

**HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HOUSING AUTHORITY
COMMUNITY DEVELOPMENT COMMISSION
FIRE PROTECTION DISTRICT
WATER DISTRICT
AGENDA**

*Regular Joint Meetings
1st and 3rd Tuesday*

**Date: May 1, 2018
REGULAR MEETING**

Time: 5:30 P.M. (Closed Session)
6:30 P.M. (Regular Meeting)

CITY COUNCIL MEMBERS

Russ Blewett, Mayor

Bill Holland, Mayor Pro Tem

Larry Bird, Council Member

Paul Russ, Council Member

Rebekah Swanson, Council Member

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Nils Bentsen, City Manager

Eric L. Dunn, City Attorney



City of Hesperia

**Council Chambers
9700 Seventh Avenue
Hesperia, CA 92345 and
Teleconference Location:**

**16850 Bear Valley Road, Room 281B,
Victorville, CA 92395**

City Clerk's Office: (760) 947-1007

**Agendas and Staff Reports are
available on the City Website
www.cityofhesperia.us**

Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



NOTE: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1056. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA FIRE PROTECTION DISTRICT
HESPERIA WATER DISTRICT**

Meeting to be held at the following locations:

**9700 Seventh Avenue, Hesperia, CA 92345 and
16850 Bear Valley Road, Room 281B, Victorville, CA 92395 (teleconference location)**

As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.

Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.

CLOSED SESSION - 5:30 PM

Roll Call

*Mayor Russell Blewett
Mayor Pro Tem Bill Holland
Council Member Larry Bird
Council Member Paul Russ
Council Member Rebekah Swanson*

Conference with Legal Counsel - Potential Litigation:
Government Code Section 54956.9(d)2

1. One (1) case

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag

C. Roll Call

Mayor Russell Blewett

Mayor Pro Tem Bill Holland
Council Member Larry Bird
Council Member Paul Russ
Council Member Rebekah Swanson

D. Agenda Revisions and Announcements by City Clerk

E. Closed Session Reports by City Attorney

ANNOUNCEMENTS/PRESENTATIONS

1. Presentation by Regina Weatherspoon-Bell on behalf of the Dreamers, Visionaries and Leaders Project
2. Presentation of Certificate of Recognition to Sultana High School Wrestling Team
3. Presentation of Certificate of Recognition to Oak Hills High School Wrestling Team
4. Presentation to Bill Hague, Athletic Director from Hesperia Christian School in recognition of the school's successful football season
5. Community Events Calendar

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

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- 1) City Council
- 2) Fire District
- 3) Water District

JOINT CONSENT CALENDAR

1. Page 7 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, April 17, 2018

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, April 17, 2018.

Staff Person: City Clerk Melinda Sayre

Attachments: [Draft CC Min 2018-04-17](#)

2. Page 13 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Warrant Run 5-1-2018](#)
[Attachment 1 - Warrant Runs](#)

3. Page 15 Annual Report on Status and Implementation of the General Plan

Recommended Action:

The Planning Commission recommends that the City Council review this annual report, and direct staff to transmit copies to the Governor's Office of Planning and Research, and the Department of Housing and Community Development as required by law.

Staff Person: Principal Planner Jeff Codega

Attachments: [SR Annual General Plan Report 5-1-2018](#)
[Attachment 1 - General Plan Annual Report 2017](#)

4. Page 41 Approve the Term Loan Agreement Between the City of Hesperia and the San Bernardino County Transportation Authority Related to the Construction of the Ranchero Road & I-15 Interchange Project

Recommended Action:

It is recommended that the City Council approve the Term Loan Agreement, Contract No. 17-1001629, between the City of Hesperia and the San Bernardino County Transportation Authority (SBCTA), formerly the San Bernardino Associated Governments (SANBAG), for the principal amount of \$18,762,403.05 plus interest, related to the construction of the Ranchero Road & I-15 Interchange Project (C.O. No. 7086) and authorize the Mayor to execute the Agreement.

Staff Person: Assistant City Manager Michael Blay

Attachments: [SR SBCTA Loan Agreement 5-1-2018](#)
[Attachment 1 - Term Loan Agreement](#)

5. Page 59 Joining an Amicus Brief in support of the Department of Justice

Recommended Action:

It is recommended that the City Council approve joining an amicus brief prepared by the Immigration Reform Law Institute ("IRLI") in support of the Department of Justice ("DOJ") lawsuit asserting the supremacy of federal immigration laws, and authorize the City Attorney to take actions related thereto.

Staff Person: City Attorney Eric Dunn

Attachments: [SR Amicus Brief 5-1-2018](#)

6. Page 61 Three-Year Maintenance and Licensing Agreement with Granicus

Recommended Action:

It is recommended that the City Council authorize the City Manager to execute a three-year maintenance and licensing contract with Granicus Inc. for an amount not to exceed \$154,815 to provide maintenance and licensing for the Legislative Management Suite (Legistar) and video streaming services.

Staff Person: IT Manager Sean Boal

Attachments: [SR Granicus Maintenance and Licensing Agreement 5-1-2018](#)

7. Page 63 Three-Year Maintenance and Licensing Agreement with Tyler Technologies

Recommended Action:

It is recommended that the City Council authorize the City Manager to execute a three-year maintenance and licensing contract with Tyler Technologies, Inc. for an amount not to exceed \$378,415 to provide maintenance and licensing for the New World Financial System.

Staff Person: IT Manager Sean Boal

Attachments: [SR Tyler Maintenance and Licensing Agreement 5-1-2018](#)

8. Page 65 Two-Year Maintenance and Licensing Agreement with Superior

Recommended Action:

It is recommended that the City Council authorize the City Manager to execute a contract with Superior with a not to exceed amount of \$100,791 over two (2) years for licensing, support, and maintenance of TrakiT.

Staff Person: IT Manager Sean Boal

Attachments: [SR Superior Maintenance and Licensing Agreement 5-1-2018](#)

NEW BUSINESS

9. Page 67 FY 2018-19 Budget Workshop #2 - Operating Budget

Recommended Action:

It is recommended that the City Council and the Hesperia Water District Board of Directors receive and file this staff report and presentation, which provides information about the current status of the City of Hesperia's proposed operating budget for FY 2018-19.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Budget Workshop-2 Operating Budget 5-1-2018](#)

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.

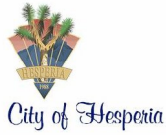
ADJOURNMENT

I, Melinda Sayre, City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday, April 26, 2018 at 5:30 p.m. pursuant to California Government Code §54954.2.

*Melinda Sayre,
City Clerk*

Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.

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City of Hesperia

Meeting Minutes - Draft

City Council

City Council Chambers
9700 Seventh Ave.
Hesperia CA, 92345

Tuesday, April 17, 2018

6:30 PM

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA FIRE PROTECTION DISTRICT
HESPERIA WATER DISTRICT**

**Meeting held at the following locations:
9700 Seventh Avenue, Hesperia, CA 92345 and
16850 Bear Valley Road, Room 281B, Victorville, CA 92395 (teleconference location)**

CLOSED SESSION - 5:30 PM

Roll Call

Present: 5 - Mayor Blewett (via teleconference location listed on agenda), Mayor Pro Tem Holland, Council Member Bird, Council Member Russ, and Council Member Swanson

Absent: 0

Conference with Legal Counsel - Potential Litigation:
Government Code Section 54956.9(d)2

1. Two (2) cases

CALL TO ORDER - 6:30 PM

- A. Invocation by Tom Beasley of Hesperia Community Church**
- B. Pledge of Allegiance to the Flag**
- C. Roll Call**

Present: 5 - Mayor Blewett (via teleconference location listed on agenda), Mayor Pro Tem Holland, Council Member Bird, Council Member Russ, and Council Member Swanson

Absent: 0

- D. Agenda Revisions and Announcements by City Clerk - None**
- E. Closed Session Reports by City Attorney - Direction given to staff. No reportable action taken.**

ANNOUNCEMENTS/PRESENTATIONS

1. Employee of the Month for April to Stephanie McClure, Assistant City Clerk by the City Council
2. Presentation of Certificate of Recognition to Hesperia High School Boys Varsity Soccer Team
3. Presentation of Certificate of Recognition to Hesperia High School Wrestling Team
4. Presentation of Recognition to outgoing Police Chief Gregg Wielenga
5. Introduction of new Police Chief Mike Browne
6. Community Events Calendar - *Annual No Drugs America Day on 4/21 10am – 4pm, The City is accepting nominations for the new Pride Enhancement Program, follow the City on social media for information about City programs and projects, as well as emergency alerts.*

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Al Vogler commented on traffic safety, Daniel Krist commented on various community issues, Bill Jensen commented on the BIA, Cheri Garrison commented on a Flag retiring project by the Air Force ROTC at Sultana and VFW.

JOINT CONSENT CALENDAR

A motion was made by Russ, seconded by Bird, that the Consent Calendar items 1-3 and 5-13 be approved. The motion carried by the following vote:

Aye: 5 - Blewett, Holland, Bird, Russ and Swanson

Nay: 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, April 3, 2018

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, April 3, 2018.

Sponsors: City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Sponsors: Director of Finance Casey Brooksher

3. Treasurer's Cash Report for the unaudited period ended February 28, 2018

Recommended Action:

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Sponsors: Director of Finance Casey Brooksher

4. **Item No. 4 was pulled by Council Member Bird for discussion.** Audited Financial Statements for Fiscal Year Ended June 30, 2017

Recommended Action:

It is recommended that the City Council, Community Development Commission, Hesperia Housing Authority Board, Hesperia Water District Board, and Hesperia Fire Protection District Board receive and file the audited Financial Statements for the Fiscal Year Ended June 30, 2017.

Sponsors: Director of Finance Casey Brooksher

A motion was made by Russ, seconded by Bird, that this item be approved. The motion carried by the following vote:

Aye: 5 - Blewett, Holland, Bird, Russ and Swanson

Nay: 0

5. Parcel Map No. 19858

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2018-023 approving Parcel Map No. 19858 to create two parcels from approximately 5 gross acres within the Neighborhood Commercial (NC) Zone of the Main Street and Freeway Corridor Specific Plan located at 14135 Main Street (Applicant: SRT Secured Topaz; APN: 3057-121-19).

Sponsors: Assistant City Manager Michael Blay

6. Amendment to Professional Services Agreement with Western Audio Visual

Recommended Action:

It is recommended that the City Council approve an amendment to the Western Audio Visual contract in the amount of \$6,135 for a total contract amount not to exceed \$157,613.52, allowing for the transition of the audio/video equipment to an alternate location.

Sponsors: IT Manager Sean Boal

7. Increase to Contracts- Risk Free Repair & Road Service, and Hesperia Unified School District

Recommended Action:

It is recommended that the City Council and the Board of Directors of the Hesperia Water District (HWD), authorize the City Manager to execute an increase to the contract with Risk Free Repair & Road Service in the amount of \$12,000, with a new not-to-exceed amount of \$207,000 and with Hesperia Unified School District (HUSD) in the amount of \$133,000 with a new not-to-exceed amount of \$326,000.

Sponsors: Public Works Manager Mark Faherty

8. Approve the FY 2018-19 SB-1 Funding Project List

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2018-025 approving the FY 2018-19 Project List to be funded by SB-1: The Road Repair and Accountability Act.

Sponsors: Assistant City Manager Michael Blay

9. Purchase and Sale Agreement for 9787 11th Ave

Recommended Action:

It is recommended that the Hesperia Housing Authority (HHA) adopt Resolution No. HHA 2018-05: (i) approving the "Agreement For The Purchase And Sale Of Real Property And Joint Escrow Instructions" (Agreement) for real property located at 9787 11th Avenue, Assessor's Parcel Number 0407-251-09 (Property) by and between Amisha Patel dba Dekami Financial Services, Inc. (Buyer) and the Hesperia Housing Authority (Seller); and (ii) authorizing the Executive Director to execute all documents necessary to consummate the transaction.

Sponsors: Economic Development Manager Rod Yahnke

10. Permanent Water Rights Purchase and Lease from Jerry Cunningham

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District (District) 1) authorize the purchase of 10 acre-feet of permanent Base Annual Production water rights in the Alto Subarea from Jerry Cunningham at \$4,200 per acre-foot; 2) authorize the lease of 8 acre-feet of carryover rights at \$280 per acre-foot, for a combined total amount of \$44,240; and 3) authorize the City Manager to execute all documents related to the purchase and lease transactions.

Sponsors: Assistant City Manager Michael Blay

11. Assignment of Water Rights from Newton T. Bass Trust

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District (District) authorize the assignment of carryover right water in the Alto Subarea from Newton T. Bass Trust in the amount of \$117,420.

Sponsors: Assistant City Manager Michael Blay

12. Assignment of Water Rights from James Langley

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District (District) authorize the assignment of carryover right water in the Alto Subarea from James Langley in the amount of \$104,710.

Sponsors: Assistant City Manager Michael Blay

13. Assignment of Water Rights from American States Water Company

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District authorize the assignment of Carryover Free Production Allowance water in the Alto Subarea from American States Water Company in the amount of \$75,000.

Sponsors: Assistant City Manager Michael Blay

PUBLIC HEARING

14. Joint Resolution Amending the City-Wide Fee Schedule

Recommended Action:

It is recommended that the Council and respective Boards adopt Joint Resolution No. 2018-21, Resolution No. HWD 2018-07, Resolution No. HFPD 2018-06, Resolution No. HHA 2018-04, Resolution No. HCDC 2018-04, rescinding Joint Resolution No. 2018-05, Resolution No. HWD 2018-01, Resolution No. HFPD 2018-03, Resolution No. HHA 2018-01, Resolution No. HCDC 2018-01, Joint Resolution No. 2017-043, Resolution No. HWD 2017-15, Resolution No. HFPD 2017-14, Resolution No. HHA 2017-07, and Resolution No. HCDC 2017-08, amending the City-Wide fee schedule.

Sponsors: Assistant City Manager Michael Blay and Administrative Analyst Tina Bulgarelli

The public hearing was opened. There being no public comment, the public hearing was closed.

A motion was made by Russ, seconded by Swanson, that this item be approved. The motion carried by the following vote:

Aye: 5 - Blewett, Holland, Bird, Russ and Swanson

Nay: 0

NEW BUSINESS

15. Development Impact Fee Study

Recommended Action:

It is recommended that the City Council receive the information provided, and provide direction to staff regarding the Development Impact Fee Study and resulting proposed fees.

Sponsors: Assistant City Manager Michael Blay

The following individuals commented on item no. 15:

Christopher Dustin, Anthony Rhoades, Mike Schexnyder, Carrie Leon, Beau Cooper.

A motion was made by Blewett, seconded by Russ, that this item be referred for a public hearing to include fees for single family at \$12,356, multi-family at \$8,390, commercial office retail per 1000 ft at \$6,705, temporarily cut industrial for every 1000 ft to \$3,941, hotel/motel to \$7,389, cut \$1000 off water meter fee for houses from \$5000 to \$4000. The motion carried by the following vote:

Aye: 5 - Blewett, Holland, Bird, Russ and Swanson

Nay: 0

COUNCIL COMMITTEE REPORTS AND COMMENTS

Council Member Russ commented on his attendance at the upcoming AQMD meeting on 4/23.

Council Member Swanson commented on attendance at the Tri-Agency and City Council Advisory Committee meetings, and attendance at a ribbon cutting for Hair and Nail Salon.

Mayor Pro Tem Holland commented on remarks made by Al Vogler during public comment, directed the City Manager to hold a workshop with the Public Safety Advisory Committee to review traffic safety and citations, and attendance at the League of California Cities Public Safety Committee meeting.

Council Member Bird commented on attendance at the VVTA meeting and Clean-up Day.

Mayor Blewett did not attend any outside agency meetings.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

None

ADJOURNMENT

Adjourned in the memory of former First Lady Barbara Bush at 9:01 p.m.

*Melinda Sayre,
City Clerk*

City of Hesperia STAFF REPORT



DATE: May 1, 2018

TO: Mayor and City Council Members
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Fire Protection District
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne Duke, Deputy Finance Director
Keith Cheong, Financial Analyst

SUBJECT: Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Fire – Water)

RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

BACKGROUND

The Warrant Run totals represented below are for the period March 31, 2018 through April 13, 2018.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$549,304.24	\$214,611.54	\$0.00	\$763,915.78
Successor Agency	450.00	0.00	0.00	450.00
Housing Authority	2,192.43	2,355.14	0.00	4,547.57
Community Development Commission	2,720.00	6,379.10	0.00	9,099.10
Fire	46.75	0.00	0.00	46.75
Water	230,620.69	97,681.68	42,611.19	370,913.56
Totals	\$785,334.11	\$321,027.46	\$42,611.19	\$1,148,972.76

The wires amount for the City of Hesperia is as follows:

- \$30,611.73 to Bank of America, N.A. for Hesperia Water Swap Interest Payment.
- \$11,999.46 to U.S. Bank Trust N.A. for Hesperia Water 1998A Interest Payment.

ATTACHMENT(S)

1. Warrant Runs

City of Hesperia
WARRANT RUNS
03/31/2018 - 04/13/2018

FUND #	FUND NAME	W/E 4/5/2014	W/E 4/12/2014	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
Accounts Payable							
100	GENERAL	\$ 12,822.17	\$ 56,337.34	\$ 69,159.51	\$ -	\$ 16,080,005.99	\$ 18,223,165.44
204	MEASURE I - RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ 805,939.17	\$ 1,380,861.10
205	GAS TAX	\$ -	\$ -	\$ -	\$ -	\$ 134,230.04	\$ 244,102.92
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 59,065.75	\$ 389,521.92
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ 80.08	\$ -
251	CDBG	\$ 4,788.29	\$ 257,936.40	\$ 262,724.69	\$ -	\$ 482,616.60	\$ 2,102,115.29
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00	\$ 76,528.00
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 50.69	\$ 52.49	\$ 103.18	\$ -	\$ 19,889.41	\$ 18,918.16
257	NEIGHBORHOOD STABILIZATION PROG	\$ 1,372.50	\$ 13.97	\$ 1,386.47	\$ -	\$ 11,167.42	\$ 19,989.41
260	DISASTER PREPARED GRANT	\$ -	\$ -	\$ -	\$ -	\$ 4,260.76	\$ 6,532.19
263	STREETS MAINTENANCE	\$ 28,631.24	\$ 28,102.37	\$ 56,733.61	\$ -	\$ 1,403,317.49	\$ 1,312,659.06
300	DEV. IMPACT FEES - STREET	\$ -	\$ -	\$ -	\$ -	\$ 669,406.27	\$ 55,835.64
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ 74,477.50	\$ 67,267.81
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ 1,430,596.96	\$ 1,437,715.42
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ 789,439.94	\$ 781,300.07
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 890.00	\$ 15,158.85
800	EMPLOYEE BENEFITS	\$ 25,868.54	\$ 132,976.31	\$ 158,844.85	\$ -	\$ 5,409,955.00	\$ 5,344,139.47
801	TRUST/AGENCY	\$ 327.76	\$ -	\$ 327.76	\$ -	\$ 2,338,519.67	\$ 690,059.24
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 951.50	\$ 278.46
804	TRUST-INTEREST BEARING	\$ -	\$ 24.17	\$ 24.17	\$ -	\$ 49,070.76	\$ 36,406.59
807	CFD 2005-1	\$ -	\$ -	\$ -	\$ -	\$ 1,175,364.44	\$ 1,160,127.77
	CITY	\$ 73,861.19	\$ 475,443.05	\$ 549,304.24	\$ -	\$ 30,999,244.75	\$ 33,362,682.81
200	HESPERIA FIRE DISTRICT	\$ 46.75	\$ -	\$ 46.75	\$ -	\$ 8,760,754.27	\$ 8,012,329.38
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ 54,996.40	\$ 354,193.57
	FIRE	\$ 46.75	\$ -	\$ 46.75	\$ -	\$ 8,815,750.67	\$ 8,366,522.95
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ -	\$ -	\$ -	\$ -	\$ 7,562,034.60	\$ 7,612,576.41
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ -	\$ -	\$ -	\$ -	\$ 611,922.38	\$ 598,479.29
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ -	\$ -	\$ -	\$ -	\$ 3,277,591.93	\$ 3,307,598.97
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ 450.00	\$ 450.00	\$ -	\$ 1,160,577.77	\$ 2,242.59
	SUCCESSOR AGENCY	\$ -	\$ 450.00	\$ 450.00	\$ -	\$ 12,612,126.68	\$ 11,520,897.26
370	HOUSING AUTHORITY	\$ 1,500.76	\$ 691.67	\$ 2,192.43	\$ -	\$ 78,650.12	\$ 3,951,826.15
	HOUSING AUTHORITY	\$ 1,500.76	\$ 691.67	\$ 2,192.43	\$ -	\$ 78,650.12	\$ 3,951,826.15
170	COMMUNITY DEVELOPMENT COMMISSION	\$ 2,250.00	\$ 470.00	\$ 2,720.00	\$ -	\$ 195,047.47	\$ 256,965.52
	COMMUNITY DEVELOPMENT COMMISSION	\$ 2,250.00	\$ 470.00	\$ 2,720.00	\$ -	\$ 195,047.47	\$ 256,965.52
700	WATER OPERATING	\$ 20,546.69	\$ 147,860.54	\$ 168,407.23	\$ 42,611.19	\$ 6,257,435.58	\$ 5,208,771.72
701	WATER CAPITAL	\$ 59,881.50	\$ -	\$ 59,881.50	\$ -	\$ 1,542,819.17	\$ 137,665.15
710	SEWER OPERATING	\$ 1,570.64	\$ 761.32	\$ 2,331.96	\$ -	\$ 1,401,054.71	\$ 1,882,952.59
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 1,927.50	\$ 432,760.00
	WATER	\$ 81,998.83	\$ 148,621.86	\$ 230,620.69	\$ 42,611.19	\$ 9,203,236.96	\$ 7,662,149.46
	ACCOUNTS PAYABLE TOTAL	\$ 159,657.53	\$ 625,676.58	\$ 785,334.11	\$ 42,611.19	\$ 61,904,056.65	\$ 65,121,044.15
REG. PAYROLL							
	City	\$ 214,611.54	\$ -	\$ 214,611.54	\$ -	\$ 4,472,372.14	\$ 4,065,013.78
	Housing Authority	\$ 2,355.14	\$ -	\$ 2,355.14	\$ -	\$ 70,105.14	\$ 75,503.09
	Community Development Commission	\$ 6,379.10	\$ -	\$ 6,379.10	\$ -	\$ 129,974.09	\$ 109,531.43
	Water	\$ 97,681.68	\$ -	\$ 97,681.68	\$ -	\$ 1,942,769.63	\$ 1,697,427.39
	PAYROLL TOTAL	\$ 321,027.46	\$ -	\$ 321,027.46	\$ -	\$ 6,615,221.00	\$ 5,947,475.69

* The year to date totals for this Warrant Report are for the 2017-18 fiscal year starting July 1, 2017.



DATE: May 1, 2018

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Mike Blay, Assistant City Manager
Jeff Codega, Principal Planner

SUBJECT: Annual Report on the Status and Implementation of the General Plan

RECOMMENDED ACTION

The Planning Commission recommends that the City Council review this annual report, and direct staff to transmit copies to the Governor's Office of Planning and Research, and the Department of Housing and Community Development as required by law.

BACKGROUND

State law requires the Planning Department and Planning Commission to provide an annual report to the City Council on the status of the General Plan and progress in its implementation. Specifically, Government Code Section 65400 states in part,

"After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.

(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development...the status of the plan and its implementation...the progress in meeting its share of regional housing needs...and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing..."

The report also includes forms required by the Department of Housing and Community Development to report progress towards completion of the goals in the Housing Element. As noted, this report will be transmitted to the Office of Planning and Research, and the Department of Housing and Community Development. This annual report will cover the 2017 calendar year.

ISSUES/ANALYSIS

Staff has prepared the attached document to serve three purposes. First, this report serves as the Annual Report on the status of the General Plan and progress towards implementation in accordance with Government Code Section 65400; second, this report is the Implementation Plan for the City's General Plan, providing a comprehensive picture of the steps taken by the City in realizing the major policies established in the General Plan. Finally, since many of the General Plan policies are environmental mitigation measures from the Final Environmental Impact Report (FEIR) adopted for the General Plan, this report is the method through which the City of Hesperia complies with the requirements of Section 21081.6 of the California Public Resources Code (the "California Environmental Quality Act") which mandates monitoring of the mitigation measures.

On April 12, 2018, the Planning Commission reviewed the annual report and moved to forward it to the City Council with the intent to transmit copies to the Governor's Office of Planning and Research, and the Department of Housing and Community Development as required by law.

FISCAL IMPACT

There is no fiscal impact associated with approval of the recommended action.

ALTERNATIVE(S)

1. Provide alternative direction to staff

ATTACHMENT(S)

1. Hesperia General Plan Annual Report - 2017

City of Hesperia

**Annual Report Regarding the Status and
Implementation
of the**

GENERAL PLAN

For the Year

2017





Annual Report on Status & Implementation of the Hesperia General Plan for the Year 2017

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1. Introduction

State law requires the "planning agency" by April 1 of each year provide an annual report to the City Council, the Office of Planning and Research, and the Department of Housing and Community Development that discusses:

- (A) The status of the plan and progress in its implementation.
- (B) The progress in meeting its share of regional housing needs and local efforts on forms adopted by the Department of Housing and Community Development.
- (C) The degree the approved General Plan complies with Office of Planning and Research guidelines.

This document is the Annual Report on the status and implementation of the Hesperia General Plan in accordance with Government Code Section 65400. This report also serves as the Implementation Plan for Hesperia's General Plan, describing the actions the City of Hesperia has taken to implement the General Plan. Also, many of the goals and policies are environmental mitigation measures from the General Plan's Final Environmental Impact Report. Therefore, this report is the means through which the City of Hesperia complies with the requirements of Section 21081.6 of the California Public Resources Code (the "California Environmental Quality Act") which mandates monitoring of environmental mitigation measures.

The housing aspect of this report documents the status of the Housing Element and progress of its implementation, including the progress in meeting Hesperia's share of regional housing needs, and local efforts to remove governmental constraints to the maintenance, improvement and development of housing. This annual report is a working document that provides information on the specific direction of the City of Hesperia and it is a tool to alert the City of potential revisions that may be required in the future.

The current Hesperia General Plan was adopted on September 7, 2010. This was the first comprehensive update since the original General Plan was adopted in 1991. The update covers the entire City and all seven required elements of the General Plan. Of particular importance was the goal to convert the plan to a one-map system where all land uses are designated on the General Plan map, eliminating the zoning map and associated potential inconsistencies. This enables the public to readily determine the appropriate land uses for any parcel in the City and sphere of influence.

The City's population, size and composition have changed considerably in the last 30 years. The City has grown from about 50,000 residents to nearly 100,000 and is 75 square miles in area compared to 50 square miles at the time of incorporation (1988). Another 36 square miles of unincorporated land is in the City's Sphere of Influence. As the Sphere of Influence includes areas that directly relate to the City's planning, State law requires that Hesperia's General Plan include these areas as in the General Plan. The 2010 General Plan update addressed laws, regulations and circumstances that did not exist when the original plan was adopted. For example, the State enacted several laws addressing climate change that will require cities to take actions that reduce carbon emissions. The General Plan identifies implementation measures that specifically mitigate impacts to the production of greenhouse gasses. The Climate Action Plan was adopted separately in July of 2010 as a special program to implement requirements for new development, as well as to provide "feasible" measures the City will take to address global climate change. There were also new mandates regarding endangered species, housing and sustainable communities. Finally, the updated 2010 General Plan reflected the "Main Street and Freeway Corridor Specific Plan" that was adopted by the City of Hesperia in October of 2008.



2. General Plan Implementation Progress

The policy framework of the General Plan is presented here, along with a discussion of the progress toward achieving these goals.

Land Use Element

GOALS

LU-1: Regulate development so that the density of residential development and the intensity of non-residential development are appropriate to the property, surrounding properties, and the general neighborhood.

LU-2: Protect and enhance the quality of life by ensuring residential development is visually pleasing and compatible with existing uses and neighborhoods as well as the natural desert environment.

LU-3: Promote balanced, efficient commercial development that is functional, safe, attractive and convenient to users, and which will strengthen the local economy.

LU-4: Promote industrial development within the City which will expand its tax base and provide a range of employment activities, while not adversely impacting the community or environment.

LU-5: Designate and protect land for public uses to serve the needs of the community for schools, parks, community facilities, open space, utilities, and infrastructure.

LU-6: Promote sustainable development and building practices in all facets of project development through completion of construction.

LU-7: Facilitate a self-contained community with a well-designed and maintained community with a full range of densities and uses within the capacity of infrastructure and services.

LU-8: Provide for a fiscally sound and balanced mix of land uses with the best and most efficient use of infrastructure and services. Development shall occur in an orderly, beneficial manner that does not fiscally impact the existing community.

Action(s)

The Land Use Plan provides for a variety of residential densities and non-residential uses that, in conjunction with mitigation and design standards, effect uses appropriate to their context.

Most of the new housing in the City is being planned in Specific Plans, like the Freeway Corridor and Main Street Specific Plan and the Tapestry Specific Plan that provide for enhanced architecture and cohesive community design elements.

Proper commercial development is being diligently pursued through the City's Economic Development department. These projects are balanced, efficient and effective as they are largely being implemented via the City's specific plans.

Industrial development is being proactively pursued in both the City's historic Industrial areas and in the newer Commercial/Industrial Business Parks.

Public uses are identified in both the general Land Use plan and in Specific Plans.

Cost-effective sustainable methods of development and building, from project conception through construction and operation are clearly supported.

Recent refinements of the General Plan, implementation of the Freeway Corridor and Main Street Specific Plan and the Tapestry Specific Plan, which is nearing commencement, all serve to broaden the range and quality of uses and densities/intensities.

The trend toward more efficient land use patterns and better integrating public service and facility provision with specific land use decisions is fostering fiscally sound decision-making.



Circulation Element

GOALS

CI-1: Develop a safe, efficient, convenient, and attractive transportation system throughout the community, providing links within the City and with neighboring regions, and accommodating automobile, truck, pedestrian, recreational, equestrian, rail, air, and public transit needs which will meet current and future development requirements within the planning area.

CI-2: Develop and implement a City-wide Congestion Management Plan.

CI-3: Provide for a system of arterial and local streets that links the City to other communities and regional facilities, while providing motorists with easily accessible routes to various facilities within the City.

CI-4: Provide a circulation system that facilitates the movements of goods and services throughout the City while protecting residences, sensitive land uses, and pedestrians from activities along rail and truck corridors.

CI-5: Provide for a strong and balanced public transit infrastructure.

Action(s)

The City's transportation network is taking shape as new roadways, street widening/completion, bus turnouts/shelters, sidewalks/pedestrian ways, hiking trails, bike trails/paths/lanes and rail grade separations are planned, designed and constructed.

The Circulation Element is designed to prudently consider the congestion management needs associated with the Land Use Element.

The Circulation Plan provides a system that either does or will conveniently connect adjacent communities and regional facilities with origins and destinations within the City.

The older, long-existing manufacturing areas in the City generally consist of relatively small parcels with potential rail access. The larger industrial sites are oriented to Interstate 15, where freeway connections limit impacts on sensitive land uses.

The land use intensities severely limit transit trip generation and broadly scattered origins and destinations limit the provision of practical public transit infrastructure.



Housing Element

GOALS

HO-1: Assist in the provision of housing that meet (sic) the needs of all economic segments of the community.

HO-2: Maintain and enhance the existing viable housing stock and neighborhoods within Hesperia.

HO-3: Provide suitable sites for housing development which can accommodate a range of housing by type, size, location, price, and tenure.

HO-4: Mitigate any potential governmental constraints to housing production and affordability.

HO-5: Continue to promote equal opportunity in the City's housing market regardless of age, race, sex, marital status, ethnic background, source of income, and other factors.

Action(s)

The City provides assistance and support for housing provision that addresses the range of economic segments of the community.

The dominant land use in Hesperia is reflected in the many neighborhoods and subdivisions that are carefully considered with respect to new land development requests. The City is also planning for capital improvements to encourage investment in and enhance existing housing stock.

Refinements to land use planning is largely focused on Specific Plans that call for a much broader mix of housing types that has traditionally been provided for in Hesperia. Also, mixed use opportunities are also available that again were not available in the City.

The City proactively supplies a ready inventory of land stock to meet the housing demand now associated with the regional market. Further, Hesperia offers efficient and practical project entitlement and permitting.

Equal opportunity in the housing market is a 'given.'



Open Space Element

GOALS

OS-1: Designate, maintain, and enhance the quality of permanently protected open space used by native species.

OS-2: Identify and preserve natural open space in order to protect sensitive environments and preserve amenities such as washes, bluffs, Joshua tree forests, or juniper woodlands. Open space areas should be contiguous or connected through trails to provide accessibility for hikers as well as wildlife.

OS-3: The areas within the Oro Grande Wash and the unnamed wash east of Interstate 15 identified as Areas A, B, and C of Exhibit OS-7 shall be preserved in their natural state.

OS-4: Permit a variety of uses within open space areas, depending upon the natural amenities available.

OS-5: Continue to work with the Hesperia Recreation and Park District to create and maintain a diverse park system that includes parks, community facilities, natural open space areas, and trails for residents to enjoy.

OS-6: Provide connectivity among natural open space areas, parks, and regional trails and open spaces with a trails (sic) system that allows hiking, bicycling, and equestrian uses.

Action(s):

Areas within the City are designated for the protection and maintenance of open space used by the Arroyo Toad, the Desert Tortoise, and the Mojave Ground Squirrel.

The bulk of the community was platted/subdivided decades ago. At that time, common open space was not typically accommodated in the land development process, hence areas that would likely be preserved or enhanced as open space today, were not so treated previously. Open space is being retained, including trails, paseos and access corridors, in 'planned' areas, such as the Tapestry Specific Plan and newer subdivided areas.

The City's land use/zoning documents identify these areas as "Wash Protection Overlay" and therefore protect these features largely in their natural state.

Passive and active recreation activities, habitat conservation/education and other similar uses are allowed in these areas.

The City has 'constant' contact and communication with the Hesperia Recreation and Park District (HRPD) to ensure proper provision of park system facilities. HRPD is a formal and active participant in the City's development review process.

As areas are developed beyond the long-established 'lot and block' development pattern, natural (and enhanced) open areas are being connected with trails and paths.



Noise Element

GOALS

NS-1: To achieve and maintain an environment which is free from excessive or harmful noise through identification, control and abatement.

NS-2: To achieve and maintain an environment which is free from excessive vibration.

Action(s):

The uses adjacent to Interstate 15 are by design generally compatible with the freeway noise. The areas along the BNSF railroad tracks are largely already developed or planned for noise compatible industrial uses. Other areas/uses will be subject to noise impact analysis and mitigation as they are considered.

Hesperia Municipal Code establishes vibration standards that limit vibration effects not associated with off-site motor vehicles or construction/maintenance/demolition activities.



Conservation Element

GOALS

CN-1: Conserve water resources within the Upper Mojave River Groundwater Basin.

CN-2: Establish building and development standards to maximize the reclamation of water resources.

CN-3: Minimize development and set aside necessary open space near and along surface waters as well as those washes and other water passageways located in the City to preserve and protect plant and animal species and their natural habitat dependent on such surface waters and water ways.

CN-4: Establish policies and regulations to protect the natural environment and habitat of the cities (sic) biological resources.

CN-5: The City shall establish policies and procedures in compliance with state and Federal laws and regulations to identify and properly protect found historical, cultural and paleontological artifacts and resources.

CN-6: Provide programs and incentives to encourage residents, businesses, and developers to reduce consumption and efficiently use energy resources.

CN-7: Develop, promote and implement policies to reduce and limit Greenhouse Gas Emissions.

CN-8: Implement policies and measures to reduce air pollution and emissions of pollutants.

Action(s):

New development is required to use water conserving plumbing fixtures and low water use/drought tolerant landscaping.

The City is actively developing reclaimed water infrastructure to serve schools, parks and other uses. Development projects are incorporating water retention/quality measures, as required.

The relationships of development near/adjacent to drainage ways and surface waters with natural habitats and water resources is explicitly evaluated as appropriate on a case-by-case basis.

Prudent assessment, inventory and management of these natural resources is required as part of the project/environmental review process.

The City has established policies and procedures to comply with these state and Federal requirements.

The City principally encourages reduced energy consumption/efficient energy use through state and Federal energy requirements and programs.

The City of Hesperia's adopted Climate Action Plan effects reduced Greenhouse Gas Emissions by broadening the mix of land uses and intensities, promoting more compact development, improving pedestrian and bicyclist mobility, increasing the use of renewable sources of energy, reduced water use, increased recycling, and implementing CEQA.

The City actively pursues the proper treatment of unpaved roadways and parking areas to reduce fugitive dust emissions. Focused land use activities are used to develop land uses that will provide for reduced vehicle miles travelled (VMT) to reduce transportation related air emissions.



Safety Element

GOALS

SF-1: Minimize injury, loss of life, property damage and social disruption caused by seismic shaking and other earthquake-induced hazards, and by geologic hazards such as slope instability, compressible and collapsible soils, and subsidence.

SF-2: Minimize injury, loss of life, property damage and social disruption caused by flooding and inundation hazards.

SF-3: Reduce the risk of death, injury, property damage and economic loss due to vegetation and structure fires.

SF-4: Reduce the potential for hazardous materials contamination in Hesperia.

SF-5: Plan for emergency response and recovery from natural disasters, especially from flooding, fire and earthquakes, and from civil unrest that may occur following a natural disaster.

Action(s):

Building codes, individual project review and engineering requirements/procedures provide a balanced approach to protecting people and property from undue seismic risk.

The City of Hesperia manages flooding/inundation hazards through its Flood Hazard Protection Regulations.

The City's review processes properly include Fire Department review and requirements. Also, weed abatement and wildfire management programs consider vegetative fire needs. The City and Fire Department also coordinate fire station/services planning.

The City, in cooperation with the Fire Department, enforces regulations and standards related to the use and transport of hazardous materials.

The City has adopted Flood Hazard Protection Regulations and emergency response protocols with area cities and San Bernardino County.



3. Compliance with OPR's General Plan Guidelines

The Governor's Office of Planning and Research (OPR) guidelines for general plans include several criteria. Each criterion is presented and briefly discussed below;

Comprehensiveness/Geographic Comprehensiveness

The general plan must cover a local jurisdiction's entire planning area and address the broad range of issues associated with the City's development.

The City of Hesperia General Plan does cover the entirety of its City Limits and its Sphere of Influence. The range of issues considered is comprehensive as framed by the required Land Use, Circulation, Housing, Open Space, Noise, Conservation and Safety elements.

Regional Context

Cities and counties should coordinate plans regionally when appropriate. The Legislature has mandated that the general plan consider certain regional impacts, like regional housing needs.

The Hesperia General Plan does include regional considerations and coordination with respect to Housing, Conservation and Safety planning. Land Use, Circulation and Open Space planning reflect coordination with that same planning by adjacent entities.

Issue Comprehensiveness

The plan should focus on issues that are relevant to the planning area. The plan must address physical development. Social and economic consequences should be considered along with physical and environmental impacts.

The General Plan addresses the salient planning needs of the City in a manner that is "thorough" in the context of the needs of the community. The general plan is by design placed in the socio-economic setting of the community.

Internal Consistency

Internal consistency means there are no conflicts among policy, textual or graphic components of the plan. Policies should be balanced and reconciled within the plan. The guidelines provide these five 'measurements' of internal consistency:

Equal Status of Elements: Each general plan element has equal "legal status." No plan element is subordinate to another. The general plan must resolve potential conflicts with clear language and consistent policy.



Consistency Between Elements: General plan elements must be consistent with one another. When a general plan references all or a portion of another plan, the referenced materials need to be consistent with the rest of the general plan.

Consistency Within Elements: Each plan element's data, analysis, goals, objectives, policies and programs must be consistent with and complement one another.

Area Plan Consistency: The content of an area plan or community plan must be consistent with the general plan. For example, climate action plans should be consistent with the general plan.

Text and Diagram Consistency: The plan's text and diagrams must be reconciled because the diagrams reflect the written policies and programs in the text of each element.

The Hesperia General Plan meets these five measures of consistency. Each plan element has equal status. The General Plan elements are consistent with one another. Each element provides for internal consistency. The Climate Action Plan is consistent with the general plan. The graphics, text/analysis and policies in each element are consistent.

Long-Term Perspective

The general plan is designed to protect and enhance the general welfare of current and future generations. Long-term policies are used to guide day-to-day decisions. Time frames can vary for effective planning of different concerns.

The Hesperia General Plan was adopted in 2010 with the intent to guide change, growth and development over the "next two decades." This is consistent with the notion that most jurisdictions select 20 years as the general plan horizon.

Required Elements

The mandatory elements for all jurisdictions are land use, circulation, housing, conservation, open space noise and safety.

These are precisely the elements of the Hesperia General Plan.

Mandatory Element Format

Land Use Element: The land use element must designate general distribution, location and extent of proposed land uses for: Housing, business, and industry; Open space; Recreation; Education; Public facilities; Future solid and liquid waste facilities; Greenways; Timberland preserves; Areas subject to flooding; Military land use compatibility; and Other categories.

The Hesperia General Plan Land Use element includes the distribution and extent of the various types of uses.

Circulation Element: The circulation element must include the location and extent of existing and proposed major thoroughfares, transportation routes, any terminals, any military airports and ports, and "public utilities and facilities." The circulation element is to be correlated with the land use element.



The Circulation Element of the Hesperia General Plan includes the location and extent of existing and proposed transportation arteries and the related public utility/facility associations.

Housing Element: The housing element must include an assessment of housing needs, and inventory and evaluation of 'adequate' housing sites, an analysis of potential housing constraints (both governmental and non-governmental), housing policies and programs, and quantifies housing objectives.

The Hesperia Housing Element (updated in 2014) properly addresses the required considerations including quantified housing objectives. The required Department of Housing and Community Development reporting forms are included at the end of this report.

Conservation Element: The conservation element must address the "conservation, development and utilization" of natural resources, including water and its hydraulic force, forests, soils, rivers and other waters, harbors and fisheries, wildlife, minerals, and other natural factors.

Relevant resources are provided for in Hesperia's Conservation Element. Specifically, water resources, rivers and other waters, soils, mineral resources, biological resources, historical/paleontological/cultural resources, aesthetic resources, agriculture, energy, air, and 'climate change' are addressed.

Open Space Element: The open space element must inventory open space for natural resources, managed production of resources, outdoor recreation, public health and safety, military support, and for tribal resources.

Hesperia's Open Space Element addresses preservation of natural resources (including threatened, endangered and sensitive species), scenic resources, rivers and washes, resource production management (agriculture, water, mineral, cultural and historic resources), outdoor recreation, and public health and safety.

Noise Element: This general plan element must consider noise levels from highways and freeways, primary arterials and major local streets, passenger and freight railroads operations, ground rapid transit, airport operations, local industrial facilities, and other ground stationary noise sources.

Hesperia's Noise Element provides a comprehensive program to consider and manage noise and land use compatibility in the planning process.

Safety Element: The safety element's purpose is to reduce short and long term risks from fires, floods, droughts, earthquakes, landslides, climate change and other hazards.

Seismic and geologic hazards, flooding, fire risks, hazardous materials, and disaster preparedness/response/recovery are addressed in Hesperia's Safety Element.



4. Department of Housing and Community Development Reporting

In 2010, the City completed a General Plan Update, including the Housing Element. This Housing Element addressed the previous Regional Housing Needs Allocation (RHNA) reporting period, which was from January 1, 2006 to June 30, 2014. Following the State's adoption of Senate Bill SB375, a new Housing Element cycle was established for the years 2013 to 2021. The City updated the Housing Element in 2013, using the new RHNA assigned by the State. The City Council adopted the current Housing Element in February 2014.

The following tables contain the necessary information to report progress in meeting the City's housing goals, as well as the State's mandates for compliance with the State Department of Housing and Community Development requirements.

Table A is the Annual Building Activity Report -Low-, and Very Low-Income Units and Mixed Income Multifamily Projects for 2017. The report indicates that no very-low income, low income, or moderate income units were constructed.

Table A2 is the Annual Building Activity report - Summary for Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c) (1) shows that no permits were issued in 2017 related to "Rehabilitation Activity," "Preservation of Units At-Risk" or for "Acquisition of Units" under any of the specified income categories ("Extremely Low Income," "Very Low Income" or "Low Income").

Table A3 depicts the Annual Building Activity Report Summary for Moderate- and Above Moderate-Income Units. Permits for 230 single family homes were issued.

Table B (Regional Housing Needs Allocation Progress) shows the City's progress towards meeting the regional Housing Needs Assessment Needs numbers. Only 230 permits for single family residences were issued in 2017. As the City's RHNA is 1,715 units under the housing element cycle established by SB 375, this leaves 1,009 units to be constructed to meet the RHNA.

Finally, **Table C** (Program Implementation Status) lists the progress the City and Housing Authority made during FY 2016-2017 towards meeting the program goals in the City's Housing Element.

Due to the enactment by the State of Assembly Bill AB 26, which dissolved redevelopment agencies as of 2012, funding for affordable housing was significantly affected. The City evaluated the impacts of this action, and modified programs previously funded by redevelopment's "20% housing set-aside," as no replacement funding for such programs is available.

Table A

Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

* Note: These fields are voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia
Reporting Period	1/1/2017 - 12/31/2017

Table A2
Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes			(4) The Description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1
	Extremely Low-Income*	Very Low-Income	Low-Income	
(1) Rehabilitation Activity				0
(2) Preservation of Units At-Risk				0
(3) Acquisition of Units				0
(5) Total Units by Income	0	0	0	0

* Note: This field is voluntary

Table A3
Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for Moderate						0	
No. of Units Permitted for Above Moderate	230					230	

* Note: This field is voluntary

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction City of Hesperia
Reporting Period 1/1/2017 - 12/31/2017

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.		2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9		
	Deed	0	0	0	20	0					20	378
Very Low	Restricted Non-deed restricted	0	0	0	0	0						
	Deed	0	0	0	75	0					75	199
Low	Restricted Non-deed restricted	0	0	0	0	0						
	Deed	0	0	0	0	0						
Moderate	Restricted Non-deed restricted	0	0	0	0	0						
	Deed	0	0	0	0	0						
Above Moderate	Restricted Non-deed restricted	28	82	98	173	230					611	314
	Deed	28	82	98	173	230					611	118
Total RHNA by COG. Enter allocation number:		28	82	98	268	230					706	1,009
Total Units		28	82	98	268	230					706	1,009
Remaining Need for RHNA Period		28	82	98	268	230					706	1,009

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia
Reporting Period	1/1/2017 - 12/31/2017

Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.	Housing Programs Progress Report - Government Code Section 65583.
Name of Program	Objective	Timeframe in H.E.
The City of Hesperia has continued to implement the goals and objectives of the H.E.		
Program 1: First-Time Homebuyer Downpayment Assistance Program (DAP)	<p>Assist five (5) low and moderate income first time homebuyers.</p> <p>Implement federal HOME funds (via State HCD) as awarded, and annually apply for additional funding for homeowner assistance programs.</p> <p>Utilize Hesperia Housing Authority funds to assist with downpayment assistance.</p> <p>Promote programs that will increase the level of home ownership in Hesperia to reduce the number of foreclosed, vacant and HUD owned homes by a minimum of 10%.</p> <p>Note: Numerical goals are based on a 5-year period.</p>	<p>Ongoing from 2014</p> <p>During 2017 the City's Housing Authority funded Downpayment Assistance Program (DAP) that offered a 30 year, zero percent interest loan with payments deferred for thirty years was on hold. During this calendar year, the City did not fund any DAP loans.</p> <p>Fund Seller Mortgage Carry-Back (SMCP) Loans for Low Income households purchasing a City NSP owned property that has been designated for Low Income households.</p> <p>During the 2015-16 fiscal year, staff applied for funding the City's Community Development Block Grant (CDBG) entitlement for a First Time Homebuyer Program. Funding was approved in the amount of \$200,000 for the 2016-2017 CDBG Program Year. No loans were funded during this period.</p> <p>2013 - 2016 funded 4 SMCP loans to low income buyers using NSP funds.</p> <p>The City has Spanish translators available on staff if needed.</p>
Program 2: Section 8 Rental Assistance Program	<p>Provide Section 8 rental assistance through the County of San Bernardino Housing Authority to three hundred (300) very-low and low-income people.</p> <p>Provide information at the public counter and the City's website.</p> <p>Note: Numerical goals are based on 5 year period.</p>	<p>Ongoing</p> <p>This federally funded program provides rental assistance in the form of a Section 8 Housing Choice Voucher to very low income families, senior citizens, disabled, handicapped, and other individuals for the purpose of securing decent, affordable housing. The City is not a direct recipient of Section 8 Housing Choice Vouchers, instead the San Bernardino County Housing Authority (HACSB) obtains the vouchers and recipients of the vouchers may choose to use them in the City. During the 15-16 and 16-17 program year, HACSB continued providing housing and public services to existing residents of HUD Public Housing Units and HACSB owned affordable housing units. Additionally, the HACSB has 100 Authority owned housing units.</p>

ANNUAL ELEMENT PROGRESS REPORT *Housing Element Implementation*

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia	Reporting Period	1/1/2017 - 12/31/2017
<p>Program 3: Affordable Housing Development. Density Bonuses and Regulatory Concessions. Financial Assistance, Identification of Available Sites.</p>	<p>Based on available funds, issue a NOFA to solicit housing developers. Purchase vacant and underutilized sites. Active 595 affordable housing units, (291 extremely/very low and 34 low income units)</p>	<p>2008-2014</p>	<p>A final NOFA has been approved by the City Council but is on hold indefinitely. The City approved a loan for an affordable new construction apartment project for seniors in an amount not to exceed \$3,831,975. The complex will consist of 96 units on a portion of 9.41 acres. The project includes 20 units at 50% AMI and 76 units at 80% AMI. The City adopted a revised density bonus provisions in its Development Code in 2011. The City offers and promotes density bonuses in conjunction with design concessions to enable developers to construct affordable units with the City. The City's current inventory for multiple-family properties has been included in the adopted 2013-2021 Housing Element. The list is made available to housing providers and developers. There are Public Housing projects in the City of Hesperia; however, they are not sponsored by the City. The City it actively involved in the efforts of the Housing Authority of the County of San Bernardino (HASB) and its endeavor to provide public housing for low income and special needs households. The City reviews HASB's administrative, annual and five year plans to ensure (1) there is a system in place for public housing residents input; (2) consistency with the City's Consolidated Plan goals; and (3) that public housing priorities reflect the needs of the community. To the extent possible, the City encourages landlords to renew their agreements with the HASB to preserve the affordable housing options for recipients of Section 8 vouchers. The City utilized \$3,343,215 during 2016-17 of current and prior year CDBG funds for programs including Public Service, Housing Rehabilitation, Energy Efficiency and Minor Home Repair, Fair Housing and Neighborhood and Infrastructure Improvement. In addition, the City's Housing Authority continues to implement housing programs using CDBG and NSP funds.</p>
<p>Program 4: Large Sites for Lower Income Housing Program. (2-10 acres)</p>	<p>Streamlining approved process Reduced fees Provide technical assistance Modification of development requirements</p>	<p>Ongoing</p>	<p>The City adopted the Main Street and Freeway Corridor Specific Plan in 2008. This plan includes the majority of the City's land designated for multiple-family housing as well as the CDBG Target Areas. As a result, densities in these properties have been maintained or increased. This will enable developers to realize the development potential and position the City to implement the available design incentives and concessions necessary to develop affordable housing. In 2011, the City also adopted new density bonus regulations to be consistent with State law and Housing Elements requirements. In 2014, the City defined and permitted transitional and supportive housing with all zones that permit residential used. Standards for single room occupancies were also adopted.</p>

ANNUAL ELEMENT PROGRESS REPORT *Housing Element Implementation*

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia	Reporting Period	1/1/2017 - 12/31/2017
Program 5: Adequate Sites Monitoring Program	Monitor development to assure remaining capacity of site is adequate to accommodate city RHNA. Annually update land inventory and provide to interested developers.	Ongoing	The City's current inventory for multiple-family properties has been included in the 2013-2021 adopted Housing Element. Should development occur on any of these parcels, the inventory will be updated to reflect their status. The City has more than enough available property to accommodate RHNA. The likelihood that any of these properties would be rezoned or developed as anything other than housing is extremely remote. As of 2015, no inventory of land has been rezoned or developed.
Program 6: Green Building Program	Promote LEED certification Provide incentives for wind and solar power Include green building program in 2013 building code adoption (Completed)	Ongoing	In 2009, and as amended in 2011, the City adopted an ordinance to allow wind and solar power on residential, commercial and industrial uses. The City, through the development review process also gives priority processing for residential solar permits as well as enforces the mandatory measures in the Green Building Code related to parking of clean air vehicles.
Program 7: Assistance for the Homeless Provide Services and/or Housing Assistance for Homeless Person(s) at risk of becoming Homeless	Provide homeless assistance services, emergency shelter, transitional shelter, and supportive housing for twelve hundred (1200) homeless persons, and persons at risk of becoming homeless on an annual basis. Participate in regional efforts to develop a continuum of care. Provide handouts for available services at public counters. <small>Note: Numerical goals are based on a 5-year period.</small>	Ongoing	In order to effectively address homelessness in a comprehensive manner, HUD asks cities for Continuums of Care. A Continuum of care refers to an overall plan to coordinate the efforts of all involved parties to meet the needs of homeless persons and persons at risk of homelessness. The components of a continuum include homeless prevention, emergency shelter, transitional shelter, permanent supportive housing, and supportive services. The overall objective is to move homeless persons and families outside the service delivery system into emergency housing, then to transitional housing, and finally to self-sufficiency or permanent supportive housing. In addition, City general funds and CDBG funds were used to assist the Family Assistance Program for a domestic violence emergency shelter and the High Desert Homeless Services which provides shelter and support services for homeless women with children, families and single adults. Homeless Prevention and Special Needs Services were provided to 472 homeless persons for 15-16 and 16-17 fiscal years.
Program 8: City of Hesperia Township Program	Improve streets in the Township area with curb, gutter, sidewalks, landscaping and front-yard fencing. Rehabilitate and improve the remaining streets as funds become available. Actively pursue funding for this program.	2009-2014	The City's original township (one square mile) had fallen on challenging times and suffered from significant disinvestment, high crime rates, gang activity, graffiti, failing infrastructure, and an abnormally high number of vacant homes. The increasing cost of law enforcement in this area resulted in the City dedicating one full time office to implement community-based policing. This aggressive stance resulted in a significant drop in crime rates which started a trend towards neighborhood recovery. The City and Agency realized that direct investment in the Township Area was necessary if revitalization efforts were to be successful. The City has performed public improvement in the first phased of the Township Improvement and Redevelopment Project. The City performed overlay and paving and added curb, gutters, sidewalks and landscaping on two streets in the targeted area, which also included new water, sewer and drainage lines. The City utilized redevelopment funds and water funds to complete the first phase of the project leveraging the resources available through CDBG funding. Due to the abolishment of the Agency, the Community Development Commission will administer future involvement of this program.

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia	Reporting Period	1/1/2017 - 12/31/2017		
Program 9: Code Enforcement		Provide Code Enforcement service to 175 households in the designated low-income enhancement areas. Provide Code Enforcement assistance to 20 low-income households. Note: Numerical goals are based on a 5-year period.	Ongoing	The Code Enforcement Program provided services for the elimination and abatement of public nuisances in low income designated target areas. Code enforcement increased City efforts to improve existing housing stock and eliminate blighted structures. Neighborhood Police Services have proven to be successful in reducing illegal activities in creating a suitable living environment for the residents of Hesperia. The Graffiti Removal Program provided services for the elimination of blight utilizing City general funds.	
Program 10: Owner-Occupied Housing Rehabilitation Loan Program (HRLP) and Sewer Connection Program (SCP)		Offer HRLP loans between \$15,000 - \$40,000 to properties within the City's project and township areas. Provide five rehabilitation and/or sewer connection loans. Advertise program on website and at the public counter.	Ongoing	The Hesperia Housing Authority (HHA) manages the HRLP. The HRLP provides eligible borrowers with fully deferred, non-interest bearing loans (not grants). The minimum HRLP Loan is \$15,000. Typical HRLP Loans may not exceed \$40,000. The HRLP incorporates necessary repairs to bring the housing units up to code and to make them accessible to disabled residents. During the current year, the HHA did not fund any loans. The HHA HRLP-SCP is not currently active.	
Program 11: Community Development Block Grant Housing Rehabilitation Loan Program (CDBG-HRLP). Energy Efficiency Rehabilitation Program and Minor Home Repair Grants and forgivable loans		Assist lower-income homeowners with loans up to \$30,000. Provide loans to five lower-income housing units. Advertise program on website and at the front counter.	Complete	The CDBG Housing Rehabilitation Loan Program (HRLP) was available to provide loans and grants of up to \$30,000 for low income homeowners for housing repairs . Since 2013 the City has funded 16 HRLP Loans, 71 Energy Efficiency and Minor Home Repair Grants/Forgivable loans. 26 of those loans/grants went to low or extremely low income households. Once of the City's primary goals for this Program is to assist in serving to increase, improve and preserve the supply of low - and moderate income housing within the City for qualified low - and moderate income individuals.	
Program 12: Lead- Based Paint Education and Outreach Efforts		Provide lead-based paint education and outreach to 75 low and moderate income households. Provide lead-based paint testing as needed. Note: Numerical goals are based on a 5-year period.	Complete	As the lead agency for the CDBG programs, the Economic Development Department will continually refine its outreach efforts to ensure that households are educated about lead-based paint (LBP). According to the Consolidated Plan, the incidence of lead-poisoning in Hesperia is not extensive. In addition to supporting HUD and EPA efforts in disseminating public information on the health hazards of LBP, the City addressed the LBP issues through its Housing Rehabilitation Loan Program (HRLP) and through its participation in the State's HOME programs. In addition, all housing units acquired or participants applying for assistance under the Neighborhood Stabilization Program (NSP) were implemented in compliance with the HUD LBP requirements. The Program's housing inspector is required to comply with the federal requirements for lead-based paint hazards and removal. From 2013-2017, the City has provided lead-based education to at least 150 low and moderate income households through its HRLP program outreach.	

ANNUAL ELEMENT PROGRESS REPORT *Housing Element Implementation*

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia	Reporting Period	1/1/2017 - 12/31/2017	
Program 13: Affordable Housing Monitoring		Ongoing	Monitor affordable housing projects annually for compliance with affordability restrictions income eligibilities and housing quality standards.	<p>The City offers a wide range of housing and density bonuses, design concessions and financial assistance to projects that commit units to affordable rents or sales levels as well as to seniors. To date, the City has deed restricted provisions in effect on 9 projects, totaling 623 units. Staff monitors the projects annually for compliance with their Regulatory Agreements. In addition, Compliance Managers at the affordable complexes submit biannual monitoring reports to City staff. The City's 2010 General Plan Update includes within the Housing Element provisions to reinforce mixed use zoning, affordable housing and higher densities within multiple family areas.</p> <p>For the implementation of the City's Fair Housing Services, the City funded Inland Fair Housing and Mediation Board in the amount of \$15,000 for the 16-17 fiscal year. The funds were used for fair housing outreach, education and enforcement activities, including landlord-tenant matters. During the program year, this activity exceeded its services goal of 123 people by 510 people, servicing 633 people in fiscal year 2016-17.</p>
Program 14: Main Street and Freeway Corridor Specific Plan		Ongoing	The Specific Plan includes five residential zones with densities up to 25 units per acre. Promote densities and development tools to developers. Implement shared parking, density bonus and other design incentives for affordable projects in the Specific Plan area.	<p>The City adopted the Main Street and Freeway Corridor Specific Plan in 2008. This plan incorporates design standards and establishes mixed use and higher density residential zoning in commuter-friendly locations along the City's two principal thoroughfares. The plan also places higher density in residential proximity to the City's new Civic Plaza and pedestrian commercial zoning along Main Street to create a walkable downtown area. The City completed the General Plan Update in 2010 and included provisions to reinforce mixed use zoning, affordable housing and higher densities with multiple family areas.</p>
Program 15: Density Bonus Program		Ongoing	Amend Development Code to be consistent with current density bonus laws. (Completed) Market density incentives to developers. Provide financial and non-financial housing development incentives, seek financing for needed on and off site improvement through assessment districts for Community Facilities Districts, assist private developers who propose construction of low or moderately priced housing units, coordinate City efforts with available County programs, incorporation State and Federal funds, as available.	<p>The City adopted revised density bonus provisions in its Development Code in 2011. The City offers and promotes density bonuses in conjunction with design concessions to enable developers to construct affordable units with the City. One project, consisting of 192 senior units, (a 28% density bonus) was approved in 2016 and completed in 2017.</p> <p>The City's Housing Authority may provide assistance utilizing low income loans to future developments.</p>

ANNUAL ELEMENT PROGRESS REPORT *Housing Element Implementation*

(CCR Title 25 §6202)

Jurisdiction		City of Hesperia	
Reporting Period		1/1/2017 - 12/31/2017	
Program 16: Housing for the Homeless/Extremely Low Income Households	Provide for two zones where emergency/homeless shelters are permitted. Provide for design standards for emergency/homeless shelters	Completed	The Main Street and Freeway Corridor Specific Plan provides for two zones (Mixed-Use and Medium Density Residential) to permit emergency/homeless shelters. The design will be generally held to similar institutional uses, depending on the services offered by the shelter. These zones are in proximity to the City's commercial core as well as the Civic Plaza. This enables the homeless to access services necessary to provide substance and maintain contact with society. In 2014, the City defined and recognized Transitional/Supportive housing and permitted them in the same manner as other housing units allowed in all residential zones. Standards for single room occupancies (SRO's) were also adopted.
Program 17: Farworker Housing	Amend the Development Code to permit farmworker housing in agricultural zones. Amend the Development Code to permit employee housing on land where agricultural uses are permitted.	Completed	In 2011, the City revised its residential and agricultural zoning to be consistent with the General Plan update. The agricultural zones permit accessory units, guest houses and farm labor comps to augment the full range of agricultural uses and activities expected to occur on these properties.
Program 18: Housing for Persons with Disabilities	Develop a reasonable accommodation process to review and approve projects related to housing for people with disabilities	2013	The City has trained two plan checkers in the latest requirements for construction accommodations for persons with disabilities. The City enforces applicable California Title 24 disabled access regulations on all new developments. This includes the public right-of-way as well as on-site and within the building. Plan check on these plans or improvements is conducted in conjunction with the remainder of the building and public improvement plans and does not pose a restraint. Accommodations are also made for the retrofit of existing buildings to permit their use in special circumstances. There were no ADA projects budgeted during this program year due to the limitation on available funds.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	City of Hesperia	Reporting Period	1/1/2017 - 12/31/2017		
Program 19: Fair Housing Support and Services		Provide fair housing services and annual outreach meeting to assist residents, landlords and housing professionals. Place fair housing information and resources in the website and at the front counter.	Ongoing	The Inland Fair Housing and Mediation Board provided fair housing services, including, landlord/tenant mediations, and discrimination complaint counseling. IFHMB also provided fair housing education and outreach services of Hesperia. The Inland Fair Housing and Mediation Board assisted six hundred and thirty three (633) people for their 2016-17 fiscal year.	

General Comments:

City of Hesperia STAFF REPORT



DATE: May 1, 2018

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Assistant City Manager
David Burkett, Project Construction Manager

SUBJECT: Approve the Term Loan Agreement Between the City of Hesperia and the San Bernardino County Transportation Authority Related to the Construction of the Ranchero Road & I-15 Interchange Project

RECOMMENDED ACTION

It is recommended that the City Council approve the Term Loan Agreement, Contract No. 17-1001629, between the City of Hesperia and the San Bernardino County Transportation Authority (SBCTA), formerly the San Bernardino Associated Governments (SANBAG), for the principal amount of \$18,762,403.05 plus interest, related to the construction of the Ranchero Road & I-15 Interchange Project (C.O. No. 7086) and authorize the Mayor to execute the Agreement.

BACKGROUND

The City pursued the construction of a new interchange on Interstate 15 at Ranchero Road for many years. In order to move forward with this project the City partnered with the SBCTA during the construction phase of the project. On April 3, 2012, the City Council approved a COOP (Agreement No. C12219) with the SBCTA for construction, which was subsequently approved by the the SBCTA Board on April 4, 2012. The COOP defined the roles and responsibilities of the parties, including the funding sources for all phases of the project. The project was released for bids on September 12, 2012, bids were opened on October 18, 2012, and the construction contract was awarded to Security Paving, Inc. on November 7, 2012. Construction commenced at the beginning of January 2013, and all work was complete in June 2015 and the interchange was opened to vehicular traffic.

ISSUES/ANALYSIS

The Ranchero Road & I-15 Interchange project was on the SBCTA's Measure I Major Local Highway Projects (MLHP) list and was within its "10-Year Delivery Plan"; however, funding for construction was not anticipated to be available for many years.

Staff met with SBCTA staff and Caltrans staff in 2012 and discussed the project status and funding options. With the adoption by SBCTA of the 10-Year Delivery Plan, bond funds had been received for specific projects that were not likely to be constructed within their original schedule. Coupled with that, the construction bidding environment at the time had allowed the state to realize savings that could be applied to other "shovel-ready" projects. The Ranchero Road/I-15 Interchange Project met SBCTA's criteria for readiness, and created a funding opportunity that allowed the project to go to construction in early 2013, by advancing or loaning

the City unused “public-share dollars” the SBCTA had available. The SBCTA agreed to fund the City’s share of the project’s costs up front with Corridor Mobility Improvement Account (CMIA) transportation funds, which must be paid back. In view of this funding opportunity, a Cooperative Funding Agreement (COOP) was executed with the SBCTA prior to commencement of construction. Under the adopted Countywide Nexus Study, the City would be held responsible for a 57.5% share of the total costs of the project and the SBCTA would be responsible for the remaining 42.5%.

The COOP stipulated that upon completion of the project and reconciliation of all project costs, that the City would be responsible for re-payment of the public-share dollars advanced to the City in order to construct the interchange. Staff is requesting that the City Council approve the proposed Term Loan Agreement and approve signature by the Mayor. The Term Loan Agreement stipulates the conditions and terms for repayment of the loan over a ten-year period. Funding for repayment of the loan is to come from the City’s Development Impact Fees.

FISCAL IMPACT

The principal amount of the loan is \$18,762,403.05 and funding for the first year of this 10-year loan will be included in the FY 2018-19 Budget (in the DIF-Streets fund 300) and each budget thereafter until the loan is repaid in full. The first loan payment is due March 15, 2019 and each March 15th thereafter. In the event that insufficient DIF-Streets funds are available to pay the annual loan installment, SBCTA will withhold the insufficient amount from the City’s Measure I allocation. This withholding from Measure I will create an interest free loan between Measure I and DIF-Streets that will be repaid from DIF-Streets revenues.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Term Loan Agreement – Contract No. 17-1001629

ATTACHMENT 1

TERM LOAN AGREEMENT

CITY OF HESPERIA

I-15/RANCHERO ROAD INTERCHANGE PROJECT

CONTRACT 17-1001629

This Term Loan Agreement, nominally dated June 6, 2018, is entered into on the Effective Date by and between the City of Hesperia (Borrower) and the San Bernardino County Transportation Authority (Lender or SBCTA). Borrower and Lender may, from time to time in this Agreement, be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. On April 4, 2012, Borrower and Lender entered into Contract No. C12219 setting forth the funding and other obligations of Borrower and Lender for all phases of the I-15/Ranchero Interchange Project in the City of Hesperia.

B. Contract No. C12219, as amended January 9, 2013, December 20, 2016, June 30, 2017, and December 21, 2017, obligates Borrower to fund the Local Share of Project Costs (defined below) in an amount not to exceed \$31,359,075.23, of which \$12,596,672.18 has been paid to date.

C. Under the terms of C12219 Borrower agreed to pay SBCTA the remaining unpaid Local Share of Project Costs with Development Impact Fees (DIF) upon Caltrans’ acceptance of the Project, which acceptance occurred December 18, 2015.

D. Also, under the terms of C12219 the Parties agreed that if Borrower did not have sufficient DIF to pay the unpaid Local Share balance by December 18, 2015, that the Parties would enter into a loan agreement.

E. On January 6, 2016, Lender’s Board of Directors established a Development Mitigation Fair Share Loans and Loan Repayment program under VICTOR VALLEY MAJOR LOCAL HIGHWAYS PROGRAM Measure I Strategic Plan Policy 400013, sub-policy VVMLH-32.

F. Borrower does not have sufficient DIF at this time and has requested that Lender permit Borrower to repay the unpaid Local Share of Project Costs through a loan generally under the terms of Policy 40013, VVMLH-32 in an amount not to exceed \$18,762,403.05 with interest accruing from the Project acceptance date at the State of California Local Agency Investment Fund rate in equal principal payments over a ten-year period.

G. The Parties desire to supersede the loan terms of C12219 with the loan terms contained in this Term Loan Agreement.

H. The terms of this Term Loan Agreement will apply if in conflict with those found in Policy 40013, VVMLH-32.

In consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt of which is acknowledged by the Parties to this Agreement, it is agreed as follows:

ARTICLE ONE--DEFINITIONS

The following terms used in this Agreement shall have the meanings set out below and these definitions shall be applicable to both the singular and plural forms of the defined terms:

Agreement means this Term Loan Agreement, nominally dated June 6, 2018, entered into between Borrower and Lender, as it may be amended from time to time.

Agreement Termination Date means the date as described in Section 3.9.

Annual Payment means an amount equal to one-tenth of the Original Loan Amount (one million eight hundred seventy-six thousand two hundred forty dollars and thirty-one cents (\$1,876,240.31)) plus Interest payable in arrears.

Borrower means the City of Hesperia, a California city and municipal corporation.

Collateral means Borrower's Uncommitted Development Impact Fees and Borrower's Measure I Local Streets Program funds up to the Loan Amount, as more fully described in Exhibit "A".

Contract No. C12219 or **C12219** means the Contract as amended by Amendment Nos. 1, 2, 3, and 4 between the City of Hesperia and the San Bernardino County Transportation Authority for the Preliminary Engineering and Environmental Document, Plans Specifications and Estimate, Right-of-Way, and Construction Phases of the I-15/Ranchero Road Interchange Project.

Cost Buy-Down for Project means Federal, State or other funds, besides Local Share and Public Share funds, which buy down the Project Costs pursuant to Victor Valley Major Local Highways Program Policy 40013 IV.J. after which the Local Share and Public Share are applied.

Development Impact Fees or **DIF** means the revenues generated by Borrower's locally-adopted development financing mechanism to mitigate development's impacts on transportation by making fair share contributions for transportation facilities needed as a result of development, as required by Measure I, including without limitation proceeds from a Community Facilities District or other development-based sources.

Development Mitigation Annual Report means the annual report prepared by local jurisdictions in the urbanized areas of San Bernardino County as part of the SBCTA Development Mitigation Program that provides information on what development has occurred, the amount of development mitigation revenue collected and the amount of development mitigation revenue expended on projects contained in the Nexus Study.

Draw means an advance made by Lender from Borrower's Local Streets Program funds in order to pay for the Local Share of Project Costs as part of the Loan Amount.

Effective Date means the date this Agreement is executed by Lender.

Interest means an amount calculated annually on any unpaid Original Loan Amount at the same percentage rate payable on investments in the State of California Local Agency Investment Fund (LAIF) during the twelve month period ending each December 31, as set forth in the December 31st LAIF Quarterly Apportionment Rates schedule, for the period preceding the Annual Payment due date.

Lender means the San Bernardino County Transportation Authority.

Lien means any voluntary or involuntary security interest, mortgage, pledge, claim, charge, encumbrance, and intra-fund borrowing commitment, covering all or any part of the Collateral.

Loan Amount means the total of the Original Loan Amount and the Measure I Loan, outstanding and unpaid by Borrower, up to an amount not to exceed \$18,762,403.05 plus Interest.

Loan Due Date means March 15, 2028, which is the last day of the tenth (10th) year subsequent to the due date of the first Annual Payment.

Loan Fee means a one-time fee of Two-Thousand Seven Hundred Fifty Dollars (\$2,750) payable by Borrower to Lender for Lender's additional costs of administering the Term Loan.

Local Share means the sum of: (1) Project Costs minus Cost Buy-Down for Project, times the development contribution percentage set forth in the SBCTA Nexus Study of fifty-seven and one-half percent (57.5%); and (2) one-hundred percent (100%) of SBCTA management and oversight costs for the Project. The Local Share is \$31,359,075.23, of which \$12,596,672.18 has been paid to date.

Local Streets Program Funds means the Measure I program in all subareas that provides funds through a pass-through mechanism directly to local jurisdictions for expenditure on street and road construction, repair, maintenance and other eligible local transportation priorities including local streets, major highways, state highway improvements, freeway

interchanges, transit, and other improvements/programs to maximize use of transportation facilities.

Major Local Highways Program Policy means the MLH Program Measure I 2010-2040 Strategic Plan set forth in Policy 40013 adopted by the SBCTA Board April 1, 2009, as revised July 7, 2010, March 4, 2015, January 6, 2016, and September 6, 2017.

Measure I means the one-half of one percent ($\frac{1}{2}\%$) retail transactions and use tax statutorily dedicated to transportation planning, design, construction, operation and maintenance only, in San Bernardino County as authorized by the San Bernardino County voters' passage of Ordinance 89-01 in 1989 and reauthorized by the San Bernardino County voters' passage of Ordinance 04-01 in 2004.

Measure I Loan Amount means the total amount of all Draws, outstanding and unpaid by Borrower, up to an amount not to exceed the Loan Amount.

MLH means Major Local Highways.

Nexus Study means that study approved by the SBCTA Board on February 3, 2016, and updated every two years, which sets forth the Local Share percentages for transportation improvements based on the estimates of Project Costs and the growth data provided by local jurisdictions.

Original Loan Amount means \$18,762,403.05.

Person means a natural person or a corporation, government entity or subdivision, agency, trust, estate, partnership, cooperative or association.

Project means the I-15/Ranchero Road Interchange Project in the City of Hesperia, as more fully described in Contract No. C12219.

Project Costs means the total cost of the Project, estimated to be \$57,306,781.42, including the SBCTA management and oversight costs for the Project, which total \$322,406.88.

Public Share means the share of Project Costs assigned as SBCTA's contribution calculated as the Project Costs minus the Cost Buy-Down Funds and minus the Local Share for the Project.

SBCTA means the San Bernardino County Transportation Authority.

Term means the term of this Agreement commencing on the Effective Date and ending on the Agreement Termination Date.

Term Loan means Lender's lending of money to Borrower under the terms of this Agreement from the defined source of funds and for the defined purposes as more specifically described in Article Two.

Uncommitted Development Impact Fees means those Development Impact Fees received by or to be received by Borrower during the term of this Agreement for which, as of the Effective Date, Borrower has not made previous commitments as listed in Exhibit “B”.

Victor Valley Major Local Highways Program or Major Local Highways Program means the Measure I program in the Victor Valley subarea more fully described in Policy 40013 that provides funds through a reimbursement mechanism directly to local jurisdictions for expenditures incurred for components of any project allocated Victor Valley Major Local Highways Program funding by the SBCTA Board of Directors. The amount of Victor Valley Major Local Highways Program funds available to each jurisdiction in the Victor Valley subarea shall be approximately equivalent over the life of Measure I.

ARTICLE TWO—TERM LOAN

2.1 Term Loan. On the terms and conditions set forth herein, Lender hereby agrees to lend the Loan Amount to Borrower for the purpose of assisting Borrower in satisfying its obligation to pay the Local Share of Project Costs. On or before the Loan Due Date (unless extended in accordance with Subarticle 3.7), Borrower promises to pay Lender the principal sum of the Loan Amount plus Interest.

2.2 Term Loan Draws. Lender will send Borrower an invoice for the Annual Payment by January 31 of each year beginning January 31, 2019. Not later than March 15, 2019, and March 15 of each year thereafter, Borrower shall pay Lender the Annual Payment with Uncommitted DIF until the Loan Amount is paid in full. If Borrower fails to pay the full amount of the Annual Payment by March 15, Lender shall make a Draw in an amount up to the unpaid amount of the due and payable Annual Payments. Each Draw shall become principal on the Measure I Loan Amount, and the Source of Loan Draws shall be reduced by the amount of the Draw. Each Draw shall reduce the Original Loan Amount, and shall increase the Measure I Loan Amount. The total of all Draws shall not exceed the Loan Amount.

2.3 Source of Draws. The sole source of any Draws shall be Borrower’s Local Streets Program funds.

2.4 Use of Proceeds. Measure I strictly limits the recipients of, the projects eligible for, and the uses of Measure I proceeds, including Victor Valley Major Local Highways Program and Local Streets Program funds. Borrower understands and agrees that Draws shall be credited toward Borrower’s account with SBCTA for payment of the Original Loan Amount plus Interest, and Draws shall not be paid directly to Borrower, Borrower’s creditors, assigns, or any Person, and shall not be used for any purpose unauthorized by Measure I.

2.5 Application of Draws. Each Draw shall be applied first to payment of Interest accrued and owing, and then to the Annual Payments due and payable.

ARTICLE THREE—GENERAL CREDIT PROVISIONS

3.1 Conditions Precedent. As conditions precedent to Lender making the Term Loan to Borrower, Borrower shall:

3.1.1 Pay Lender the Loan Fee upon Borrower's execution of this Agreement; and

3.1.2 Intentionally Omitted.

3.1.3 Deliver to Lender a certified copy of a Resolution or minute action of Borrower's legislative body authorizing execution of this Agreement by Borrower's duly authorized representative and approving this Agreement.

3.2 Records of Draws. Draws shall be evidenced by entries in accounting records maintained by Lender.

3.3 Collateral. Borrower shall grant Lender a first priority Lien in the Collateral, as more fully described in Exhibit "A". Borrower shall execute all such documents as Lender deems useful or necessary from time to time to perfect and maintain its Lien in the Collateral.

3.4 Repayment of Loan Amount.

3.4.1 Borrower shall repay the Loan Amount to Lender by the following means: not later than March 15 of each year, Borrower shall pay Lender the Annual Payment in Uncommitted DIF collected by Borrower until the Loan Amount is paid in full.

3.4.2 Borrower shall commence repayment of the Loan Amount on March 15, 2019.

3.4.3 All DIF payments of the Loan Amount received by Lender shall be entered in SBCTA's records as a reduction of the Original Loan Amount, and will be applied first to Interest accrued and payable, and then to Annual Payments due and payable, and then as a release of funds under Subarticle 3.5.

3.5 Release of Funds. Within thirty (30) calendar days after Lender's receipt of a DIF payment from Borrower, Lender shall release to Borrower Local Streets Program funds that have been withheld as a Draw under Subarticle 2.2 that are in excess of Borrower's Interest accrued and payable and Annual Payments due and payable as of that date.

3.6 Loan Due Date. The remaining balance of the Loan Amount plus Interest shall be due and payable upon the Loan Due Date.

3.7 Loan Extension. If the Loan Amount is unpaid one hundred eighty (180) calendar days prior to the Loan Due Date and Borrower is not in breach of this Agreement, Borrower and Lender shall negotiate in good faith an extension of the Loan Due Date as is necessary to enable Borrower to repay the Loan Amount from Uncommitted Development Impact Fees.

3.8 Expiration of Measure I. If the Loan Amount is not paid in full as of the expiration date of Measure I due to insufficient Uncommitted Development Impact Fees collected by Borrower, Borrower's obligations to make any further Term Loan payments shall cease, this Agreement shall terminate, and Lender shall release its security interest in the Collateral.

3.9 Agreement Termination. This Agreement shall terminate upon the earliest to occur of 1) repayment in full of the Term Loan; 2) termination of the Agreement pursuant to Section 7.2; or 3) the expiration of Measure I.

ARTICLE FOUR—REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that as of the Effective Date and the dates of each of the Draws:

4.1 Authorization, Validity and Enforceability. The execution, delivery and performance of this Agreement are within Borrower's powers, have been duly authorized, and are not in conflict with Borrower's charter (if applicable), and this Agreement constitutes a valid and binding obligation of Borrower, enforceable in accordance with its terms.

4.2 Compliance with Applicable Laws. Borrower has complied with its charter (if applicable), all laws, ordinances, and other governmental regulations now or later in force and effect in entering into this Agreement.

4.3 No Conflict. The execution, delivery, and performance by Borrower of the terms of this Agreement are not in conflict with any law, rule, regulation, order or directive, or any indenture, agreement, or undertaking to which Borrower is a party or by which Borrower may be bound or affected.

4.4 No Litigation, Claims or Proceedings. There is no litigation, claim, proceeding or dispute pending, or to the knowledge of Borrower, threatened against or affecting the Collateral or Borrower's ability to enter into this Agreement, except as disclosed in writing to Lender prior to the Effective Date.

4.5 Correctness of Financial Statements. Borrower's Comprehensive Annual Financial Report for Fiscal Year 2016/2017 which has been delivered to Lender fairly and accurately reflects Borrower's financial condition as of June 30, 2017, and since that date, there has been no material adverse change in Borrower's financial condition.

4.6 DIF Commitments List. Borrower represents and warrants to Lender that the DIF Commitments list, attached to this Agreement as Exhibit "B", is a true, correct and complete listing of commitments, and amounts of commitments, of Development Impact Fees as of the Effective Date of this Agreement.

4.7 Reaffirmation of Representations. Each Draw accepted by Borrower shall be deemed a confirmation by Borrower that all representations and warranties contained herein or

otherwise made by Borrower to Lender are then accurate in all material respects as though made on the date of such Draw.

4.8 Continuing Disclosure. The Borrower shall notify the Lender of potential bankruptcies, changes in general fund balances or revenues greater than 20% from the prior year, operational changes that impact the Borrower's budget by greater than 20% and any new debt issuances.

4.9 Title to Collateral. Except as disclosed to Lender pursuant to this Agreement, Borrower has good and clear title to the Collateral, and the Collateral is not subject to any Liens.

ARTICLE FIVE—AFFIRMATIVE COVENANTS

During the Term of this Agreement and until its performance of all obligations to Lender, Borrower promises and will:

5.1 Notice to Lender. Promptly give notice to Lender of:

5.1.1 Any litigation or threatened litigation or administrative or regulatory proceeding arising out of or related to this Agreement;

5.1.2 Any Event of Default; and

5.1.3 Receipt of Uncommitted Development Impact Fees, including the sources and amounts of the Uncommitted Development Impact Fees received through submission of its Development Mitigation Annual Report.

5.2 Borrower grants Lender a first position security interest in the Collateral. Borrower shall execute all such documents as Lender deems useful or necessary from time to time to perfect and maintain its first position security interest in the Collateral.

5.3 Records. Maintain adequate books, papers, records, accounting records, files, reports, and all other material relating to the Project and the Development Impact Fees. Borrower shall, upon request, make all such materials available to Lender or its designee at any reasonable time during the term of the Agreement and for three (3) years from the Agreement Termination Date for auditing, inspection, and copying.

5.4 Intentionally Omitted.

5.5 Five-Year Measure I CIP Disclosure. Include in its Five-Year Measure I Capital Improvement Plan the amount of this Loan, the use of the Loan funds, and Borrower's plan for repayment of the Loan.

5.6 General Credit Provisions. Comply with and perform all of Borrower's payment and other obligations under Article Two - Term Loan, and Article Three - General Credit Provisions.

5.7 Compliance with Laws. Comply with all laws, rules, regulations, orders or directives of any governmental or regulatory authority and with all material agreements to which Borrower is a party, that relate to or impact Borrower's performance under this Agreement.

5.8 Insurance. Intentionally Omitted.

ARTICLE SIX—NEGATIVE COVENANTS

During the Term of this Agreement and until the performance of all obligations to Lender, Borrower will not, without prior written consent of Lender:

6.1 Liens. Create, incur, assume or permit to exist any Lien, or grant any other Person or entity a pledge, in any of the Collateral, except Liens in favor of Lender pursuant to Subarticle 3.3.

6.2 Transfer of Collateral. Borrower covenants not to directly or indirectly assign, transfer, pledge, convey, hypothecate or encumber the Collateral in whole or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Agreement.

6.3 Non-Assignment of Agreement. Borrower shall not assign this Agreement in whole or in part, voluntarily, by operation of law, or otherwise without first obtaining the written consent of SBCTA. SBCTA's exercise of consent shall be within its sole discretion. Any purported assignment without SBCTA's prior written consent shall be void and of no effect, and shall constitute a material breach of this Agreement. Subject to the foregoing, the provisions of this Agreement shall extend to the benefit of and be binding upon the successors and assigns of the Parties.

ARTICLE SEVEN—EVENTS OF DEFAULT

7.1 Event of Default. An event of default is any breach or default of any covenant, representation or warranty of this Agreement which can be cured by the payment of money and which either Party does not cure within a fifteen (15) calendar day period commencing on the date when such amount was due and payable ("Monetary Event of Default"); or any other breach or default ("Non-Monetary Event of Default") by either Party of any covenant, representation or warranty of this Agreement which is not a Monetary Event of Default or which is not defined in this section and which the defaulting Party does not cure within a thirty (30) calendar day period commencing on the date of the occurrence of the breach or default (the "Applicable Cure Period"), or in the event such Event of Default cannot reasonably be cured within such time, which the defaulting Party does not commence to cure within the Applicable Cure Period and thereafter diligently and continuously proceed

with such cure to completion and complete the same within a period determined to be reasonable by the non-defaulting Party.

7.2 Remedies. Upon the occurrence of any uncured Event of Default, the following shall apply:

7.2.1 At Lender's sole discretion, Lender may take any or all of the following actions:

7.2.1.1 cease making further Draws;

7.2.1.2 withhold Local Streets Program funds equivalent to the Loan Amount outstanding at the time of Default;

7.2.1.3 terminate this Agreement, without further notice to Borrower;

7.2.1.4 pursue proceedings at law or equity to recover the Collateral or to otherwise enforce the terms of this Agreement against Borrower;

7.2.1.5 disqualify Borrower from further participation in SBCTA's Development Mitigation Fair Share Loans and Loan Repayment program under Victor Valley Major Local Highways Program Measure I Strategic Plan Policy 40013, sub-policy VVMLH-32.

7.2.1.6 exercise any and all rights and remedies available at law or equity.

7.2.2 At Borrower's sole discretion, Borrower may take any or all of the following actions:

7.2.2.1 terminate this Agreement, without further notice to Lender;

7.2.2.2 pursue proceedings at law or equity to enforce the terms of this Agreement against Lender.

7.2.3 In the event of any litigation, whether in a court of law, administrative hearing, arbitration, or otherwise, arising from or related to this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

ARTICLE EIGHT--GENERAL PROVISIONS

8.1 Notices. Any notice given by any Party to this Agreement shall be in writing and personally delivered, deposited in the United States mail, postage prepaid, or sent by facsimile transmission, and addressed as follows:

To: Borrower

City of Hesperia
Attention: City Manager
9700 Seventh Avenue
Hesperia, CA 92345
Fax No.: (760) 947-2881

To: Lender

SBCTA
Attention: Executive Director
1170 W. Third Street
San Bernardino, CA 92410
Fax No.: (909) 885-4407

Each Party may change the address to which notices, requests and other communications are to be sent by giving written notice of such change to each other Party.

8.2. No Waiver. Any waiver, permit, consent or approval by a Party of any Event of Default or breach of any provision, representation, warranty or covenant of this Agreement must be in writing and shall be effective only to the extent set forth in writing. No waiver of any breach or default shall be deemed a waiver of any later breach or default of the same or any other provision of this Agreement. Any failure or delay on the part of a Party in exercising any power, right or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude any further exercise thereof.

8.3 Rights Cumulative. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any other rights or remedies available under this Agreement or applicable law.

8.4 Unenforceable Provisions. Any provision of this Agreement which is prohibited or unenforceable, shall be so only as to the extent of such prohibition or unenforceability, but all the remaining provisions of the Agreement shall remain valid and enforceable.

8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8.6 Indemnification. Neither Lender nor any officer or employee thereof is responsible for any injury, damage or liability occurring or arising by reason of anything done or omitted to be done by Borrower under or in connection with this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, Borrower shall fully defend, indemnify and save harmless Lender, its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by Borrower under or in connection with any work, authority or jurisdiction delegated to Borrower under this Agreement. Borrower's indemnification obligation applies to Lender's "active" as well as "passive" negligence but does not apply to Lender's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

8.7 Reimbursement. Borrower shall reimburse Lender for all costs and expenses expended or incurred by Lender in any arbitration, judicial reference, legal action, or otherwise in connection with: (i) collecting any sum which becomes due Lender under this Agreement, or (ii) the protection, preservation or enforcement of any rights of Lender under this Agreement.

8.8 Execution in Counterparts. This Agreement may be executed in any number of counterparts which, when taken together, shall constitute but one agreement.

8.9 Further Assurances. At any time and from time to time upon the request of Lender, Borrower will execute and deliver such further documents and do such other acts as Lender may reasonably request in order to effect fully the purposes of the Agreement and provide for the payment of the Loan and preservation of Lender's security interest in the Collateral.

8.10 Headings. The headings and captions of Articles and subarticles of this Agreement are for the convenience of reference only and shall not constitute a part of the text nor alter or otherwise affect the meaning thereof.

8.11 Construction of Agreement. Both Parties have been represented or had the full opportunity to be represented by legal counsel of their own choosing in the negotiation and preparation of this Agreement. Therefore, the language in all parts of this Agreement will be construed, in all cases, according to its fair meaning, and not for or against either Party.

8.12 Exhibits. Exhibit "A" (Collateral) and Exhibit "B" (DIF Commitments) are attached to and incorporated into this Agreement by this reference.

8.13 Entire Agreement. This Agreement is intended by the Parties as the final expression of their agreement and therefore contains the entire agreement between the Parties and supersedes all prior understandings or agreements, written or oral, concerning the subject matter hereof. All previous proposals, offers, and other communications, written or oral, relative to this Agreement, are superseded except to the extent that they have been incorporated into this Agreement.

8.14 Amendments. This Agreement may be amended only in a writing duly authorized and executed by both Borrower and Lender.

-----SIGNATURES ON FOLLOWING PAGE-----

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement below.

CITY OF HESPERIA

**SAN BERNARDINO COUNTY
TRANSPORTATION
AUTHORITY**

By: _____
Russ Blewett, Mayor

By: _____
Alan D. Wapner, President

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

Eric L. Dunn,
City Attorney

Eileen Monaghan Teichert,
General Counsel

ATTEST

By: _____
Melinda Sayre, City Clerk

Jeffery Hill, Procurement Manager

EXHIBIT “A”
COLLATERAL FOR TERM LOAN AGREEMENT NO. 17-1001629

1. Any and all of the City of Hesperia Uncommitted Development Impact Fees received by or to be received by the City of Hesperia, including the proceeds from and interest on such fees and accounts into which such fees are deposited. Uncommitted Development Impact Fees are the revenues generated by City of Hesperia locally-adopted development financing mechanism to mitigate development’s impacts on transportation by making fair share contributions for transportation facilities needed as result of development, as required by Measure I, including without limitation proceeds from a Community Facilities District or other development-based sources, but do not include such revenues generated to pay the development share for the commitments identified in Exhibit “B”.
2. Any and all of City of Hesperia Measure I Local Streets Program funds up to the amount of \$18,762,403.05 plus Interest. Local Streets Program funds means the San Bernardino County Transportation Authority-administered Measure I program that provides funds through a pass-through mechanism directly to the City of Hesperia for expenditure on street and road construction, repair, maintenance and other eligible local transportation priorities including local streets, major highways, state highway improvements, freeway interchanges, transit, and other improvements/programs to maximize use of transportation facilities.

EXHIBIT “B”

DIF COMMITMENTS AND AMOUNTS

Ranchero Rd Impvmts – 7 th Ave to Mariposa Rd CO 7094	\$14,430,500
Main Street Aqueduct Crossing CO 7096	\$329,877
Traffic Signal @ Ranchero Rd/ Maple Ave CO 7131	\$100,000
Ranchero Rd Rehab & Main St Median CO 7137	\$272,000
Ranchero Road Aqueduct Crossing CO 7139	\$600,000
Traffic Signal @ Ranchero/ Cottonwood CO 7146	\$100,000
Main St; Hwy 395 to Mesa Linda	\$1,350,000
Main St; Escondido to 11 th	\$15,422,838
Main St; 11 th to 9 th	\$1,603,684
Ranchero Rd; 7 th to Danbury (inc. RR Grade Separation)	\$750,000
Ranchero Rd; Danbury to I Ave	\$2,817,000
Ranchero Rd; I Ave to Arrowhead Lake Rd	\$1,558,800

All DIF received from development of the Tapestry Specific Plan, which is required to be expended pursuant to the Development Agreement between the City of Hesperia and Hesperia Venture I, LLC, dated January 30, 2018, and recorded on January 30, 2018, as Instrument No. 2018-0033139.

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City of Hesperia

STAFF REPORT



DATE: May 1, 2018
TO: Mayor and City Council
FROM: Eric Dunn, City Attorney
SUBJECT: Amicus Brief in support of the Department of Justice

RECOMMENDED ACTION

It is recommended that the City Council approve joining an amicus brief prepared by the Immigration Reform Law Institute ("IRLI") in support of the Department of Justice ("DOJ") lawsuit asserting the supremacy of federal laws, and authorize the City Attorney to take actions related thereto.

BACKGROUND

As discussed in prior meetings, the DOJ filed a lawsuit against the State of California challenging recent laws adopted by the State. A number of jurisdictions have adopted local ordinances or taken other action related to the issue. The IRLI prepared an amicus (friend of the court) brief in support of the DOJ's lawsuit and the principle that federal law preempts the new state laws under the Constitution's Supremacy Clause. IRLI reached out to a number of cities about joining the amicus brief. The City will be listed in the brief and will receive updates on the case, but will not be directly involved in the litigation.

FISCAL IMPACT

There is no cost to the City.

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City of Hesperia STAFF REPORT



DATE: May 1, 2018
TO: Mayor and Council Members
FROM: Nils Bentsen, City Manager
BY: Rachel Molina, Assistant to the City Manager
Sean Boal, IT Manager
SUBJECT: Three-Year Maintenance and Licensing Agreement with Granicus

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute a three-year maintenance and licensing contract with Granicus Inc. for an amount not to exceed \$154,815 to provide maintenance and licensing for the Legislative Management Suite (Legistar) and video streaming services.

BACKGROUND

The Granicus Software Suite provides voting software, live video streaming and video archiving of the City Council, Planning Commission, City Council Advisory Committee and Public Safety Advisory Committee meetings. Legistar provides an electronic agenda solution and an online portal for the public to access all City Council agenda materials.

ISSUES/ANALYSIS

The City has utilized the Granicus Software Suite for online video streaming and archiving services since 2007 and Legistar for electronic agenda materials and public online portal since 2013. Granicus is a well-respected leader in digital governing that maintains technologies that assist staff in efficiently creating and delivering content to Hesperia residents in an easily accessible manner. The City is satisfied with both products and associated services. Establishing an updated maintenance and licensing agreement will ensure product stability and support for a three-year term.

FISCAL IMPACT

The \$154,815 requested represents the quoted amount of \$147,442.42 plus a 5% contingency. Funding for this agreement is provisioned for in the Information Technology annual operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None

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City of Hesperia STAFF REPORT



DATE: May 1, 2018
TO: Mayor and City Council Members
FROM: Nils Bentsen, City Manager
BY: Rachel Molina, Assistant to the City Manager
Sean Boal, IT Manager
SUBJECT: Three-Year Maintenance and Licensing Agreement with Tyler Technologies

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute a three-year maintenance and licensing contract with Tyler Technologies, Inc. for an amount not to exceed \$378,415 to provide maintenance and licensing for the New World Financial System.

BACKGROUND

The New World Financial System is a unified suite of software products, which includes Financial Management, Utility Management, Human Resources and Payroll. The City has used New World Systems for nearly 30 years. New World Systems was recently purchased by Tyler Technologies, an industry leader in municipal software development. The purchase of New World Systems by Tyler Technologies has reduced licensing costs and further improved development time and standardization of all applications.

ISSUES/ANALYSIS

From the initial installation of the New World Financial System, the City has maintained a current maintenance and licensing agreement for the New World Financial suite of products. In order to maintain the required support for the City's financial system, it is necessary for the City to keep its software maintenance and licensing agreement in good standing. The maintenance agreement covers the modules used by the City and is used often throughout the year for updates to the system or adjustments to the standard software suite.

FISCAL IMPACT

The \$378,415 requested represents the quoted amount of \$360,395 plus a 5% contingency. Funding for this agreement is provisioned for in the Information Technology and Utility Billing annual operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None.

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City of Hesperia STAFF REPORT



DATE: May 1, 2018

TO: Mayor and City Council Members

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Assistant to the City Manager
Sean Boal, IT Manager

SUBJECT: Two-Year Maintenance and Licensing Agreement with Superion

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute a contract with Superion with a not to exceed amount of \$100,791 over two (2) years for licensing, support, and maintenance of TrakiT.

BACKGROUND

In 2011, the City contracted with CRW Systems to implement a land management system to replace the existing land management system, Accela. The City began using TrakiT for Building, Planning, Engineering, and Fire services, in December 2012.

In 2014, the City purchased License Trak and Code Trak. These two modules “went live” in September 2015. This implementation included the conversion of data from New World Financial Systems related to business licensing, and the conversion of data to integrate the Police Multiple Response program into TrakiT. Concurrently, Code Enforcement began using the system and was successful in becoming the first completely paperless division in the City.

Since 2015, the system received several program enhancements. These included a checks and balance on inspections to ensure all fees are paid before a final inspection is scheduled, and enhancements to the Land Trak module to copy data from one area of the system to another, which staff had previously completed manually. Finally, ETrakiT, the online customer portal of TrakiT was customized to allow for the renewal of business licenses online (in beta testing), and the ability to schedule, cancel, re-schedule, and view inspection results online (in beta testing).

Superion acquired CRW Systems in 2017. Superion is a multi-faceted company offering government based software. The City maintains the TrakiT software, and Superion provides support and updates.

ISSUES/ANALYSIS

TrakiT has been in use for five years and since implementation, TrakiT has grown. The software now houses many other programs, including Animal Control administrative citations, which allows Animal Control to bill monthly and place unpaid fines on the tax rolls as special assessments; the Police Multiple Response Program; the Fats, Oils, and Grease program, the Stormwater program; and the Mobile Home Permit to Operate program. The original uses,

including the entitlement and development process for Development Services and all code enforcement activities are still in effect as well.

The feature and module implementations on the current version are nearing completion. TrakiT is now transitioning from being developed and expanded to a maintenance role. \$100,000 requested by staff will license, support, and maintain the current version for two (2) years when it is anticipated the city will upgrade to TrakiT9, the web-based version of the software.

FISCAL IMPACT

The requested amount of \$100,791 includes the quoted amount of \$91,595.23 plus a 10% contingency. Funding for this agreement is provisioned for in the Information Technology annual operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None.



DATE: May 1, 2018

TO: Mayor and City Council Members
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance

SUBJECT: FY 2018-19 Budget Workshop #2 – Operating Budget

RECOMMENDED ACTION

It is recommended that the City Council and the Hesperia Water District Board of Directors receive and file this staff report and presentation, which provides information about the current status of the City of Hesperia's proposed operating budget for FY 2018-19.

BACKGROUND

In compliance with the City Council's policy direction, staff annually develops an expenditure budget. While the budget gives the City the legal authority to secure goods and services, it is also a communication tool that provides information to the citizens about the City's programs and projects. To ensure that the budget is developed to meet the City Council's direction, a series of budget workshops have been developed. The first workshop focused on CalPERS and its impact on the four active Hesperia plans. This second workshop will highlight the proposed operating budget. During the second City Council meeting in May, the third workshop will focus on use of reserves for non-operating expenditures. Finally, the proposed annual budget will be presented at the last budget workshop in June 2018.

ISSUES/ANALYSIS

For this second budget workshop, a brief overview of the City's and Water District's operating budget will be given. The operating budget includes planned ongoing revenues and expenditures for the upcoming fiscal year, as well as revisions to the FY 2017-18 Budget. It should be noted, that the goal for developing the FY 2018-19 Budget was to minimize the use of reserves and enhance cash reserves. This goal will be highlighted during the presentation.

FISCAL IMPACT

There are no financial impacts at this time, as this is a workshop to discuss the proposed FY 2018-19 operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None