

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

Regular Joint Meetings
1st and 3rd Tuesday

Date: October 20, 2020
REGULAR MEETING

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

CITY COUNCIL MEMBERS

Larry Bird, Mayor

Cameron Gregg, Mayor Pro Tem

Brigit Bennington, Council Member

William J. Holland, 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

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.

***See page (3) for details on public meeting guidelines during
the COVID-19 (Coronavirus) Pandemic**



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.



Remote Access to City of Hesperia Council Meeting:

In accordance with new community guidelines from local, state and federal public health agencies, the City of Hesperia will allow for remote participation at City Council meetings. The public will not be permitted to attend the meetings within the council chambers, but may submit comments verbally via telephone by calling ahead of time and recording a message with the City Clerk's office at (760)947-1007.

As always, the public may view the City Council meetings live on the City of Hesperia's website at www.cityofhesperia.us.

Remote Public Comment:

During the City Council meeting, public comments will be accepted in advance by calling and leaving a recorded message at (760)947-1007. If you would like to comment remotely, please follow the protocols below:

- Call (760)947-1007 to leave a detailed message of your public comment.
- Identify your name and the item you wish to comment on in your message.

- Contact information in your voicemail is optional, but will allow staff to easily follow up with you if necessary.
- Comments on each Consent Calendar/New Business/ Public Hearing item will be accepted after the start of the meeting and up to when the Mayor announces that public comment for that item is closed.
- Each public comment received by voicemail will be played by a staff member for up to three (3) minutes for Consent Calendar/New Business items and up to five (5) minutes for Public Hearing items.

Public comments received outside of the comment period outlined above will not be included in the record.

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

9700 7th Avenue, Council Chambers, Hesperia, CA 92345

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 Larry Bird
Mayor Pro Tem Cameron Gregg
Council Member Brigit Bennington
Council Member William J. Holland
Council Member Rebekah Swanson*

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)1

- 1.General Liability Settlement: Billings & Orellana v. City of Hesperia Claim No: HS2042
- 2.Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)

CALL TO ORDER - 6:30 PM

- A. Invocation
- B. Pledge of Allegiance to the Flag
- C. Roll Call

Mayor Larry Bird

*Mayor Pro Tem Cameron Gregg
Council Member Brigit Bennington
Council Member William J. Holland
Council Member Rebekah Swanson*

D. Agenda Revisions and Announcements by City Clerk

E. Closed Session Reports by City Attorney

JOINT CONSENT CALENDAR

1. Page 5 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, October 6, 2020

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, October 6, 2020.

Staff Person: Director of Government Services/City Clerk Melinda Sayre

Attachments: [Draft CC Min 2020-10-06](#)

2. Page 9 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - 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, and Hesperia Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Warrant Run 10-20-2020](#)

[Attachment 1 - Warrant Run](#)

3. Page 11 Treasurer's Cash Report for the unaudited period ended August 31, 2020

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, and Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Treasurer's Report 10-20-2020](#)

[Attachment 1 - Treasurer's Report](#)

4. Page 21 Amendment to Contract with NBS for CFD Formation Services

Recommended Action:

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to amend the agreement with NBS Government Finance Group (NBS) by \$35,000 to include a Community Facilities District (CFD) fiscal impact analysis of commercial/industrial development and perform the CFD formation services. Upon approval, the amended contract total with NBS will not exceed \$112,130.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Amendment to Contract with NBS for CFD Formation Services 10-20-2020](#)

5. Page 23

Award a Professional Services Agreement for Consulting Services Related to the 2020 Urban Water Management Plan (UWMP), C.O. No. 4040-08

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District award a Professional Services Agreement (PSA) to Tully & Young, Inc. in the amount of \$60,765 plus a 10% contingency amount of \$6,075 for a total not-to-exceed amount of \$66,840 for professional consulting services related to the 2020 Urban Water Management Plan (UWMP), C.O. No. 4040-08 and authorize the City Manager to execute said agreement.

Staff Person: Assistant City Manager Michael Blay

Attachments: [SR Tully & Young, Inc. PSA 10-20-2020](#)

NEW BUSINESS

6. Page 27

City of Hesperia Community Development Block Grant (CDBG) funded Commercial Façade Rehabilitation Program - Program Guidelines

Recommended Action:

It is recommended that the City Council, after reviewing the Program Guidelines for the City's Community Development Block Grant (CDBG) funded Commercial Façade Rehabilitation Program ("CFRP") and after hearing the staff presentation:

- (1) Adopt Resolution No. 2020-67 approving the Program Guidelines for the CDBG funded CFRP, and
- (2) Authorize the City Manager and/or Economic Development Manager or their designee to implement the CDBG funded CFRP and make necessary revisions to all forms and documents related to the CDBG funded CFRP.

Staff Person: Economic Development Manager Rod Yahnke

Attachments: [SR CDBG funded Commercial Façade Rehabilitation Program 10-20-2020](#)

[Resolution 2020-67](#)

[Attachment 2 - Commercial Façade Rehabilitation Program](#)

7. Page 57

Support of Recognizing the County of San Bernardino by Sub-region for the Purposes of Reopening the Economy Under California's Blueprint for a Safer Economy and Making the Reopening Process More Stable and Predictable

Recommended Action:

It is recommended that the City Council adopt Resolution 2020-68 in support of recognizing the County of San Bernardino by sub-region for the purposes of reopening the economy under California's Blueprint for a Safer Economy and making the reopening process more stable and predictable.

Staff Person: Deputy City Manager Rachel Molina

Attachments: [SR Recognize the County of San Bernardino by Sub-region 10-20-2020](#)
[Resolution 2020-68](#)

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 are requested to 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 joint 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.

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, October 15, 2020 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.



City of Hesperia

Meeting Minutes - Draft

City Council

City Council Chambers
9700 Seventh Ave.
Hesperia CA, 92345
www.cityofhesperia.us

Tuesday, October 6, 2020

6:30 PM

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA WATER DISTRICT
October 6, 2020, 6:30 PM
9700 7th Avenue, Council Chambers, Hesperia, CA 92345**

Pursuant to State recommendations, the meeting was closed to the public due to COVID-19 (Coronavirus). Public Comment on agenda items and General Public Comment was taken remotely.

CLOSED SESSION - 5:30 PM

Roll Call

Present: 5 - Mayor Bird, Mayor Pro Tem Gregg, Council Member Bennington, Council Member Holland and Council Member Swanson

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

1. One (1) case

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)1

1. Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)

CALL TO ORDER - 6:30 PM

A. Invocation by Mayor Bird

B. Pledge of Allegiance to the Flag

C. Roll Call

Present: 5 - Mayor Bird, Mayor Pro Tem Gregg, Council Member Bennington, Council Member Holland and Council Member Swanson

D. Agenda Revisions and Announcements by City Clerk – None

E. Closed Session Reports by City Attorney – None

ANNOUNCEMENTS/PRESENTATIONS

1. Update on the City's Emergency Response related to the Coronavirus Disease by Rachel Molina, Deputy City Manager

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

Bob Nelson commented on free speech.

JOINT CONSENT CALENDAR

A motion was made by Holland, seconded by Gregg, that the Consent Calendar be approved. The motion carried by the following vote:

Aye: 5 - Bird, Gregg, Bennington, Holland and Swanson

Nay: 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, September 15, 2020.

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, September 15, 2020.

Sponsors: Director of Government Services/City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - 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, and Hesperia Water District.

Sponsors: Director of Finance Casey Brooksher

3. Consideration of the Biennial Update of the City's Statement of Economic Interests Designated Employee Filing Roster

Recommended Action:

It is recommended that the City Council and Water District Board adopt the Fair Political Practices Commission required biennial update of the City's Statement of Economic Interest Employee Filing Roster (Conflict-of-Interest Code) for designated employees through adoption of Joint Resolution No. 2020-66 and HWD 2020-25.

Sponsors: Director of Government Services/City Clerk Melinda Sayre

4. Approve and Accept Construction of FY 2019-20 CDBG Street Improvements

Recommended Action:

It is recommended that the City Council authorize the City Manager to accept the work constructed under FY 2019-20 CDBG Street Improvements (C.O. No. 7158); authorize staff to record a "Notice of Completion"; and release all withheld retention amounts after 35 calendar days from the date of recordation.

Sponsors: Assistant City Manager Michael Blay

5. Adopt Measure I Five Year Capital Project Needs Analysis for Fiscal Years 2021/22 through 2025/26

Recommended Action:

It is recommended that the Mayor and Council Members adopt Resolution No. 2020-065 approving the Measure I Five-Year Capital Project Needs Analysis submittal to the San Bernardino County Transportation Authority (SBCTA) for Fiscal Years 2021/22 through 2025/26.

Sponsors: Assistant City Manager Michael Blay

NEW BUSINESS

6. Server and Storage Replacement

Recommended Action:

It is recommended that the City Council authorize the City Manager to enter into a three-year agreement with LANAIR Group LLC in an amount not-to-exceed \$225,630 to replace the City's server and storage devices with current and supported technology.

Sponsors: Deputy City Manager Rachel Molina and IT Manager Victor Knight

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

Aye: 5 - Bird, Gregg, Bennington, Holland and Swanson

Nay: 0

COUNCIL COMMITTEE REPORTS AND COMMENTS

Council Member Swanson commented on upcoming SBCTA meeting, fire safety week, blood drives, cancelled Hesperia Days.

Council Member Holland commented on reopening Hesperia and fair campaign practices.

Council Member Bennington commented on fair campaign practices and upcoming attendance at the virtual League of California Cities Conference.

Mayor Pro Tem Gregg commented on fair campaign practices, attendance at the Mayor's meeting.

Mayor Bird commented on attendance at the Mayor's meeting, fair campaign practices.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

None

ADJOURNMENT

Adjourned at 7:25 p.m.

Melinda Sayre,
City Clerk

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City of Hesperia STAFF REPORT



DATE: October 20, 2020

TO: Mayor and 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 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 – 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, and Water District.

BACKGROUND

The Warrant Run totals represented below are for the period September 5, 2020 through September 18, 2020.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$2,158,615.43	\$198,525.36	\$0.00	\$2,357,140.79
Successor Agency	0.00	0.00	0.00	0.00
Housing Authority	1,431.98	150.94	0.00	1,582.92
Community Development Commission	0.00	0.00	0.00	0.00
Water	705,126.63	103,567.86	5,535,000.00	6,343,694.49
Totals	\$2,865,174.04	\$302,244.16	\$5,535,000.00	\$8,702,418.20

* Includes debt service payments made via Automated Clearing House (ACH) electronic deposit of funds.

The wire amount for \$5,535,000.00 is to U.S. Bank Trust N.A. for the early retirement of the outstanding principal of the Hesperia Water 1998A Bonds.

ATTACHMENT(S)

1. Warrant Runs

City of Hesperia
WARRANT RUNS
09/05/2020 - 09/18/2020

Attachment 1

FUND #	FUND NAME	W/E 9/11/2020	W/E 9/18/2020	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
Accounts Payable							
100	GENERAL	\$ 16,607.76	\$ 190,327.08	\$ 206,934.84	\$ -	\$ 6,142,088.77	\$ 7,327,741.23
204	MEASURE I - RENEWAL	\$ 16,191.44	\$ 5,374.63	\$ 21,566.07	\$ -	\$ 249,712.24	\$ 7,712.50
207	LOCAL TRANSPORT-SB 325	\$ -	\$ -	\$ -	\$ -	\$ 16,902.70	\$ 142,052.11
209	GAS TAX-RMRA	\$ -	\$ 519,997.90	\$ 519,997.90	\$ -	\$ 838,259.85	\$ 1,420,331.85
210	HFPD (PERS)	\$ -	\$ -	\$ -	\$ -	\$ 975,994.00	\$ 874,510.00
251	CDBG	\$ -	\$ 1,335.65	\$ 1,335.65	\$ -	\$ 388,704.81	\$ 452,653.83
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
256	ENVIRONMENTAL PROGRAMS GRANT	\$ -	\$ 26.95	\$ 26.95	\$ -	\$ 3,885.36	\$ 3,595.37
257	NEIGHBORHOOD STABILIZATION PROG	\$ -	\$ -	\$ -	\$ -	\$ 1,719.00	\$ 47,325.55
260	DISASTER PREPARED GRANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,242.06
263	STREETS MAINTENANCE	\$ 51,035.05	\$ 132,445.32	\$ 183,480.37	\$ -	\$ 728,705.93	\$ 700,078.80
300	DEV. IMPACT FEES - STREET	\$ -	\$ -	\$ -	\$ -	\$ 38,188.26	\$ 26,313.90
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ 22,615.00	\$ 50,800.25
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,569.37
501	CFD 91-3 BELGATE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 837,793.25
504	CITY WIDE STREETS - CIP	\$ -	\$ -	\$ -	\$ -	\$ 72,044.79	\$ 13,578.51
509	CITY FACILITIES CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
800	EMPLOYEE BENEFITS	\$ 196,949.55	\$ 98,471.73	\$ 295,421.28	\$ -	\$ 1,756,012.71	\$ 1,753,242.44
801	TRUST/AGENCY	\$ 600.00	\$ 321,628.21	\$ 322,228.21	\$ -	\$ 892,895.67	\$ 261,937.35
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
807	CFD 2005-1	\$ -	\$ 607,624.16	\$ 607,624.16	\$ -	\$ 1,481,101.05	\$ 3,481.79
808	HFPD (TRANSITION)	\$ -	\$ -	\$ -	\$ -	\$ 349,144.56	\$ 856,727.95
	CITY	\$ 281,383.80	\$ 1,877,231.63	\$ 2,158,615.43	\$ -	\$ 13,957,974.70	\$ 15,343,388.11
163	REDEVELOP OBLIG RETIREMENT-2018	\$ -	\$ -	\$ -	\$ -	\$ 7,577,378.44	\$ 7,740,765.38
	SUCCESSOR AGENCY	\$ -	\$ -	\$ -	\$ -	\$ 7,577,378.44	\$ 7,740,765.38
370	HOUSING AUTHORITY	\$ -	\$ 1,431.98	\$ 1,431.98	\$ -	\$ 15,890.17	\$ 24,193.66
	HOUSING AUTHORITY	\$ -	\$ 1,431.98	\$ 1,431.98	\$ -	\$ 15,890.17	\$ 24,193.66
170	COMMUNITY DEVELOPMENT COMMISSION	\$ -	\$ -	\$ -	\$ -	\$ 1,135.42	\$ 120,143.04
	COMMUNITY DEVELOPMENT COMMISSION	\$ -	\$ -	\$ -	\$ -	\$ 1,135.42	\$ 120,143.04
700	WATER OPERATING	\$ 442,529.75	\$ 176,547.99	\$ 619,077.74	\$ 5,535,000.00	\$ 9,772,227.27	\$ 1,764,943.78
701	WATER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ 305,961.20	\$ 543,436.71
710	SEWER OPERATING	\$ 4,700.17	\$ 3,080.32	\$ 7,780.49	\$ -	\$ 871,942.65	\$ 733,468.83
711	SEWER CAPITAL	\$ -	\$ 78,268.40	\$ 78,268.40	\$ -	\$ 606,369.70	\$ 20,052.50
713	SEWER CAPITAL REHAB AND REPLACE	\$ -	\$ -	\$ -	\$ -	\$ 54,882.50	\$ -
	WATER	\$ 447,229.92	\$ 257,896.71	\$ 705,126.63	\$ 5,535,000.00	\$ 11,611,383.32	\$ 3,061,901.82
	ACCOUNTS PAYABLE TOTAL	\$ 728,613.72	\$ 2,136,560.32	\$ 2,865,174.04	\$ 5,535,000.00	\$ 33,163,762.05	\$ 26,290,392.01
REG. PAYROLL							
	City	\$ -	\$ 198,525.36	\$ 198,525.36	\$ -	\$ 1,323,597.39	\$ 1,424,328.41
	Housing Authority	\$ -	\$ 150.94	\$ 150.94	\$ -	\$ 914.61	\$ 1,765.09
	Community Development Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,528.31
	Water	\$ -	\$ 103,567.86	\$ 103,567.86	\$ -	\$ 613,545.54	\$ 613,912.51
	PAYROLL TOTAL	\$ -	\$ 302,244.16	\$ 302,244.16	\$ -	\$ 1,938,057.54	\$ 2,083,534.32

* The year to date totals for this Warrant Report are for the 2020-21 fiscal year starting July 1, 2020; however, the year-to-date totals include a total of \$2,623,663.51 in payments issued on 6/29/20 and 6/30/20.

City of Hesperia

STAFF REPORT



DATE: October 20, 2020

TO: Mayor and Council Members
City Council, Serving 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 Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne Duke, Deputy Finance Director
Nichole Eddleman, Financial Analyst

SUBJECT: Treasurer's Cash Report for the unaudited period ended August 31, 2020.

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, and Water District.

BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

ISSUES/ANALYSIS

The Treasurer's Cash Reports are presented on the following pages for each agency.

FISCAL IMPACT

These reports reflect unaudited cash balances as of August 31, 2020.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

1. City of Hesperia Investment Report
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report
3. Hesperia Housing Authority Investment Report
4. Community Development Commission Investment Report
5. Hesperia Water District Investment Report

CITY OF HESPERIA

<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	\$ 8,312,905.00
Fire District Fund (200)	165.00
HFPD (PERS) (210)	848,296.83
AB27666 - Transit (254)	30,919.13
AB3229 Supplemental Law (255)	92,765.87
AD No. 91-1 (802)	370,383.93
Beverage Recycling Grant (256)	176,467.71
CFD 2005-1 (807)	605,765.88
HFPD Transition (808)	12,478.01
City Wide-Capital Projects (504)	(418,528.15)
Community Dev Block Grant (251, 252, & 253)	266,337.55
Development Impact Fund (300-304)	7,521,105.95
Development Impact Fund 2018 (306-312)	6,139,117.65
Disaster (260)	43,920.77
Gas Tax Fund (205)	28,853.25
Gas Tax - RMRA (209)	1,669,004.02
Gas Tax Swap (206)	(46,603.10)
Local Transportation SB325 (207)	1,706,396.24
Measure I - Renewal (204)	5,575,251.44
Neighborhood Stabilization Prog (257)	2,433,328.99
Public Works Street Maint (263)	788,046.47
Trust Fund (801, 803-806, & 815)	1,782,426.71
2012 Water Rights Acquisition (402)	57,616.21
2013 Refunding Lease Rev Bonds (403)	185,801.47
 TOTAL CITY FUNDS	 <u>\$ 38,182,222.83</u>

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

<u>FUND</u>	<u>VALUE</u>
RORF Retention - (163)	\$ <u><u>1,093,365.99</u></u>

HESPERIA HOUSING AUTHORITY

<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 3,588,096.28
VVEDA Housing Authority (371)	1,811,104.41
TOTAL HOUSING AUTHORITY FUNDS	\$ <u><u>5,399,200.69</u></u>

COMMUNITY DEVELOPMENT COMMISSION

<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	\$ <u><u>(605,838.91)</u></u>

WATER

<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 8,088,106.67
Water Capital (701)	(11,677,372.57)
Water Capital Rehab and Replace (703)	1,416,719.98
Water Contamination Mitigation (704)	1,411,117.33
Sewer Operating (710)	12,166,882.81
Sewer Capital (711)	4,164,842.57
Sewer Capital Rehab and Replace (713)	740,938.41
TOTAL WATER FUNDS	<u>\$ 16,311,235.20</u>

City of Hesperia
Investment Report
Unaudited
August 31, 2020

ATTACHMENT 1

<u>Type of Investment</u>	<u>Institution/ Fiscal Agent</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	0.784%	31-Aug-20	Demand	\$ 29,567,258.97	29,567,258.97	29,567,258.97	
Money Market	Bank of the West	0.280%	31-Aug-20	Demand	4,772,924.81	4,772,924.81	4,772,924.81	
Local Bank Checking Accounts	Citizens Bus Bank/US Bank	n/a	31-Aug-20	Demand	3,842,039.05	3,842,039.05	3,842,039.05	
Total Unaudited Investments under the direction of the City					\$ 38,182,222.83	\$ 38,182,222.83	\$ 38,182,222.83	

Investments under the direction of fiscal agents:

2012 Lease Revenue Bonds	Union	0.050%	31-Aug-20	Demand	15.52	15.52	15.52	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	Union	0.050%	31-Aug-20	Demand	1,455,347.58	1,455,347.58	1,455,347.58	2012 - Water Rights Reserve Fund
2012 Lease Revenue Bonds	Union	0.000%	31-Aug-20	Demand	0.31	0.31	0.31	2012 - Water Rights Surplus Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	0.040%	31-Aug-20	Demand	50.62	50.62	50.62	2005 Civic Plaza - Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	0.050%	31-Aug-20	Demand	1,152,296.58	1,152,296.58	1,152,296.58	2005 Civic Plaza - Reserve Fund
2013 Refunding Lease Revenue Bonds	Union	0.000%	31-Aug-20	Demand	0.31	0.31	0.31	2005 Civic Plaza - Surplus Rev Fund
2014 CFD 2005-1 Refunding	Union	0.000%	31-Aug-20	Demand	-	-	-	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	Union	0.050%	31-Aug-20	Demand	879,730.04	879,730.04	879,730.04	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	Union	0.050%	31-Aug-20	Demand	1,423,346.65	1,423,346.65	1,423,346.65	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	Union	0.050%	31-Aug-20	Demand	23,883.51	23,883.51	23,883.51	2014 CFD 05-1 Administrative Expense Bonds
Deposits - Workers' Comp	PERMA	n/a	31-Aug-20	n/a	1,266,513.80	1,266,513.80	1,266,513.80	GL 1352
Total Unaudited Investments under the direction of fiscal agents					\$ 6,201,184.92	6,201,184.92	6,201,184.92	

Please Note: All market value data is provided courtesy of the City's fiscal agents,
Union Bank of California & Bank of New York (BNY) Trust Company.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.


Virginia Villasenor, Senior Accountant

Investment Report**Unaudited**
August 31, 2020

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	0.784%	31-Aug-20	Demand	\$ 846,672.43	\$ 846,672.43	846,672.43	
Money Market	Bank of the West	0.280%	31-Aug-20	Demand	136,674.96	136,674.96	136,674.96	
Local Bank Checking Accounts	Citizens Bus Bank/US Bank	n/a	31-Aug-20	Demand	110,018.60	110,018.60	110,018.60	
Total Unaudited Investments under the direction of the City					\$ 1,093,365.99	\$ 1,093,365.99	\$ 1,093,365.99	


Investments under the direction of fiscal agents:

2018 Refunding Bonds	Union	0.000%	31-Aug-20	Demand	1.00	1.00	1.00	2018A & 2018B - Debt Service Account
2018 Refunding Bonds	Union	0.040%	31-Aug-20	Demand	2,218,390.64	2,218,390.64	2,218,390.64	2018A & 2018B - Interest Account
2018 Refunding Bonds	Union	0.040%	31-Aug-20	Demand	5,360,000.00	5,360,000.00	5,360,000.00	2018A & 2018B - Principal Account
2018 Refunding Bonds	Union	0.000%	31-Aug-20	Demand	1.00	1.00	1.00	2018A & 2018B - Reserve Account
Total Unaudited Investments under the direction of fiscal agents					\$ 7,578,392.64	\$ 7,578,392.64	\$ 7,578,392.64	

**Please Note: All market value data is provided courtesy of the City's fiscal agent
Union Bank of California.**

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: The 2005 and 2007 Series Bonds were refinanced to 2018 Series Bonds in November 2018.


Virginia Villasenor, Senior Accountant

Hesperia Housing Authority

ATTACHMENT 3

Investment Report

Unaudited

August 31, 2020

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	0.784%	31-Aug-20	Demand	\$ 4,180,991.92	4,180,991.92	4,180,991.92
Money Market	Bank of the West	0.280%	31-Aug-20	Demand	674,920.87	674,920.87	674,920.87
Local Bank Checking Accounts	Citizens Bus Bank/US Bank	n/a	31-Aug-20	Demand	543,287.90	543,287.90	543,287.90
Total Unaudited Investments under the direction of the City					\$ 5,399,200.69	\$ 5,399,200.69	\$ 5,399,200.69


I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.


Virginia Villasenor, Senior Accountant

Investment Report**Unaudited**August 31, 2020

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	0.784%	31-Aug-20	Demand	\$ (469,144.92)	(469,144.92)	(469,144.92)
Money Market	Bank of the West	0.280%	31-Aug-20	Demand	(75,732.20)	(75,732.20)	(75,732.20)
Local Bank Checking Accounts	Citizens Bus Bank/US Bank	n/a	31-Aug-20	Demand	(60,961.79)	(60,961.79)	(60,961.79)
Total Unaudited Investments under the direction of the City					\$ (605,838.91)	\$ (605,838.91)	\$ (605,838.91)

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.



Virginia Villasenor, Senior Accountant

Hesperia Water District
Investment Report
Unaudited
August 31, 2020

ATTACHMENT 5

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
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Investments under the direction of the City:


Local Agency Investment Funds	State of California	0.784%	31-Aug-20	Demand	\$ 12,630,970.11	12,630,970.11	12,630,970.11	
Money Market	Bank of the West	0.280%	31-Aug-20	Demand	2,038,967.18	2,038,967.18	2,038,967.18	
Local Bank Checking Accounts	Citizens Bus Bank/US Bank	n/a	31-Aug-20	Demand	1,641,297.91	1,641,297.91	1,641,297.91	
Total Unaudited Investments under the direction of the City					\$ 16,311,235.20	\$ 16,311,235.20	\$ 16,311,235.20	

Investments under the direction of fiscal agents:

First American Treas - Money Market	US Bank	0.000%	31-Aug-20	Demand	9,173.81	9,173.81	9,173.81	98 A - 95453340
First American Treas - Money Market	US Bank	0.000%	31-Aug-20	Demand	32.16	33.16	32.16	98 A - 95453341
Deposits - Workers' Comp	PERMA	n/a	31-Aug-20	n/a	650,626.91	650,626.91	650,626.91	GL 1352
Deposits w/Other Agencies	Various	n/a	31-Aug-20	n/a	0.00	0.00	0.00	GL 1350
Total Unaudited Investments under the direction of fiscal agents					\$ 659,832.88	\$ 659,833.88	\$ 659,832.88	

**Please Note: All market value data is provided courtesy of the City's fiscal agents
Bank of New York (BNY) Trust Company and US Bank.**

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.


Virginia Villasenor, Senior Accountant

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City of Hesperia

STAFF REPORT



DATE: October 20, 2020

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: Amendment to Contract with NBS for CFD Formation Services

RECOMMENDED ACTION

It is recommended that the City Council and Board of Directors of the Hesperia Water District authorize the City Manager to amend the agreement with NBS Government Finance Group (NBS) by \$35,000 to include a Community Facilities District (CFD) fiscal impact analysis of commercial/industrial development and perform the CFD formation services. Upon approval, the amended contract total with NBS will not exceed \$112,130.

BACKGROUND

Currently, the City contracts with NBS to provide CFD administration/delinquency services for the City's CFD 2005-1 Belgate Development and CFD formation services for the Hesperia Golf Course. For Fiscal Year (FY) 2020-21, the total contract for these services is \$77,130 (\$37,130 for administration services for CFD 2005-1 and Assessment District 3 (AD-3) Close-Out Analysis; as well as \$40,000 for CFD formation services for the Golf Course).

ISSUES/ANALYSIS

The City receives a small portion of property taxes, most areas within the City limits yielding approximately 1.60%. With this rate, the City is reliant upon sales tax (the largest revenue source) to primarily fund City services. With the interest of developing industrial/commercial complexes on the westside of Interstate-15 (I-15), the City must identify funding mechanisms to adequately provide services, while ensuring no negative impact to the current surrounding residence or complexes. Though there are exceptions to this rule, industrial complexes historically do not generate sales taxes; thus, for this type of development, the City is reliant on property taxes to fund services like public safety and road maintenance.

One funding mechanism is a development of a CFD for industrial/commercial complexes. This will ensure revenue to fund services for the new development. To begin the CFD process, NBS will review the City's tax base revenue and costs associated with such developments to determine the fiscal impact. Specifically, NBS will compare the level of service that the City can provide versus the optimal level of service should a CFD exist. Upon completion of the fiscal impact report, NBS will assist the City through the CFD formation process. The formation process includes a presentation to the City Council, where a discussion will take place regarding the outcome of the fiscal analysis, CFD formation process, and applicable CFD tax rates.

FISCAL IMPACT

Funding of \$35,000 for CFD feasibility analysis and formation services was not included in the FY 2020-21 Budget. The City will make every attempt to utilize budgeted savings; however, should none exists, a budget amendment will be presented to the City Council during the Mid-Year Budget Review.

It should be noted that if this action is approved, the fiscal impact of the proposed CFD will be presented to the City Council upon the completion of the fiscal impact analysis.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None.

City of Hesperia

STAFF REPORT



DATE: October 20, 2020

TO: Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

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

SUBJECT: Award a Professional Services Agreement for Consulting Services Related to the 2020 Urban Water Management Plan (UWMP), C.O. No. 4040-08

RECOMMENDED ACTION

It is recommended that the Board of Directors of the Hesperia Water District award a Professional Services Agreement (PSA) to Tully & Young, Inc. in the amount of \$60,765 plus a 10% contingency amount of \$6,075 for a total not-to-exceed amount of \$66,840 for professional consulting services related to the 2020 Urban Water Management Plan (UWMP), C.O. No. 4040-08 and authorize the City Manager to execute said agreement.

BACKGROUND

Per California's Urban Water Management Planning Act (Act), every water supplier must prepare and adopt an UWMP every five years for submittal to the California Department of Water Resources (DWR). The Act requires water agencies to prepare a plan that provides water supply planning over a 20-year period in five-year increments. The UWMP is a planning tool that provides the City and the public with a broad perspective on water supply issues and is required for the City to be considered for future grant funding opportunities or to receive drought assistance from the State.

The UWMP must describe the adequacy and reliability of all water supplies for existing and future customers. The intent of the UWMP is to provide assistance to water purveyors in carrying out their long-term resource planning responsibilities to ensure that there are adequate water supplies to meet existing and future demands for water. The UWMP must identify and quantify current and future water supplies, including recycled water and desalination, for existing and future demands in normal, single-dry and multiple-dry years and is to describe conservation program implementation and efficient use of urban water supplies. Mandated by the DWR, the UWMP must demonstrate an agency's progress towards compliance with Senate Bill X7-7, which requires a 10% reduction in overall water consumption by 2015 and a 20% reduction by 2020. Time is of the essence with respect to this project. California Assembly Bill 2067 mandates that all 2020 UWMPs be submitted to the DWR no later than July 1, 2021.

ISSUES/ANALYSIS

On August 18, 2020 staff released a Request for Proposal via the City's online bidding portal, which made contact with more than 9,000 consulting firms with qualifications to provide professional consulting services. Seven of the firms submitted proposals on September 10, 2020.

Proposals were reviewed and ranked by a selection panel made up of six team members. The seven firms were ranked as follows by the selection panel:

1.	Tully & Young, Inc.	Sacramento, CA
2.	GEI Consultants	Rancho Cordova, CA
3.	Rincon	Redlands, CA
4.	SA Associates	Arcadia, CA
5.	West & Associates Engineering, Inc.	Foothill Ranch, CA
6.	Cordoba Corporation	Chatsworth, CA
7.	David Evans & Associates	Victorville, CA

After careful review of the proposals submitted by each firm, Tully & Young, Inc. was selected by the panel as the most qualified firm meeting the City's needs on this project. Once the selection panel completed their review and ranking of the consultants, the Fee Proposals were opened and reviewed. Initially, Tully & Young, Inc.'s proposed fee was considered too high by City staff and through negotiations with the Consultant, staff was able to reduce their fee to an amount that is less than the average fee submitted by all consultants. Staff believes the revised fee is fair and reasonable and within the market rate for providing such services.

Tully & Young, Inc. is a comprehensive water planning consulting firm located in Sacramento, California. Founded by Gwyn-Mohr Tully who is a licensed attorney in California with over 25 years of experience in surface and subsurface hydrology, law, and policy. The firm has considerable experience solving complex legal, economic, political, and technical components of a client's efforts to manage water supplies, demands, and infrastructure. The firm bridges the gap between traditional engineering firms and traditional law firms by synthesizing the legal, economic, political, and technical components of all water planning challenges. The firm has worked throughout California and the Pacific Southwest to prepare compliant documents, integrate demands with water supplies, bring valued information to complex decision-making, develop legislative, solutions, negotiate complex water contracts, and resolve water rights reporting and compliance issues. Tully & Young, Inc. received high praise from former clients as a part of the reference check done by staff. This firm is more than capable of performing the work.

Staff is recommending award of a Professional Services Agreement (PSA) to Tully & Young, Inc. The revised Fee Proposal from Tully & Young, Inc. to perform this work is \$60,765. Staff is also recommending an additional 10% contingency amount of \$6,075 be authorized for expenditure in order to address any unanticipated requirements that may arise, for a total contract amount of \$66,840.

FISCAL IMPACT

On June 16, 2020, the City Council adopted the FY 2020-21 Budget that included funding in the Water Operating budget for the Urban Water Management Plan in the amount of \$75,000. As demonstrated, the negotiated contract of \$66,840 with 10% contingency, is less than the adopted budget for this project.

The estimated costs to provide these services are as follows:

Consulting Services	\$60,765.00
Contingency	6,075.00
Project Administrative Costs ¹	3,160.00
Total =	<u>\$70,000.00</u>

Note 1: Project administrative costs include items such as copying services, legal advertisements, postage, etc.

Sufficient funds are available in Fund 700 – Water Operating to complete the consulting services proposed.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. None

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City of Hesperia STAFF REPORT



DATE: October 20, 2020

TO: Mayor and City Council Members

FROM: Nils Bentsen, City Manager

BY: Rod Yahnke, Economic Development Manager

SUBJECT: City of Hesperia Community Development Block Grant (CDBG) funded Commercial Façade Rehabilitation Program - Program Guidelines

RECOMMENDED ACTION

It is recommended that the City Council, after reviewing the Program Guidelines for the City's Community Development Block Grant (CDBG) funded Commercial Façade Rehabilitation Program ("CFRP") and after hearing the staff presentation:

- (1) Adopt Resolution No. 2020-67 approving the Program Guidelines for the CDBG funded CFRP, and
- (2) Authorize the City Manager and/or Economic Development Manager or their designee to implement the CDBG funded CFRP and make any necessary revisions to all forms and documents related to the CDBG funded CFRP.

BACKGROUND

Each year the City receives an allocation of funds from the U.S. Department of Housing and Urban Development (HUD) under the CDBG Program. The primary objective of the CDBG program is the development of viable urban communities by providing decent housing and suitable living environments and through expanding economic opportunities.

Under the CDBG regulations, improvements on publicly or privately owned commercial or industrial buildings are an eligible rehabilitation or preservation activity. The rehabilitation of buildings owned by a private for-profit business, is limited to improvements to the exterior of the building, correction of accessibility (ADA) code deficiencies, and the correction of building code violations. The City has allocated approximately \$634,120 in CDBG funds for the implementation of the CFRP.

To ensure that CDBG funds are expended in accordance with all CDBG and crosscutting regulations, the City is required to prepare program guidelines that provide information as to the applicant and property eligibility requirements; the type and level of assistance that will be provided to each applicant or property; the steps that will be undertaken by staff as part of the eligibility determination and program implementation process; and how the level of assistance will be determined.

In addition, the program guidelines assign responsibilities for program administration and implementation, addresses application requirements, applicant eligibility review and approval, and the process for amending the Program Guidelines.

The proposed design of the program was based on the following factors:

- Facilitate commercial revitalization, stimulate private investment, preserve and beautify the commercial corridors and improve the physical appearance of the target area;
- Provide financial assistance, in the form of a grant, to eligible property owners within the target area, to improve their façade;
- Eligible properties must be commercially zoned, be fully developed, and be located within the designated target area; and
- The façade improvements must address eligible listed improvements and correct code violations identified by the City, with the purpose of revitalizing the City's commercial building stock.

ISSUES/ANALYSIS

The purpose of the CFRP is to provide financial assistance, in the form of a grant, to eligible commercial property owners located within the City of Hesperia CFRP target areas ("Target Areas") for the renovation of the exterior façade of their commercial building. To create the framework under which the CFRP operates, HUD requires that the City prepare and adopt program guidelines that establish the applicant and property eligibility requirements, how the program will be implemented, and the criteria for determining the level of assistance.

More specifically, the program guidelines should include a description of the program design, detailed applicant and property eligibility requirements; eligible and non-eligible improvements including priority repairs; the process that will be undertaken in the rehabilitation process, from application intake to the Notice of Completion; and how the City will ensure compliance with the CDBG program requirements, inclusive of all federal crosscutting requirements.

The major CFRP design elements are as follows:

MAJOR CFRP ELEMENTS	
Criteria	CFRP Requirements
Basis for applicant eligibility	<ol style="list-style-type: none"> 1. The applicant must be the current property owner(s), person(s) or legal entity that holds title to the commercial property that is to be rehabilitated. 2. Applicants will be required to make all site improvements deemed by the City to be necessary to bring the property into compliance with all applicable Municipal Code standards including, but not limited to, parking lot, landscaping areas, and signage.
Property Eligibility	<ol style="list-style-type: none"> 1. The property to be rehabilitated must be located within the City limits and the designated "Target Area." 2. Buildings or structures must be located in a commercially zoned parcel and developed for uses

	<p>permitted under the City of Hesperia Municipal Code.</p> <ol style="list-style-type: none"> 3. Non-conforming commercial buildings and uses may be assisted if the City finds that such assistance will be in the public's interest and consistent with local regulations and ordinances. 4. The property must continue to be utilized for commercial purposes as provided by the City's latest adopted Land Use Element and Zoning Ordinance.
Form of Assistance	<ol style="list-style-type: none"> 1. Financial assistance will be provided to eligible applicants in the form of a grant. 2. Grants shall be provided in the amount of up to \$1,000 per lineal foot of building façade that faces onto the primary public right-of-way, or building façades that do not face a primary public right-of-way but is considered the primary façade of the structure and contains the main entrance to the building. 3. Other building façade that are indirectly visible, such as the side of the building on a corner lot, may be eligible for a grant of up to \$350 per lineal foot of building façade.
Rehabilitation Priority Repair	<ol style="list-style-type: none"> 1. The funding for this program has specific restrictions that limit the funds spent for rehabilitation of the exterior of commercial buildings. Exterior improvements may include, but are not limited to, exterior wall finish, new signage attached to the building and building façade reconfiguration. 2. At the discretion of the City, program assistance may be used to address Building Code Violations, seismic upgrades, and American with Disabilities Act (ADA) compliance requirements. 3. All improvements must be on the exterior of the building, be physically attached to the property and be permanent in nature.

While no program can serve all potential applicants, the CFRP, with its designated Target Area, will provide funding that will go towards assisting commercial property owners in the revitalization of the City's downtown area.

If approved, staff will commence in the preparation of the CFRP Policies and Procedures which include a detailed description of the various procedural steps required for the implementation of the program, as well as the development of the program forms to comply with the CDBG, federal crosscutting, City of Hesperia, and other program requirements. In addition, program

advertising tools will be developed for the initiation of program marketing efforts. Due to the COVID-19 pandemic, it is anticipated that the program will be launched in December 2020.

The proposed activity is consistent with goals set forth in the City's adopted 2020-2024 Consolidated Plan.

FISCAL IMPACT

The CFRP funding is derived exclusively from federal CDBG funding resources, and no General Fund impacts are anticipated during the 2020-2021 program year.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

1. Resolution No. 2020-67
2. CDBG funded Commercial Façade Rehabilitation Program – Program Guidelines

RESOLUTION NO. 2020-67

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDED COMMERCIAL FAÇADE REHABILITATION PROGRAM (CFRP) – PROGRAM GUIDELINES AND AUTHORIZING THE CITY MANAGER AND/OR ECONOMIC DEVELOPMENT MANAGER OR THEIR DESIGNEE TO IMPLEMENT THE CFRP IN ACCORDANCE WITH THE APPROVED PROGRAM GUIDELINES

WHEREAS, the City of Hesperia (City), is a municipal corporation duly organized under the laws and Constitution of the State of California; and

WHEREAS, the City is an entitlement jurisdiction that receives an allocation of funds from the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG), provided under the authority of the Housing and Community Development Act of 1974, as amended (42 USC 5301, et seq.); and

WHEREAS, the City is required to expend CDBG funds for eligible projects meeting the City's Five-Year Consolidated Plan program goals; and

WHEREAS, eligible CDBG funded activities must meet one of three national program objectives: benefiting low- and moderate-income persons, aiding in the prevention or elimination of slums or blight, or urgent need (ex. emergency assistance for disaster relief); and

WHEREAS, the City desires to make CDBG financial assistance available to eligible property owners to assist in the revitalization of the City's downtown area through the Commercial Façade Rehabilitation Program (CFRP); and

WHEREAS, City Staff has prepared the CFRP – Program Guidelines to provide the framework for the policies that will regulate the implementation of the CFRP; and

WHEREAS, the City's Economic Development Department (EDD) recommendation to approve the CFRP – Program Guidelines was advanced to the City Council for review, ratification and/or modification at the October 20, 2020 City Council meeting; and

WHEREAS, on October 20, 2020, the City Council reviewed, evaluated the EDD's recommendation and approved the CDBG funded CFRP – Program Guidelines.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS:

- Section 1. The recitals above are true and correct and are adopted as findings.
- Section 2. The City Council approves the CDBG funded Commercial Façade Rehabilitation Program – Program Guidelines.
- Section 3. The City Manager and/or Economic Development Manager or their designee is hereby authorized to implement the Commercial Façade Rehabilitation Program and make any necessary revisions to all forms and documents related to the CDBG funded Commercial Façade Rehabilitation Program.
- Section 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 20th day of October 2020.

Larry Bird, Mayor

ATTEST:

Melinda Sayre, City Clerk



CITY OF HESPERIA

Commercial Façade Rehabilitation Program

October 20, 2020

City of Hesperia
Economic Development Department
9700 Seventh Avenue
Hesperia CA 92345

CITY OF HESPERIA
Commercial Façade Rehabilitation Program Guidelines

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SECTION I - OVERVIEW OF PROGRAM

A. Purpose, Goal and Objective of Program

The purpose of the Commercial Façade Rehabilitation Program (“Program”) is to provide financial assistance to property owners with the renovation of commercial buildings and structures within the City of Hesperia Commercial Façade Rehabilitation Program Areas (“Target Areas”) as depicted on the attached map (Exhibit A, Section III). The Program will fund grants to eligible commercially zoned and developed parcels of land located in the Target Areas. Detailed eligibility criteria are outlined under Section II.

The goal of this project is to facilitate commercial revitalization; stimulate private investment; to preserve and beautify the commercial corridors; to upgrade the physical image of the Target Area; and to generate shopping, tourism, and a pleasant walking environment by improving the visual aesthetics of the Target Areas with enhancements in design, color schemes and building façades through the use of the City’s Community Development Block Grant (CDBG) Funds.

The program objective is to provide financial assistance to property owners to make listed facade improvements and correct certain code violations to commercial buildings located within the Target Area, and to revitalize the City’s commercial building stock.

B. Source of Funds and Relationship with Grantor

The source of funds for this program is the City through its allocation of Federal funds from the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program funds. In addition, the City, may utilize Section 108 Loan Guarantee funds that are available from HUD through prior or future application request. These funds are designed to meet community development needs and in the removal of blight, particularly in low- and moderate- income areas. In accordance with the CDBG regulations for commercial rehabilitation activities, the funds can only be used to rehabilitate the building exterior. Site improvements and interior improvements are not eligible under the commercial rehabilitation activity.

As a disbursing agent for these funds, the City’s Economic Development Department (“EDD”) will provide administrative services for the Program activities. As such, the EDD is responsible for marketing the Program, processing and packaging all rehabilitation grants for the Program, performing on-site inspections, and acting as a quality control agent relative to Program activity. The City is obligated to fulfill the terms and conditions of its contract with HUD, established policies and procedures, and Federal, State, and local rules and regulations.

C. Types of Assistance Available

Assistance shall be available to eligible property owners, within the Target Areas, in the form of a grant. The City's designated Review Committee ("Committee") will review each application to assure that the rehabilitation work proposed will accomplish the goals set by the City. All grants will require majority approval by the Committee in order to obtain assistance. As part of the application and approval process, the City is requiring that participants in the program make improvements to the parking area and remove any signage that is non-conforming (i.e., pole sign) with the City's Municipal Code as conditionally approved with the cost being the responsibility of the applicant.

Program funds may also be used to pay for architectural services, City planning entitlement processing, and building plan check and permit fees associated with the rehabilitation work proposed under the Program. However, no more than 20 percent of program funds can be used for such purposes. If the applicant withdraws his/her application for assistance or fails to implement the rehabilitation within 180 days after funds are used for payment of architectural services, and/or City application fees, the applicant shall be required to reimburse the City for all funds paid to the architect and/or City.

1. **Grants:** Grants shall be available to all property owners who meet the requirements of Section II. Grants shall be provided in the amount of up to \$1,000.00 per lineal foot of building façade that faces onto the primary public right-of-way. The same cost per lineal foot shall apply to building façades that do not directly face a primary public right-of-way but is the primary facade of the structure which contains the main entrance to the building.

Additionally, other building façades which may be indirectly visible, such as the side of the building on a corner lot and could be a benefit to the overall building may be eligible as determined by the City for a grant of up to \$350.00 per lineal foot of building facade. In no case shall a property owner or tenant be eligible for less than \$35,000.00 per building in grant funds, unless the proposed rehabilitation costs are less than that amount.

Sample Assistance Scenario

Grants:

The proposed building to be rehabilitated contains approximately 50 lineal feet of building facade that faces directly onto the public rights-of-way. This building would be eligible to receive a grant in the amount of up to \$50,000 (50 lineal feet of building facade x \$1,000 per lineal foot = \$50,000 of grant funds).

Result:

The applicant would be eligible for a \$50,000 grant to make improvements to the façade of the building and to cover soft costs (architectural services, City entitlement and building permit fees). The maximum amount of the grant funds that can be used for soft costs would be \$10,000.

SECTION II - APPLICANT ELIGIBILITY REQUIREMENTS

A. Property Ownership

The applicant(s) must be the current property owner(s) of the property to be rehabilitated in order to be eligible for Program assistance. Individuals, partnerships, corporations, nonprofit corporations and other legal entities may apply for assistance. The existing grant deed must list all current owners of the property. Property owner(s) shall be construed to be any person(s) or legal entity that holds title to the subject property. In the case of multiple ownership, the signature of each titleholder is required on all appropriate documents. The City will verify property ownership and require all persons currently on title to give written consent to all work proposed to be performed on the property prior to initiating such work.

Applicants will be required to make all site improvement deemed by the City to be necessary to bring the property in to compliance with all applicable Federal, State, and local (Municipal Code) standards. This includes, but is not limited to, parking areas, signage, and landscaping areas.

B. Utilization

As a result of participating in this rehabilitation program, it must be adequately demonstrated that the subject property will continue to be utilized for commercial purposes as provided by the City's adopted Land Use Element and Zoning Ordinance.

SECTION III - PROPERTY ELIGIBILITY REQUIREMENTS

A. Target Area Eligible under the Program

To be eligible for the Program, the property to be rehabilitated must be located within the City limits of the City of Hesperia and located within the “Target Area” as depicted in the attached Target Area Map (Exhibit A located at the end of this Section).

B. Minimum Property Rehabilitation Standards

All work performed under the provisions of this Program shall meet all applicable standards contained in the City's adopted zoning ordinance, local building and safety codes, and the Uniform Building Code and such other codes as designated by the Community Development Supervisor, Principal Planner, and Building Official. The City's Municipal and Zoning Ordinance can be viewed on the City's web site at https://library.municode.com/ca/hesperia/codes/code_of_ordinances

C. Eligible Structures

Buildings or structures eligible for rehabilitation under this Program must be commercially zoned and developed for uses permitted by the local regulations. Non-conforming commercial buildings and uses may be assisted if the City finds that such assistance will be in the public's interest and consistent with local regulations and ordinances.

D. Rehabilitation Priority Repair

The City of Hesperia Economic Development Department has determined that it will utilize CDBG funds and possibly Section 108 Loan Guarantee funds from HUD, if available. These funds have specific restrictions that will only allow the funds to be used for the rehabilitation of the exterior of the commercial building and soft costs directly associated with the exterior rehabilitation. Such exterior improvements may include, but are not limited to, exterior refinishing, new signage attached to the building, and building façade reconfiguration. Program assistance may, at the discretion of the City, be used for Building Code violations, seismic upgrades, and American with Disabilities Act (ADA) compliance requirements as identified by the City.

All improvements must be physically attached to the property and permanent in nature. The Economic Development Department staff will recommend specific improvements based on site analysis or architectural design recommendations.

Additionally, to participate in the Program, all signage on the property to be rehabilitated,

whether on the building or a pole/free standing sign, must be brought up to compliance with the City's Municipal Code and maintained in conformance with the Sign Ordinance of the City.

E. Permit and Entitlement Fees

In addition to the eligible direct construction costs, grant funds may be used to pay Building Department plan check and building permit fees; Planning entitlement fees; and any other fee(s) determined by the City to be necessary and directly associated with the commercial rehabilitation work being performed under this program (see Section I).

SECTION IV – PROGRAM PROCEDURES

A. Applicant Intake and Eligibility Determination

1. Pre-Screening. To the extent possible, prospective applicants shall be pre-screened for basic eligibility requirements over the telephone by calling the Economic Development Department of the City of Hesperia. A log of pre-screening calls shall be maintained by the Economic Development Department.
2. Application. Persons may apply for program assistance by completing application forms available at the City and submitting the application, in addition to required supporting documentation/materials, to the Economic Development Department of the City of Hesperia. Applications will be reviewed in the order in which they are received. The Department will maintain a waiting list for all prospective clients.
3. Verification and Eligibility Determination. The Economic Development Department shall verify all information as necessary. Applicants will be notified in writing regarding eligibility status.
4. Rehabilitation Feasibility Determination. Once an applicant has been determined to meet eligibility requirements, an initial inspection of the property will be made by the Development Services Department to determine the extent of any code violations as well as any health and safety issues that need to be corrected pursuant to the provisions of this assistance program.
5. Processing. As a goal, processing time from the date the Economic Development Department determines that the applicant is eligible for assistance under the Program until a grant is approved or denied shall be ninety (90) days.
6. Approval and Notifications. All applications shall be reviewed by the Economic Development Department staff to ensure that the information provided is complete and accurate. Once the applicant's application has been deemed complete, the Development Services Department will meet with the applicant to determine the rehabilitation work that is proposed for the building. The determination will include the site improvements that will be required by the applicant as part of the grant acceptance requirements.

Once the applicant and the Economic Development and Development Services Department staff have determined the proposed improvements that will be completed under the Program and by the applicant, the application will be

submitted to the Committee. The Committee will review and approve, deny, or approve with conditions, the application and funding levels for the rehabilitation work. The Committee shall be comprised of Economic Development and Development Services staff. In order to obtain a grant, applicants must meet all property and eligibility guidelines in effect at the time of approval. Applicants will be provided with written notification of approval or denial. Reason(s) for project denial will be provided, to the applicant, in writing. The applicant will be required to enter into a Participation Agreement with the City and a separate Construction Agreement with the contractor performing the work.

7. Owners Indemnity: To the furthest extent allowed by law, Property Owner shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, Property Owner or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of participation in the Commercial Façade Rehabilitation Program ("Program"). Property Owner's obligations under the preceding sentence shall apply regardless of whether City or any of its officers, officials, employees, agents or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or caused by the willful misconduct, of City or any of its officers, officials, employees, agents or volunteers.

If Property Owner should contract all or any portion of the work to be performed under this Program, Property Owner shall require each consultant and/or contractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of Property Owner's participation in the Program.

8. Insurance: During Property Owner's participation in the Commercial Façade Rehabilitation Program ("Program"), Property Owner shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) as may be authorized in writing by City Manager or his/her designee at any time and in his/her sole discretion. The following policy of insurance is required:

- A. PROPERTY INSURANCE covering the Project premises against all risks of loss at full replacement cost with no coinsurance penalty provision.

During the course of construction, Property Owner shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) as may be authorized in writing by City Manager or his/her designee at any time and in his/her sole discretion. The following policy of insurance is required:

- B. BUILDERS RISK (COURSE OF CONSTRUCTION) INSURANCE utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the Project and no coinsurance penalty provision.

Property Owner shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Property owner shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Property Owner shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the Property Owner's participation in the Program, Property Owner shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The Property and Builders Risk (Course of Construction) insurance policies shall name the City as a loss payee to the extent of the monetary value of the Grant.

Property Owner shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. **All certificates and applicable endorsements are to be received and approved by City Manager or his/her designee in his/her sole discretion prior to City's issuance of the Grant.** Upon request of City, Property Owner shall immediately furnish City with a

complete copy of any insurance policy required hereunder, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of Property Owner's participation in the Program.

Any failure to maintain the required insurance shall be sufficient cause for City to terminate Property Owner's participation in the Program.

9. Bonds: Upon the City's request, Property Owner shall obtain, pay for and deliver or cause to be obtained, paid for and delivered good and sufficient surety bonds from a corporate surety, admitted by the California Insurance Commissioner to do business in the State of California and Treasury-listed, in a form satisfactory to the City and naming the City as Co-Obligee.
 - A. The "Faithful Performance Bond" shall be at least equal to 100% of Property Owner's estimated construction costs to guarantee faithful performance of the Project, within the time prescribed, in a manner satisfactory to the City, and that all materials and workmanship will be free from original or developed defects.
 - B. The "Material and Labor Bond" shall be at least equal to 100% of Property Owner's estimated construction costs to satisfy claims of material supplies and of mechanics and laborers employed for this Project. The bond shall be maintained by Property Owner in full force and effect until the Project is completed and accepted by the City, and until all claims for materials and labor are paid, and shall otherwise comply with any applicable provisions of Chapter 7, Title 15, Part 4, Division 3 of the California Civil Code.

B. Procurement and Contractor Selection

1. Procurement. The Economic Development Department shall maintain a list of qualified contractors who have expressed interest in bidding on rehabilitation work and have been cleared by the State Contractors License Board and are not listed on the debarred, suspended or ineligible contractors list as per 24 CFR part 5. The Economic Development Department will coordinate with the property owner to obtain at least three (3) estimates from qualified contractors for each rehabilitation project. The property owner(s) shall be responsible for obtaining estimates for repairs. Estimates shall be submitted to the Economic Development Department in the prescribed form.
2. Selection. The applicant will make the final contractor selection from among three (3) qualified contractors who submit construction estimates. As required by HUD,

the award of the contract will be awarded to the lowest responsive and responsible bidder.

3. Contractor Insurance/License File. The Economic Development Department shall maintain a file for each contractor performing work pursuant to the terms and conditions of this program. The applicant shall obtain these documents as part of contractor procurement and the file and shall include the following information:
 - A. Contractor's social security number or federal tax ID number;
 - B. Copies of the contractor's current liability and workers compensation insurance policies in addition to others noted under "Insurance for Contractor" below;
 - C. Copies of the contractor's current California Contractor's License;
 - D. Contractor's certification regarding equal employment opportunity;
 - E. All required Davis-Bacon information and certifications;
 - F. Copy of contractor's City Business License; and
 - G. A list of all of the project sub-contractors (including State Contractors License number) to be used by the General Contractor.

Any contractor with lapsed General Liability and/or Workers Compensation insurance or a valid state contractor's license shall be removed from the job until he/she is able to provide proof of current insurance and/or license. All contractors shall be required to obtain a City Business License prior to the issuance of a building permit.

4. Indemnity for Contractor. The following will be included in all contractor agreements and required of all contractors under the Commercial Rehabilitation Program:

To the furthest extent allowed by law, Contractor shall indemnify, hold harmless and defend Property Owner, City and each of City's officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by Property Owner, City, Contractor or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the participation in and performance of work under the Commercial Façade Rehabilitation Program (Program"). Contractor's obligations under the preceding sentence shall apply regardless of whether Property Owner, City or any of City's officers, officials, employees, agents or volunteers are negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by

the gross negligence, or caused by the willful misconduct, of Property Owner, City or any of City's officers, officials, employees, agents or volunteers.

If Contractor should subcontract all or any portion of the work to be performed under this Program, Contractor shall require each subcontractor to indemnify, hold harmless and defend Property Owner, City and each of City's officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of Contractor's participation in and performance of work under this Program.

5. Insurance for Contractor. The following will be included in all contractor agreements and required of all contractors under the Commercial Rehabilitation Program:

Throughout Contractor's participation in and performance of work under the Commercial Façade Rehabilitation Program ("Program"), Contractor shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as may be authorized in writing by City Manager or his/her designee at any time and in his/her sole discretion. The following policies of insurance are required:

- A. COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability of not less than the following:

\$1,000,000 per occurrence for bodily injury and property damage
\$1,000,000 per occurrence for personal and advertising injury
\$2,000,000 aggregate for products and completed operations
\$2,000,000 general aggregate
- B. COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired,

and non-owned automobiles or other licensed vehicles (Code 1 - Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

- C. WORKERS' COMPENSATION insurance as required under the California Labor Code.
- D. EMPLOYERS' LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

In the event Contractor purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Contractor shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Contractor shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee in his/her sole discretion. At the option of the City Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees and agents; or (ii) Contractor shall provide a financial guarantee, satisfactory to the City Manager or his/her designee in his/her sole discretion, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Contractor shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, Contractor shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The General Liability (including ongoing operations and products-completed operations), and Automobile Liability insurance policies shall be written on an occurrence form, and name the Property Owner, City and each of City's as an additional insured. All such policies of insurance shall be endorsed so Contractor's

insurance shall be primary, and no contribution shall be required of Property Owner, City or City's officers, officials, employees and agents. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to Property Owner, City, and City's officers, officials, employees and agents. The coverage(s) shall contain no special limitations on the scope of protection afforded to Property Owner, City and City's officers, officials, employees and agents. Should Contractor maintain insurance with broader coverage and/or limits of liability greater than those shown above, Property Owner and City require and shall be entitled to the broader coverage and/or the higher limits of liability maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Property Owner and City.

Contractor shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. **All certificates and applicable endorsements are to be received and approved by Property Owner and City Manager, or his/her designee in his/her sole discretion, prior to Property Owner's execution of the contract and before work commences.** Upon request of Property Owner or City, Contractor shall immediately furnish Property Owner and City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of Contractor's participation in and performance of work under this Program.

If at any time during Contractor's participation in and performance of work under this Program, Contractor or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under shall be discontinued immediately, until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate Contractor's participation in and performance of work under this Program.

The fact that insurance is obtained by Contractor shall not be deemed to release or diminish the liability of Contractor, including, without limitation, liability under the indemnity provisions of this Program. The duty to indemnify Property Owner and City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor. Approval or purchase of any insurance policies shall in no way relieve from liability nor limit the liability of Contractor, its principals, officers, agents, employees, persons under the supervision of Contractor, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

If Contractor should subcontract all or any portion of the services to be performed under this Agreement, Contractor shall require each subcontractor to provide insurance protection in favor of Property Owner, City and City's officers, officials, employees and agents in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with Contractor, Property Owner and City prior to the commencement of any work by the subcontractor.

6. Ineligible Contractors. In accordance with CDBG guidelines, the Economic Development Department and the applicant(s) shall agree not to award any contract for rehabilitation work, to be paid for in whole or in part with proceeds from a Program grant or loan, to any contractor who does not have a valid state contractors license, who cannot produce sufficient evidence of current Workers Compensation and Liability Insurance coverage, or who is on the federal Housing and Urban Development's (HUD's) Debarred Contractor list.

All owner/builders, or any member of the applicant's family, are considered ineligible, regardless of credentials or license. Any ineligible contractor found working at the job site will be removed immediately, without compensation.

7. Award of Contract

- a. Notification. The Economic Development Department shall notify the selected contractor of the award of bid and shall establish a date, time and place for the pre-construction conference. The Economic Development Department shall notify, in writing, the non selected contractors.
- b. Rehabilitation Construction Contract. The contract, for the approved rehabilitation work shall be prepared by the City's Purchasing Department and shall be entered into between the property owner and the selected contractor. The Purchasing Department may require the inclusion of certain contractual terms in accordance with CDBG requirements. In the event of any dispute arising under this program, the injured party shall notify the injuring party in writing of its intentions as specified in the agreement between the property owner and the contractor.
- c. Private Arrangements. The Development Services Department cautions the property owner and the contractor not to enter into "side deals" for additional work or deviations from the approved scope of work.

C. Pre-construction Meeting

Prior to construction, the Development Services Department will arrange a preconstruction meeting which shall be attended by the contractor, subcontractor(s), if applicable, the property/business owner(s), and representative City staff. The purpose of this meeting is to explain all applicable HUD requirements including Labor Standard Requirements (Davis-Bacon provisions), explain all Program requirements and procedures, coordinate and schedule the work start date, and answer questions related to contract documents. The Development Services Department shall maintain written minutes of this meeting.

A preconstruction meeting may be waived for emergency repairs.

D. Start of Construction

No work shall commence until a **“Notice to Proceed”** has been issued to the contractor, signed by the property owner(s) and the Purchasing Department. In addition, no work shall commence until all required permits have been issued by the City’s Department of Building and Safety.

E. Contractor Payments

1. Inspections. To ensure the integrity of the authorized work, the Program Inspector shall conduct site inspections prior to the issuance of progress payments and prepare detailed inspection reports which identify any deficiencies in a contractor's materials or workmanship. The Program Inspector shall make regular and/or unannounced inspections of work-in-progress to identify the quality of the work and assess owner satisfaction.
2. Payment Request Packages. The Contractor shall submit payment request packages to the Economic Development Department in the prescribed format. All requests shall be signed by the contractor, property owner(s), and the Program Inspector, certifying that the work has been satisfactorily completed. All pertinent invoices, releases, certifications, list of subcontractors and materialmen, and copies of applicable permits shall be attached to the payment request. Final payment request shall also include the property owner's certification of acceptance, Building and Safety Department sign-off, and a Notice of Completion. Payment request packages shall be submitted to the Economic Development Department for approval. Progress payments will be paid for 90% of the job costs. The final payment for the 10% retention shall be paid 30 days after the Notice of Completion has been recorded.

F. Applicant Complaint Resolution Process

The Economic Development Department shall maintain a complaint log, documenting the date and nature of any project complaint, and corrective actions taken by City staff to resolve the matter. Complaints concerning the Program should first be made to the Economic Development Administrative Analyst. If unresolved to the satisfaction of the applicant, an appeal may be made, in writing, to the Economic Development Manager.

The Economic Development Department will contact the property owner and attempt to resolve the problem. A written response will be made within ten (10) working days. If the problem cannot be resolved, it will be presented to the Economic Development Manager for review and consideration. The decision of the Economic Development Manager shall be final.

G. Applicant Responsibilities

1. Property Maintenance. The property/business owner(s) is/are responsible for property maintenance during the rehabilitation work (contractor is responsible for keeping the property clean of all construction material). The property/business owner(s) is/are responsible for insuring that the rehabilitation work is not impeded because of their actions or the actions of their tenant(s). The Development Services Department shall encourage the contractor and his/her employees to provide adequate pedestrian and property protection at the construction site.
2. Property Tax Bills. Current property tax bills for the subject property must be submitted to the Economic Development Department as part of the application process. The property owner(s) is/are responsible for insuring that the property taxes are current. If an applicant's property tax statement indicates a delinquency, at the time of the Program application, the Economic Development Department shall not proceed with grant and/or loan processing until it is supplied with a Certificate of Redemption from the San Bernardino County Tax Assessor's Office or other appropriate documentation of proof of payment.
3. Notice of Completion: The property owner(s) is/are responsible for filing a Notice of Completion with the Economic Development Department within 10 days of the completion of the work.

SECTION V - MISCELLANEOUS PROGRAMMATIC REQUIREMENTS

A. Bonus, Commission or Fee

The applicant shall not pay any bonus, commission or fee, for the purpose of obtaining approval of the grant application, or for any other approval or concurrence as may be required by Economic Development Department and/or HUD or the City pursuant to the provisions of this Program.

B. Conflict of Interest

No Program assistance will be provided to any member of the governing body of the Economic Development Department or HUD, or any designee of the Economic Development Department or HUD, or the City of Hesperia, who exercises any authority or responsibilities in connection with the administration of this program. No member of the aforementioned organizations shall have any interest, direct or indirect, in the proceeds from the Rehabilitation Program or in any contract entered into by the applicant for the performance of the work, financed, in whole or in part, with the proceeds of the grant.

C. Disclosure of Information

The Economic Development Department is a public Economic Development Department and information or records (with the exception of financial information which falls under Government Code section 6250 (c), and section 7460 et seq.) submitted or released to the Economic Development Department by the applicant may be considered public records and subject to disclosure under the Public Records Act, Government Code section 6250 et seq.

D. Equal Opportunity Policy

The Economic Development Department shall not discriminate based upon sex, age, race, creed, color, religion, national origin, marital status, ancestry or physical handicap in accepting applications and processing Program applications; or the awarding of a contract for rehabilitation of property assisted by this Program.

E. Fire and Flood Insurance Requirements

Applicants are obligated to carry sufficient fire insurance coverage on the subject property to be rehabilitated under the provisions of this Program. Prior to any grant assistance, minimum fire insurance coverage shall be provided in an amount which is equivalent to the value of the subject building or structure including the proposed rehabilitation

improvements. Uninsured applicants must obtain coverage in the required amount prior to receiving grant assistance. Applicants in a "Flood Hazard Area" will be required to purchase flood hazard insurance. This requirement may be waived for emergency repairs, at the discretion of the Economic Development Department.

F. Historic Preservation

In order to comply with section 106, National Historic Preservation Act of 1966 as amended (16 U.S.C. 470) and HUD guidelines, the Economic Development Department shall prepare a Basic Property Identification Form for all structures to be assisted. Such form shall be accompanied by photographs and shall be submitted to SHPO for review and clearance.

G. Substitution of Contractor

In the event that the selected contractor shall fail or refuse to complete the work, in a professional and workman like manner, as set forth in the Rehabilitation Construction Contract, including its General Conditions and Standard Specifications, or fails to use due diligence in performing the required work, the property owner(s) may terminate the Rehabilitation Construction Contract, upon providing proper notice, to such contractor. The Economic Development Department shall assist the property owner(s) in completing the necessary termination document(s) as needed. No further rehabilitation is to commence until an agreement releasing the original contractor from his/her contractual obligations, is on file with the Economic Development Department, and a new contract is signed between the substitute contractor and the property owner(s).

1. Non-commencement by Original Contractor. The owner shall notify the Economic Development Department, by means of a registered letter, indicating that the original selected contractor will not be performing the rehabilitation work and the reason(s) why a substitution of contractor has been requested. Both the property owner(s) and the original contractor's signatures are required on this document. The property owner shall obtain additional bids from contractors willing to perform the rehabilitation work. A new Rehabilitation Construction Contract Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by the Purchasing Department and appropriately signed.
2. Noncompliance by Original Contractor. The owner shall notify the Purchasing Department, by means of a registered letter, indicating that the original selected contractor has not complied with the terms of the agreement and that a substitution of contractor is being requested. Both the property owner(s) and the original contractor's signatures are required on this document. The property owner shall obtain additional bids from contractors willing to complete the rehabilitation work. A new Rehabilitation Construction Agreement Notice to Proceed, and Waiver

and Hold Harmless Agreement shall be prepared by the Purchasing Department and appropriately signed. The Development Services Department shall inspect the job site and compile a list of incomplete or unacceptable items in order to determine the extent of work to be completed by the substitute contractor.

A meeting shall be held between the Economic Development Department, the property owner(s) and the original contractor to establish an amount and method of payment for any work which has been completed in accordance with the agreement. Funds withheld from the original contractor shall be identified. Lien releases and invoices from the original contractor and subcontractor(s) shall be provided. The Economic Development Department shall prepare a revised work write-up, based upon the Economic Development Department's inspection findings, which shall contain only those items necessary to complete the job. The property owner(s) shall obtain bids from contractors willing to perform such work, and to the extent possible, assure that the new contract does not exceed available grant funding. A new Rehabilitation Construction Contract Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by the Development Services Department and appropriately signed.

H. Davis-Bacon Requirements

In accordance with CDBG Program Entitlement Grant Regulations, Davis-Bacon and Related Acts (DBRA) requirements apply to the rehabilitation of all commercial buildings and structures. The applicant will be responsible for ensuring that the requirements are met and that a completed file is available for the City to review and monitor to ensure that all laborers are paid applicable prevailing wages. All cost for conducting the Davis-Bacon requirements shall be the responsibility of the applicant and can be paid for through the grant proceeds.

I. Re-Application Requirements

Properties shall be eligible for a one-time grant under the program, irrelevant of change of ownership. Once provided a grant, the property will no longer be eligible for a grant under the Commercial Rehabilitation Program. Property owners must maintain the property after a facade project has been completed.

SECTION VI - AMENDMENTS

Substantial Amendments to the Commercial Rehabilitation Program Guidelines may be made from time to time by the Economic Development Department. Vested authority shall be granted to the City Manager to grant a minor waiver or make minor amendments to these guidelines, with the exception of Federal regulations. All Substantial Amendments to these guidelines shall be approved by the City Council.

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DATE: October 20, 2020

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Deputy City Manager

SUBJECT: Support of Recognizing the County of San Bernardino by Sub-region for the Purposes of Reopening the Economy Under California's Blueprint for a Safer Economy and Making the Reopening Process More Stable and Predictable

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution 2020-68 in support of recognizing the County of San Bernardino by sub-region for the purposes of reopening the economy under California's Blueprint for a Safer Economy and making the reopening process more stable and predictable.

BACKGROUND

In response to the COVID-19 pandemic, Governor Newsom issued a stay at home order and designated certain businesses and faith-based organizations as non-essential, prohibiting them from normal operations. Those businesses deemed essential by the State of California were allowed to operate with modifications that provide for social distancing and increased disinfection procedures, as appropriate.

On August 28, 2020, Governor Newsom issued a new framework entitled Blueprint for a Safer Economy (Blueprint), to allow for a "safe progression of opening up more businesses in each county so impacts of any given change can be fully evaluated." The Blueprint required counties to meet identified benchmarks in positivity rates in order to move into less-restrictive tiers.

On September 7, 2020, Governor Newsom announced an adjustment to the Blueprint, to include a benchmark on overall testing rates Countywide to achieve reopening abilities. The case rate is now adjusted based on testing volume per 100,000 population and if a county does not meet the State's median threshold, its case rate is adjusted by a specific factor resulting in a penalization of that county. Currently, the statewide testing rate average is a non-fixed moving target.

ISSUES/ANALYSIS

The Governor's adjustments to the Blueprint and changes to stated goals and objectives in addressing COVID-19 hinder the ability of the City of Hesperia and County of San Bernardino to manage the crisis, requiring responsible agencies to change course, reprioritize, and reposition their strategies resulting in lost time, financial strain and inconsistent messaging to the public. The frequently changing goals, objectives and metrics for reopening have created a burden on residents, parents and schools, and the business community. Moreover, prolonged closures of several sectors has been devastating to local businesses as many have made significant

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investments to comply with reopening guidelines only to have those guidelines changed and reopening delayed or postponed indefinitely, often times without advanced warning.

The County of San Bernardino (County) has made significant efforts to comply with State of California guidelines and mandates in an effort to slow the spread of COVID-19. The County has continued to reinforce the importance of health directives and has made significant investments in testing and tracing capacity as well as worked closely with state officials on containment at State-regulated skilled nursing facilities. The County has also made funding available to local businesses and residents that have suffered economic hardship related to the COVID-19 closures and related economic downturn.

The City of Hesperia is requesting that the State of California make the process counties follow to reopen more stable and predictable. The City further requests that the State of California recognize the County of San Bernardino by sub-region, allowing communities within the County that have experienced historically low positivity rates to reopen. The County of San Bernardino is the largest county in the United States and geographically diverse, home to considerably lower density communities than in many counties in California. If considered independently of more densely population communities in the County of San Bernardino, Hesperia would likely qualify for reopening under either the Orange or Yellow tier of the Blueprint.

FISCAL IMPACT

There is no fiscal impact associated with this item.

ALTERNATIVES

1. Provide alternative direction to staff

ATTACHMENT(S)

Resolution 2020-68

RESOLUTION NO. 2020-68

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, REQUESTING RECOGNITION OF THE COUNTY OF SAN BERNARDINO BY SUB-REGION FOR THE PURPOSES OF REOPENING THE ECONOMY UNDER CALIFORNIA'S BLUEPRINT FOR A SAFER ECONOMY AND MAKING THE REOPENING PROCESS MORE STABLE AND PREDICTABLE

WHEREAS, the State of California has established its Blueprint for a Safer Economy that identified tiers for reopening the economy based on COVID-19 positivity, testing and related metrics; and

WHEREAS, the County of San Bernardino is the largest county in the United States; and

WHEREAS, the County of San Bernardino is a geographically diverse county, home to considerably lower density, increasingly suburban and isolated communities as compared to other counties in California; and

WHEREAS, higher density communities in the County of San Bernardino with higher incidences of COVID-19 are preventing communities with less densely populated communities with low positivity rates from reopening; and

WHEREAS, given the current positivity rate and availability of testing in Hesperia as of October 14, 2020, it is likely that the City of Hesperia would meet the metrics for reopening under the Orange (Moderate) Tier or Yellow (Minimal) Tier.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF HESPERIA CITY COUNCIL AS FOLLOWS:

- Section 1. That the City of Hesperia requests that the State of California make the process counties follow to reopen more stable and predictable to better support the needs of Hesperia residents and businesses;
- Section 2. That the City of Hesperia requests that the State of California recognize the County of San Bernardino as geographically diverse;
- Section 3. That the City of Hesperia requests the State of California to recognize the County of San Bernardino by sub-region for the purposes of reopening the economy under the tiered designations of the State's Blueprint for a Safer Economy.
- Section 4. That City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 20 day of October, 2020.

Larry Bird, Mayor

ATTEST:

Melinda Sayre, City Clerk