement upon 30 days prior written notice to the other party. Termination shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor, subject to any applicable setoffs. This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Contractor's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Contractor ceases to be licensed or otherwise authorized to do business in the State of California, and the Contractor fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

4. Licenses, Certificates and Permits. Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work under the Agreement must be procured and maintained in full force and effect during the term of the Agreement at the Contractor's sole cost and expense.

5. Office Space, Supplies, Equipment, Etc. Unless otherwise provided in another exhibit to the Agreement, the Contractor shall provide at its sole cost and expense, all office space, supplies, equipment, vehicles, reference and other written materials, and telephone service as is necessary for Contractor to provide the services under the Agreement.

6. Insurance.

6.1 Required Insurance. Contractor shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

(a) General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Contractor under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

(b) Automobile Liability Insurance. If the Contractor or the Contractor's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

(c) Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, the Contractor certifies under section 1861 of the Labor Code that the Contractor is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Contractor will comply with such provisions before commencing the performance of the work of this Agreement.

(d) Professional Liability Insurance. If professional services are provided under this Agreement, then Contractor shall also maintain professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate. Such professional liability insurance shall be continued for a period of no less than one year following completion of the Consultant's work under this Agreement.

6.2 Deductibles. Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Contractor shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Contractor agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Contractor's defense and indemnification obligations as set forth in this Agreement.

6.3 Additional Insured. The Contractor shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming the County and its officers, officials and employees as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Contractor, including the insured's general supervision of the Contractor; (b) services, products and completed operations of the Contractor; (c) premises owned, occupied or used by the Contractor; and (d) automobiles owned, leased, hired or borrowed by the Contractor. The Workers' Compensation insurance carrier shall agree to waive all rights of subrogation against the County and its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the

Contractor.

6.4 Primary & Separate Coverage. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The Contractor's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of the Contractor's insurance and shall not contribute with Contractor's insurance.

6.5 Reporting. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees or volunteers.

6.6 Notice of Cancellation. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. The Contractor shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

6.7 Rating. Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to the County; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-VII shall be acceptable to the County; lesser ratings must be approved in writing by the County.

6.8 Subcontractors. Contractor shall require all its subcontractors to comply with the insurance and indemnity requirements stated herein, or shall include subcontractors as additional insureds under its insurance policies.

6.9 Proof of Insurance. At least ten (10) days prior to the date the Contractor begins performance of its obligations under this Agreement, Contractor shall furnish County with certificates of insurance and with original endorsements establishing coverage required by this Agreement, including, without limitation, those effecting coverage for subcontractors of the Contractor. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

6.10 Insurance Limits. The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

7. Defense and Indemnification. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. The Contractor's obligation to indemnify the County for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Contractor in contributing to such damage or loss.

8. Status of Contractor. All acts of Contractor and its officers, employees, agents, representatives, subcontractors relating to the performance of the Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Except as otherwise expressly provided in the Agreement,

Contractor has no authority to bind or incur any obligation on behalf of County or to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9. Records and Audit. Contractor shall maintain and keep all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years after the termination or completion of this Agreement. Any authorized representative of County shall have access to any such records writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Contractor.

10. Nondiscrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Contractor and its subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code, § 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11. Assignment. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

12. Amendment and Modification. The Agreement may be amended by the mutual written consent of the parties; provided, however, the County may, at anytime, without notice to any sureties, by written order designated or indicated to be a "contract modification," make any change in the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner or time of performance of work. If the Contractor intends to dispute the change, the Contractor must, within ten (10) days after receipt of a written "contract modification," submit to the County a written statement setting forth the disagreement with the change.

13. Disputes. Any dispute arising under or relating to the terms of the Agreement, or related to performance under the Agreement, shall be decided in writing by the County contract manager. The Contractor shall be furnished a copy of the written decision and the decision shall be final and conclusive unless, within fifteen (15) calendar days from the date of receipt of such copy, the Contractor mails or delivers a written appeal to the Director of the County Department. The decision of the Director, or designee, shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith, or not supported by any substantial evidence. Pending final decision on any dispute, the Contractor shall proceed diligently with the performance of work as directed by the contract manager unless the Contractor has received a notice of termination.

14. Waiver of Default. Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

15. Notice. Any notice or communication regarding Agreement that a party is required or may desire to make shall be in writing and may be personally served or sent by prepaid first class mail to the respective parties at the address set forth on the signature page of this Agreement. Notice is deemed received upon deposit in the mail.

16. Conflicts. Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.
17. Entire Agreement. The Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties and contains all the agreements between the parties with respect to the subject matter of the Agreement. No other agreement, statement or promise not contained in this Agreement shall be valid or binding.
18. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.
19. Construction. Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.
20. Governing Law and Venue. This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

END OF STANDARD CONDITIONS (LONG FORM)

Exhibit "B"

Housing Rehabilitation Program

SCOPE OF WORK:

ALLOCATION

Total Allocation Amount: \$600,000

PROGRAM DESCRIPTION

Oversee and manage a housing rehabilitation program assisting qualified homeowners with health and safety related repairs to owner occupied single-family and manufactured homes located within the sub-areas of the Stanislaus County Redevelopment Agency Project No.1. Allocated funds shall be used to provide loans to participating homeowners to cover the cost of rehabilitation; including eligible administration and program delivery costs.

SERVICES TO BE PROVIDED

The Contractor shall provide the following services:

Market the Housing Rehabilitation Program within the Community.

Receive applications from property owner's desiring health and safety types of repairs.

Research property title; verify income for initial eligibility, collect and verify other information necessary to determine program eligibility of potential participants.

Verify ownership using Realquest® software.

Verify homeowner's insurance at eligibility. Send request to insurance provider to have County listed as Additional Insured or a Loss Payable Endorsement. Yearly verification requested, but not required.

Conduct onsite pre-inspections to facilitate the preparation of work write-ups for contractor bidding.

Conduct post-rehabilitation inspection to verify project completion.

Establish and maintain an eligibility list.

Conduct contractor-bidding process.

Obtain Redevelopment Agency approval of all loans and verify completion of all applicable loan paperwork prior to awarding of any contracts.

Award contracts and track project progress through completion.

Service all loans made with allocated funds in accordance with terms of the loan and for the life of the loan.

Prepare and maintain files for all program participants and/or activities. These files shall include all documents and information relative to the individual project(s) per HOME Investment Partnerships Program and California Redevelopment Law standards. These files shall be current, complete records, including, but not limited to, contracts, source documents supporting accounting transactions, eligibility and service records as may be

applicable, a ledger, personnel and payroll records, cancelled checks and related documents and records to assure proper accounting of funds and performance of this contract in accordance with HOME regulations. To the extent permitted by law, the Redevelopment Agency is permitted access to all books, accounts or records of any kind for purposes of audit or investigation, in order to ascertain compliance with the provisions of this contract. Records shall be maintained for a period of five years or in accordance with 24 CFR Part 92.508 (c), whichever is longer.

The Contractor will cooperate in the preparation of, and will furnish any and all information required for, reports required to be made by either the Redevelopment Agency or the County of Stanislaus.

The Contractor agrees to defend, indemnify and hold harmless the Redevelopment Agency and its officers, employees, and agents from any and all acts, claims, omissions, liabilities and losses by whomever asserted arising out of acts or omissions of Contractor in the performance of the Scope of Work except those arising by reason of the sole negligence of the Redevelopment Agency, its officers, employees or agents.

Loan repayments, interest or other return on Redevelopment Agency funds disbursed through this contract shall be collected by the Contractor and transferred to the Redevelopment Agency within 3 days of receipt.

The Contractor shall comply with all applicable laws, ordinances and codes of Federal, State and local governments, in the performance of this Agreement.

The Contractor agrees to comply with all requirements which are now or which may hereafter be imposed by HUD for the HOME Program, as well as such requirements as may be imposed by the City of Turlock/Stanislaus County HOME Consortium.

The Contractor shall be responsible for conducting the environmental review of any projects assisted through this contract in compliance with the National Environmental Protection Act and 24 CFR 58. A copy of any such review shall be sent to the Redevelopment Agency for the Agency's review, approval and formal acceptance prior to awarding of any contract.

The Contractor agrees that it will comply with the Americans with Disabilities Act and Title VII or the Civil Rights Acts of 1964, and that no person in the United States shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era veteran's status, political affiliation or any other non-merit factors be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available to the Contractor by the Redevelopment Agency pursuant to this contract.

For the purpose of these Acts no person shall:

- a. Deny any services or other benefit provided under the program or activity.
- b. Provide any service or other benefit which is different or is provided in a different form from that provided to others under the program or activity;
- c. Subject to segregated or separate treatment in any facility in or in any manner or process related to receipt of any service or benefit under the program or activity;
- d. Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit under the program or activity;

- e. Treat an individual differently from others in determining whether that individual satisfies and admission enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or other benefit provided under the program or activity; or
- f. Deny an opportunity to participate in a program or activity as an employee.

To comply with the HOME regulation that funds be spent within 3 days of disbursement, **the Contractor shall request reimbursements of incidental expenditures.** In the case of a known large expense, the Contractor may request, in writing, from the Redevelopment Agency, an advance of the necessary amount of the funds, which will be expended within the time allowed. The amount of each request shall be limited to the amount needed.

COMPENSATION

The Contractor shall be compensated for the services provided under this agreement as follows:

Project Reimbursement Fees:

Loan Origination Fee:	\$110
Loan Underwriting Fee:	\$200
Document Preparation Fee:	\$115
Notary Fee:	\$20
Scope of Work Inspection:	\$130
Work Write-Up and Specs:	\$100
Project Bidding:	\$60
Contractor Selection:	\$50
Construction Monitoring:	\$100

The Contractor shall be compensated at a rate of fifteen percent (15%) of the total construction cost for each project funded under this contact.

The Contractor shall be compensated at the rate of ten-dollars (\$10.00) for each monthly loan payment processed. (This fee may be subject to an increase of 3% each year for inflation).

The Contractor shall submit a written invoice identifying the name of the individual performing services, the date the services were performed, a description of the services, and the total cost of the services. Any requests for payment of **reimbursable expenses** shall be itemized on the invoice. The Redevelopment Agency shall pay the Contractor within thirty (30) days of the receipt of the invoice.