

**CONCURRENT MEETING
CITY COUNCIL/CRA/RCFC**

Monday, September 20, 2010

4:00 p.m. – Joint Study Session

5:30 p.m. – Regular Meeting

AGENDA



Ken Cooley, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Linda Budge, Council Member

Dan Skoglund, Council Member

Regular City Council meeting dates are scheduled on the 1st and 3rd Monday's of each month, unless when Monday is a holiday.

If Monday is a holiday, the meeting will be scheduled for the following Tuesday. Dates are subject to change.

City Council Regular Mtg

CANCELLED MTG

City Council Special Mtg

CANCELLED MTG

CITY HALL CLOSED

2010

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CITY HALL CLOSURE DATES

Fri, Jan 1 – New Years Day Holiday
 Mon, Jan 18 – Martin Luther King Jr. Day Holiday
 Mon, Feb 15 – Presidents Day Holiday
 Fri, Apr 2 – Furlough Day
 Fri, May 28 – Furlough Day
 Mon, May 31 – Memorial Day Holiday
 Mon, Jul 5 – Independence Day Observed
 Mon, Jul 26 – Furlough Day
 Fri, Sep 3 – Furlough Day
 Mon, Sep 6 – Labor Day Holiday
 Mon, Oct 11 – Furlough Day
 Thu, Nov 11 – Veteran's Day Holiday
 Wed, Nov 24 – Furlough
 Thu, Nov 25 – Thanksgiving Holiday
 Fri, Nov 26 – Day After Thanksgiving Day Holiday
 Thu, Dec 23 – Christmas Observed
 Fri, Dec 24 – Christmas Observed
 Mon, Dec 27 – Furlough Day
 Fri, Dec 31 – New Year's Eve Holiday

* Tuesday, November 9 - Special Meeting -
 Closed Session for City Manager & Department
 Annual Review & Development

2011

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 Mon, May 30 - Memorial Day Holiday
 Fri, Jun 17 - Furlough Day
 *Mon, Jul 4 - Independence Day Holiday
 *Mon, Sep 5 - Labor Day Holiday
 *Fri, Nov 11 - Veteran's Day Holiday
 *Thu, Nov 24 - Thanksgiving Holiday
 *Fri, Nov 25 - Day After Thanksgiving Day Holiday
 *Thu, Dec 22 - Christmas Observed
 *Fri, Dec 23 - Christmas Observed
 *Fri, Dec 30 - Day Before New Year's Eve Holiday

*Dates Pending Approval

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**CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Monday, September 20, 2010

**4:00 P.M. – Joint Study Session
City Council and Planning Commission
American River Community Room - North**

**5:30 P.M. – Regular Meeting
David B. Roberts Council Chambers**

A. STUDY SESSION – CALL TO ORDER / ROLL CALL

Council Members Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

B. PUBLIC COMMENT

At a study session or special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any unagendized item.

C. STUDY SESSION ITEM

Subject: City Gateway Sign Design Concepts

Recommendation: Review, discuss, and provide direction to staff and the consultant design team on proposed conceptual City gateway sign designs.

Result of Recommended Action: Direction from Council and Planning Commission will allow staff to proceed with refinements to gateway sign design. The first gateway sign may be reconstructed as early as Fall 2011.

Staff Report: Paul Junker, Planning Department

Advances Goals: 1, 9, and 12

D. ADJOURNMENT OF STUDY SESSION

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Council Members Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk will announce the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

4. INVOCATION

David McFarland, New Life Center, will give the invocation.

5. PRESENTATIONS

- 5.1 Presentation of proclamation to Dallas Love or Francis Johnson in recognition of Constitution Week (September 17-23).
- 5.2 Presentation by Director Janet Baker on Update of County Regional Parks.
- 5.3 Presentation by Economic Development Manager Micah Runner and Management Technician Megan McMurtry on the July 23, 2010 Rancho Cordova Business Walk.

6. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a (blue) Speaker Card to the City Clerk. **For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard.** Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

7. COUNCIL REPORTS

8. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

8.1 **Subject:** Regular Meeting Minutes of September 7, 2010.

Recommendation: Adopt Minutes.

8.2 **Subject:** Ordinances Approving the Limited Entitlement for Rio del Oro Specific Plan, a Project that Proposes Mixed Use Development on Approximately 3,828 Acres Northeast of Sunrise and Douglas Boulevards – Project No. RC-04-052 – Amendment to Aerojet Special Planning Area, Development Agreement, and Environmental Impact Report

Recommendation: That Council:

a) Waive second reading and adopt Ordinance No. 14-2010 approving the Rio del Oro Specific Plan that would establish a land plan, zoning standards, and design guidelines, as well as preliminary phasing and financing concepts to guide subsequent detailed finance and phasing plans (**Roll Call Vote**); and

b) Waive second reading and adopt Ordinance No. 15-2010 amending the Aerojet Special Planning Area that was previously approved by Sacramento County. Approval would affect land within the Rio del Oro project area and amend the City's Zoning Map and Section 23.322.030(C)(4) of the Zoning Code to delete the Rio Del Oro Specific Plan Area from the Aerojet Special Planning Area (**Roll Call Vote**); and

c) Waive second reading and adopt Ordinance No. 16-2010 approving a Development Agreement that will establish necessary guarantees for the City and Applicant regarding current and future project entitlements and approving Two Tier 1 Development Agreements for the Rio del Oro Project (**Roll Call Vote**); and

Result of Recommended Action: The actions listed above will complete the first stage of project review (Tier 1 Approvals) for the Rio del Oro project. These approvals will establish the mix of land uses within the project (residential, commercial, office, etc.), major road alignments, and the general character of the project. A later stage of the project review, Tier 2 Approvals, will address detailed issues related to the project, including obligations that the developer must meet during project construction. No construction can occur within the project until the Tier 2 Approvals have been completed.

Staff Report: Paul Junker, Pam Johns, and Patrick Angel, Planning Department

Advances Goals: 1, 2, 4, 7, 8, and 9

GROWING STRONG NEIGHBORHOODS

8.3 **Subject:** Resolution Authorizing the City Manager to Execute Contract Change Order No. 1 to Contract No. 6-2010 with Double B Demolition, Inc. for Urban Infill Demolition of the Woodberry Gardens Apartments in the Amount of \$50,269.15

Recommendation: Adopt Resolution No. 107-2010.

Result of Recommended Action: Adoption of this resolution will allow the City Manager to execute Change Order No. 1 approving modification of cost of contract from \$134,246.00 to \$184,515.15.

Staff Report: Reed Flory and David Gassaway, Housing Administration

Advances Goals: 6 and 7

9. CONSENT PUBLIC HEARING ITEMS

- 9.1 **Subject:** Resolution Approving Owner-Occupied Residential Rehabilitation Loan Program (REHAB-O)
Recommendation: Adopt Resolution No. 103-2010.
Result of Recommended Action: Adoption of this resolution will authorize City staff to implement and operate an Owner-Occupied Residential Rehabilitation Loan Program based on policies and guidelines. Loans will be made available to low-to-moderate income homeowners who have exhausted their efforts to obtain a conventional loan for the purpose of rehabilitating their aging homes and bringing them up to health and safety code standards.
Staff Report: Reed Flory, Housing Administration, and Ryan Taylor, Housing Administration/Code Enforcement
Advances Goals: 1, 4, 6, 7, 8, 9, and 11
GROWING STRONG NEIGHBORHOODS

10. PUBLIC HEARING ITEMS

- 10.1 **Subject:** Resolution Adopting the 2009-2010 Consolidated Annual Performance and Evaluation Report (CAPER)
Recommendation: Adopt Resolution No. 108-2010.
Result of Recommended Action: Adoption of this resolution will allow City staff to submit the CAPER to the US Department of Housing and Urban Development (HUD) in accordance with HUD requirements and timelines.
Staff Report: Reed Flory and David Gassaway, Housing Administration
Advances Goals: 1, 4, 6, 7, 8, 10, and 13
GROWING STRONG NEIGHBORHOODS

11. REGULAR CALENDAR ITEMS

- 11.1 **Subject:** Ordinance Adding Chapter 6.140 to the Rancho Cordova Municipal Code Relating to Unattended Donation Boxes
Recommendation: Waive first reading and introduce Ordinance No. 21-2010.
Result of Recommended Action: Adoption of this ordinance will add Chapter 6.140 to the City's Municipal Code regulating unattended donation boxes. This ordinance will promote the community's health, safety, and welfare by regulating unattended donation boxes in order to minimize their potential negative impacts, such as illegal dumping.
Staff Report: Adam U. Lindgren, City Attorney's Office
Advances Goals: 1, 5, 8, 10, and 13
GROWING STRONG NEIGHBORHOODS

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

13. CITY MANAGER'S REPORT

Rancho Cordova Police Department Update

14. ADJOURNMENT

ADDITIONAL INFORMATION

Rancho Cordova Great Health Challenge - Rancho Cordova has launched a program intended to promote a healthier community by building awareness for those who live, work, play, or pray here. You are encouraged to join our commitment to get healthy, stay fit, and have fun! Go to <http://www.20tonsin2010.com/> to register.

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11 P.M. WILL BE CONTINUED TO THE NEXT DAY AT 5:30 P.M. OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

CITYWIDE GOALS - (Adopted March 20, 2006)	
1.	Foster a Positive Image of Rancho Cordova
2.	Improve Transportation & Connectivity
3.	Champion Employee Development & High Performance Work Environment
4.	Ensure the Availability of the Best Public Services in the Region
5.	Establish a Vibrant Downtown
6.	Ensure a Safe Community
7.	Improve the Quality of Housing In Rancho Cordova
8.	Sustain a Livable Community
9.	Drive Diverse Economic Opportunities
10.	Foster Responsible Citizenship
11.	Practice Sound Fiscal Management
12.	Establish Logical (City) Boundaries
13.	Continue To Provide Regional Leadership

UPCOMING MEETINGS	
<i>Tuesday, September 28, 2010</i>	5:30 p.m. Joint Work Session on Development Project Update and Status Report - Specific Plans Application Update and Land Use Discussion
<i>Monday, October 4, 2010</i>	4:00 p.m. Study Session on Business Signage 5:30 p.m. Regular Meeting
<i>Monday, October 11, 2010</i>	FURLOUGH DAY – City Hall Closed
<i>Tuesday, October 12, 2010</i>	5:30 p.m. Work Session on 2010-11 Fiscal Status Update and 2009-10 Fourth Quarter Financial Report
<i>Monday, October 18, 2010</i>	4:00 p.m. Study Session - CANCELLED 5:30 p.m. Regular Meeting
<i>Monday, November 1, 2010</i>	4:00 p.m. Study Session on Strong Neighborhoods 5:30 p.m. Regular Meeting
<i>Tuesday, November 9, 2010</i>	4:00 p.m. Closed Session on City Manager and Department Annual Review and Development
<i>Thursday, November 11, 2010</i>	VETERAN'S DAY – City Hall Closed
<i>Monday, November 15, 2010</i>	5:30 p.m. – 6:30 p.m. Regular Meeting (shortened) 6:30 p.m. – 10:00 p.m. Work Session on Update on Infrastructure and Developer Standards and Policies (BIA)
<i>Wednesday, November 24, 2010</i>	FURLOUGH DAY – City Hall Closed
<i>Thursday, November 25, 2010</i>	THANKSGIVING HOLIDAY – City Hall Closed
<i>Friday, November 26, 2010</i>	THANKSGIVING HOLIDAY – City Hall Closed

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building Department	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Housing Department	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

The Rancho Cordova City Council/CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the September 20, 2010 Joint Special and Regular Meeting of the Rancho Cordova City Council/CRA/RCFC was posted and available for review on September 16, 2010 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city web site at www.cityofranchocordova.org.

Signed this 16th day of September, 2010 at Rancho Cordova, California.


Mindy Cuppy, City Clerk

MEMORANDUM



DATE: September 20, 2010

TO: Honorable Mayor and Council Members
Planning Commissioners

FROM: Paul Junker, Planning Director

SUBJECT: CITY GATEWAY SIGN DESIGN CONCEPTS

RECOMMENDATION

Review, discuss, and provide direction to staff and the consultant design team on proposed conceptual City gateway sign designs.

RESULT OF RECOMMENDED ACTION

Direction from the City Council and Planning Commission will allow staff to proceed with refinements to gateway sign design. If conceptual designs are finalized by mid-November of this year, the first gateway sign may be constructed as early as Fall 2011.

BACKGROUND

The concept of strengthening community identity through enhanced City Gateways was first discussed during the City's General Plan process as early as 2005. In a follow-up effort, City Council provided initial direction on City Gateways at the December 7, 2009 Study Session, during which potential locations and general approaches were discussed. Following the Study Session, a "City Gateways Team" made up of several internal departments, professional consultants, and interested community members was formed in 2009 to provide a matrix team approach to this effort. The Gateways Team has been meeting on a generally bi-weekly schedule for the past several months to explore gateway concepts. The conceptual designs before Council are a culmination of this team effort and are presented to offer the opportunity for feedback from the Council, Commission, and public.

Purpose

Staff has undertaken this design effort for three main reasons: 1) the existing gateway signs on Sunrise Boulevard and Folsom Boulevard are quickly aging; 2) gateway signs are an identified goal in the City's General Plan; and 3) the City has been successful in winning grant funds for the Folsom Boulevard streetscape improvements, which can include the construction of at least one of the proposed gateway signs.

Opportunities

While there are only two existing gateway signs, one at the north edge of the City on Sunrise Boulevard and the other on the west edge of the City on Folsom Boulevard, the City Gateways Team has studied potential gateway signs to mark the new eastern boundary of the City near Hazel Avenue and the existing southern boundary of the City. The selection of potential sign locations was discussed at the December 7 Study Session and Council concurred at that time that strategically located gateway signs provide an opportunity for the City to brand itself. Well designed gateways can announce arrival at a place, welcome visitors, and illicit pride among residents returning home. Understanding that travel speeds will limit a passerby's perception of a gateway, designs must be sharp and concise yet impactful. These objectives are achieved through the deliberate selection of materials, fonts, symbols, and lighting. The proposed gateway concepts that staff will review with Council take each of these graphic methods into consideration.

Constraints

Before the visioning process could take place, a constraints analysis was prepared by Mark Thomas Company, consultant to the City on Folsom Boulevard Streetscape Improvements. The analysis included constraints related to traffic safety (e.g. setback, breakaway design), sizes of medians, and required clearances from overhead power lines and light rail lines. With these overlapping constraints presented graphically, the area available for new gateway signs became clear. Thus, the proposed design concepts have been vetted for feasibility.

Visioning

Once constraints were analyzed, the team embarked on a brainstorming process. Photos of other successful gateway and wayfinding signs were collected for inspiration. The incorporation of sculptural public art was imagined as an opportunity in early talks, including the use of kinetic elements that could literally move with the wind. As concepts were refined, the notion of public art faded, and concepts of graphic design advanced. Without a traditional public art element, the aesthetic of the gateway signs would be defined by scale, massing and proportion, materials, typeface, and lighting.

Proposed Design Concepts

After several iterations of design concepts, the Gateways Team submits for the Council and Commission's consideration an aesthetic that can be adapted to the various gateway locations, whether on the shoulder of a major roadway or in a narrow median. The concept includes a concrete base with a curved top. Rising from the concrete base will be the main body of the sign, constructed in a translucent polycarbonate material. The proposed sign will bear earth tones and a winding blue ribbon, representative of the American River that borders the northern boundary of the City. The signs may be lit with fixtures set into the concrete base, which will result in an up-washing effect. Because the polycarbonate material is translucent, the lights may be installed behind the sign to create a soft night time glow. The words "Rancho Cordova - Incorporated 2003" will be applied to the upper left corner of the sign's face, and the All-America City logo will be applied to the lower right corner. A serif font is proposed to mimic the City's seal.

In addition to the main sign, an icon pole is proposed to flank the left side of the sign. This pole will rise above the top of the main sign, adding a graphic punctuation to the sign. Various icons can be constructed for this element, including a Pony Expressman, a military jet to pay homage to Mather's former status as an Air Force Base, a salmon to represent the fish hatchery, or other icons that pay tribute to Rancho Cordova's history. Once a palette of icons is established, they can be repeated on smaller wayfinding signs throughout the City. Iconic branding can be a powerful method of establishing and reinforcing the City's identity.

In addition to aesthetics, the team has considered vandal resistance. While no sign or flat surface can be altogether immune to graffiti tagging, it is imperative that such surfaces be constructed with materials that make such vandalism easily correctable. The polycarbonate material takes a simple light sanding to remove paint from its surface. Because of the durable materials proposed, sign maintenance is expected to be minimal.

FEEDBACK AND NEXT STEPS

The City Gateways Team is presenting the design concepts to the Council and Commission for feedback. Feedback received will direct and help shape the refinement of these concepts. The ultimate goal is to complete conceptual design by mid-November, in order to finish construction documents in time to bid the project in Spring 2011. Construction of the first gateway sign on Folsom Boulevard may commence by Fall 2011.

ATTACHMENT

No attachments are included with this report. Design concepts will be formally presented at the Joint Study Session.



**CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Tuesday, September 7, 2010

**5:30 P.M. – Regular Meeting
David B. Roberts Council Chambers**

MINUTES

1. REGULAR MEETING – CALL TO ORDER / ROLL CALL

Mayor Cooley called the regular meeting to order in the David B. Roberts Council Chambers at 5:45 p.m.

Council Members Present: Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

Council Members Absent: None

Staff Members Present: Gaebler, Lindgren, Lehr, Kellerman, Chinn, Leitner, Snyder, Haven, Delaney, Canfield, Silva, Behrends, Mingay, Abhar, Junker, Pearl, and Chan

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Mayor announced the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor called on Vice Mayor McGarvey to lead the Pledge.

4. INVOCATION

Paul Thome, Sunriver Church, gave the invocation.

5. PRESENTATIONS

- 5.1 Council Member Budge presented a proclamation in honor of National Disaster Preparedness Month to Metro Fire Outreach Coordinator Betty Taylor and Assistant Chief Duane Arend; and Betty Taylor gave a report regarding Metro Fire Community Emergency Response Team (CERT) Program/Professional Responder to reach 10,000 citizens in one year by offering disaster preparedness information and emergency kits.
- 5.2 Natalla Franklin did not give a report regarding Embry Riddle Aeronautical University overview at Mather as previously scheduled.
- 5.3 Finance Director Donna Silva introduced new City employee Michelle Mingay, Senior Finance Analyst.

AT THIS POINT the Mayor reordered the agenda to hear Agenda Item 13.

13. CITY MANAGER'S REPORT

Department Updates: City Manager's Office, Communications Department, and Administrative Support Division reported on the following:

- Our Values
- Welcome video by Evelyn Richardson, Customer Service Specialist
- Administrative Support
- City of Rancho Cordova's Customer Service
- Fiscal Stewardship
- General Fund Revenue Decrease from Peak
- Staffing Levels Decrease
- Services to the Community
- HR Workplace Awards
- Citizens' Satisfaction Survey
- The Sacramento Bee Editorial
- Rancho Cordova is an All-America City

- 5.4 Mayor Cooley recognized Council Member Skoglund's Birthday on September 16, 2010 and announced Council will break for celebratory refreshments in the lobby.

BREAK

AT THE POINT: Council took a brief recess at 6:53 p.m. The full Council reconvened at 7:17 p.m.

6. PUBLIC COMMENT

Mayor Cooley opened the public comment period. The following individuals addressed the Council:

- Chris Stoots regarding annexation of the unincorporated areas of the communities of Rosemont, College Greens-East, and Butterfield
- Dori Eisenhower regarding acknowledgement of help from Building Department staff Howard Williams and Marc Pelote for assisting with permit issues
- Stephanie Snyder regarding the California Capital Airshow

Mayor Cooley closed the public comment period.

7. COUNCIL REPORTS

Council Members reported on events since the last meeting.

8. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

ACTION: Motion by Budge second by Skoglund and carried by a 5:0 roll call vote, Council approved the Consent Calendar.

8.1 **Subject:** Meeting Minutes:

- a) Regular Meeting of August 16, 2010; and
- b) Special Meeting of August 24, 2010.

Recommendation: Adopt Minutes.

8.2 **Subject:** Ordinance to Rezone Property in the Industrial Area South of White Rock Road to Light Industrial (M-1) and Heavy Industrial (M-2) Designations; Amend the Zoning Code Text to Require a Conditional Use Permit (CUP) for Auto Dismantlers in M-2

Recommendation: Waive second reading and adopt Ordinance No. 20-2010 (**Roll Call Vote**)

Result of Recommended Action: The proposed zoning map and text changes will maintain, and in some cases, expand the land use opportunities for the majority of properties within the industrial area. The M-1 and M-2 industrial classifications will more closely match existing land uses by reducing the number of nonconforming uses in the area.

Staff Report: Jeff Beiswenger, Planning Department

8.3 **Subject:** Resolution Appointing Representatives to the Governing Board of the Sacramento Central Groundwater Authority

Recommendation: Adopt Resolution No. 102-2010.

Result of Recommended Action: Adoption of this resolution will appoint a City and Golden State Water Company representative to the Sacramento Central Groundwater Authority (SCGA) Governing Board

Staff Report: Cyrus Abhar, Public Works Department

- 8.4 **Subject:** Resolution Authorizing the City Manager to Execute Contract Change Orders No. 1 and No. 2 with North West Surfacing for Construction of the Horn Road Sidewalk Improvements Project in the Amount of \$53,115.22

Recommendation: Adopt Resolution No. 105-2010.

Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute contract Change Order No. 1 and No. 2 with North West Surfacing (Contract No. 23-2010) to increase the current contract amount from \$161,205.40 to \$214,320.62 for the construction of the Horn Road Sidewalk Improvements Project. Change Order No. 1 covers the cost associated with unforeseen conditions encountered during construction for a total of \$49,751.60. Change Order No. 2 covers the cost associated with reconciling the quantities of the bid form with the actual quantities placed during construction for a total of \$3,363.62.

Staff Report: Cyrus Abhar, Public Works Department

- 8.5 **Subject:** Approval of Parcel Map Titled Rockingham Plaza Parcel Map located at the Southwest Corner of Mather Field Road and Rockingham Drive

Recommendation: Approve Parcel Map.

Result of Recommended Action: Approval of Parcel Map titled "Rockingham Plaza Subdivision No. DD-6856 Being a Portion of Lots 57, 58, 59 and 63 of The Amended Map of Natomas American River Subdivision No. 4, 15 BM44"; located on the southwest corner of Mather Field Road and Rockingham Drive. Approval of this parcel map will result in its recordation and creation of four new commercial parcels with an existing building on each parcel.

Staff Report: Cyrus Abhar, Public Works Department

9. CONSENT PUBLIC HEARING ITEMS

Mayor Cooley opened the public comment period. There were no speakers. Mayor Cooley closed the public comment period.

ACTION: Motion by Budge second by McGarvey and carried by a 5:0 roll call vote, Council approved the Consent Public Hearing Item and adopted Resolution No. 104-2010.

- 9.1 **Subject:** Resolution Approving the Issuance by the California Statewide Communities Development Authority (CSCDA) of Recovery Zone Facility Revenue Bonds for the SunEdison Portfolio No. 2

Recommendation: That Council:

- a) Conduct a public hearing for the proposed issuance by the California Statewide Communities Development Authority (CSCDA) of bonds in an amount not to exceed \$1,300,000 (Bonds), for the purpose of financing the installation of solar equipment located at 11051 Olson Drive and generally known as SunEdison Portfolio No. 2 (Project); and
- b) Adopt Resolution No. 104-2010 approving the issuance of the Bonds for the financing of the Project (as described herein) by the CSCDA.

Result of Recommended Action: Adoption of this resolution will allow the CSCDA, or its designee, to proceed with tax-exempt bond financing for improvements at 11051 Olson Drive, a privately owned parcel, currently housing the Kohls Department Store. This would not be a debt of the City, rather, it allows the owners to utilize tax-exempt financing for their project. If Council declines adoption of the resolution, the CSCDA may seek other financing at higher interest rates or not proceed with the project.

Staff Report: Donna Silva, Finance Department

10. PUBLIC HEARING ITEMS

- 10.1 **Subject:** Ordinances and Resolution Approving the Limited Entitlement for Rio del Oro Specific Plan, a Project that Proposes Mixed Use Development on Approximately 3,828 Acres Northeast of Sunrise and Douglas Boulevards – Project No. RC-04-052 – Amendment to Aerojet Special Planning Area, Development Agreement, and Environmental Impact Report (**CONTINUED FROM AUGUST 16, 2010**)

PUBLIC COMMENT PERIOD CLOSED

Recommendation: That Council:

- a) Waive first reading and introduce Ordinance No. 14-2010 approving the Rio del Oro Specific Plan that would establish a land plan, zoning standards, and design guidelines, as well as preliminary phasing and financing concepts to guide subsequent detailed finance and phasing plans (**Roll Call Vote**); and
- b) Waive first reading and introduce Ordinance No. 15-2010 amending the Aerojet Special Planning Area that was previously approved by Sacramento County. Approval would affect land within the Rio del Oro project area and amend the City's Zoning Map and Section 23.322.030(C)(4) of the Zoning Code to delete the Rio Del Oro Specific Plan Area from the Aerojet Special Planning Area (**Roll Call Vote**); and
- c) Waive first reading and introduce Ordinance No. 16-2010 approving a Development Agreement that will establish necessary guarantees for the City and Applicant regarding current and future project entitlements and approving Two Tier 1 Development Agreements for the Rio del Oro Project (**Roll Call Vote**); and
- d) Resolution No. 92-2010 will establish Certification of the Environmental Impact Report with adopting findings, a Statement of Overriding Considerations, and a Mitigation Monitoring Plan for the Rio del Oro Specific Plan for Tier 1 approvals.

Result of Recommended Action: The actions listed above will complete the first stage of project review (Tier 1 Approvals) for the Rio del Oro project. These approvals will establish the mix of land uses within the project (residential, commercial, office, etc.), major road alignments, and the general character of the project. A later stage of the project review, Tier 2 Approvals, will address detailed issues related to the project, including obligations that the developer must meet during project construction. No construction can occur within the project until the Tier 2 Approvals have been completed.

Staff Report: Paul Junker, Pam Johns, and Patrick Angel, Planning Department

GROWING STRONG NEIGHBORHOODS

ACTION: Motion by Budge second by Sander and carried by a 5:0 roll call vote, Council waived first readings and introduced Ordinance Nos. 14-2010, 15-2010, 16-2010, and adopted Resolution No. 92-2010.

11. REGULAR CALENDAR ITEMS

- 11.1 **Subject:** Resolution Authorizing the City Manager to Execute First Amendment and Restatement of Memorandum of Understanding (MOU) and Cooperative Agreement Between the City of Rancho Cordova (City) and the Cordova Recreation and Park District (CRPD) to Increase the Park Renovation Fee Allocation for Parks to \$2,500,000

Recommendation: Adopt Resolution No. 110-2010.

Result of Recommended Action: Adoption of this resolution will allow the City to reimburse CRPD for costs incurred to renovate Rancho Cordova Parks and implements proposed improvements at existing parks throughout the City. The first amendment to the MOU increases the amount of park renovation fee funding from \$1,000,000 to \$2,500,000 for six park projects; therefore, requires approval by the City Council.

Staff Report: Joe Chinn, City Manager's Office

Mayor Cooley opened the public comment period. There were no speakers. Mayor Cooley closed the public comment period.

ACTION: Motion by Budge second by Skoglund and carried by a 4:0 roll call vote (Cooley recused), Council adopted Resolution No. 110-2010.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

- Council Member Skoglund requests staff provide update on rental U-Hauls next to Sunny's Market and Council Member Budge requests staff check for any U-Haul rentals around the City
- Council Member Sander requests an hour meeting regarding Strong Neighborhood Committee results of collection and next steps
- Mayor Cooley suggests a mechanism be created to provide residents near parks with permit parking program and ticket vehicles in violation of the parking regulations
- Dennis Rogers of the Building Industry Association (BIA) suggested a discussion be had with the City Council regarding costs

14. ADJOURNMENT OF REGULAR MEETING

The Mayor adjourned the regular meeting to closed session in the Community Board Room at 9:20 p.m.

15. CLOSED SESSION

Council adjourned to closed session to discuss the following item(s):

Conference with Legal Counsel – Existing Litigation – Government Code Section 54956.9(b) – (one case) – Name of case: City of Rancho Cordova v. Simon Building, LLC; Sacramento Superior Court Case No. 34-2009-00032782

Conference with Legal Counsel – Anticipated Litigation Government Code 54956.9(b) (one potential case).

Mayor Cooley called the closed session to order in the Community Board Room at 9:56 p.m.

Council Members Present: Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

Council Members Absent: None

Staff Members Present: Lindgren, Gaebler, Junker, Abhar, Chinn

16. OPEN SESSION – REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that there was no reportable action taken in closed session.

17. ADJOURNMENT OF CLOSED SESSION

The Mayor adjourned the closed session in the Community Board Room at 10:42 p.m.

Bren Lehr, CMC, Deputy City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 14-2010

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADOPTING THE RIO DEL ORO SPECIFIC PLAN

WHEREAS, the development application for the Rio del Oro project ("Project") was transferred from the County of Sacramento to the City of Rancho Cordova ("City") upon the City's incorporation on July 1, 2003. Since that time, the City has been in the process of evaluating the Rio del Oro Specific Plan application in accordance with Government Code sections 65450-65457; and

WHEREAS, the Project is a plan for a mixed-use development supporting a combination of employment-generating uses, retail and supporting services, recreational uses, and a broad range of residential uses and associated infrastructure and roads on an approximately 3,828-acre site in the City of Rancho Cordova. The Project includes 11,601 residential units at various densities; 522 acres of employment-generating uses (village commercial, shopping center, business park, industrial park); public/quasi-public uses; elementary, middle, and high schools; community and neighborhood parks; private recreational uses; stormwater detention basins; open-space areas and open-space preserves; a drainage parkway; greenbelts; major roads with landscaping; and a wetland preserve/mitigation bank. Several off-site infrastructure facilities (road widening and extensions, sewer interceptors, water and wastewater treatment facilities, wastewater transmission mains, water pipelines and distribution systems and facilities, electrical transmission lines, and water tanks) are proposed to serve project development; and

WHEREAS, Government Code section 65451 states that a specific plan shall include a text and a diagram or diagrams which specify all of the following:

- (1) The distribution, location, and extent of the uses of land, including open space, within the area covered by the plan.
- (2) The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the plan and needed to support the land uses described in the plan.
- (3) Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
- (4) A program of implementation measures including regulations, programs, public work projects, and financing measures necessary to carry out paragraphs (1), (2), and (3) above.
- (5) The specific plan shall include a statement of the relationship of the specific plan to the general plan.

WHEREAS, the proposed Project has gone through several revisions in response to studies, changing market conditions, General Plan policies, other City planning efforts, and input and direction from staff and decision makers; and

WHEREAS, the City referred the proposed Rio del Oro Specific Plan to numerous agencies and entities and provided each with adequate time in which to comment on the draft Specific Plan; and

- The Rio del Oro Specific Plan and Development Standards and Design Guidelines (Specific Plan Appendix A) include a land use plan, use and development standards as well as guidelines for subsequent project design consistent with the goals of the General Plan Urban Design Element. Specifically, the location and design concepts for the village, local, and regional town centers within Rio del Oro are in keeping with the building block concepts outlined in the Urban Design Element (Goal UD-1 and corresponding policies and actions). Additionally, design guidelines in Appendix A establish unique project identity with context sensitive design provisions envisioned in Goals UD-3 and UD-4).
- The Rio del Oro Specific Plan includes land use designations for a significant employment center, two village centers, one local town center, and two regional town centers. This plan implements General Plan Economic Development Element Goals ED-1 and ED-2 in terms of diversifying the local economy and providing new local and regional retail opportunities.
- The Rio del Oro Land Use Plan (Exhibit 3-2) includes a wide range of residential land use designations including single-family residential, medium density residential, high density residential, as well as opportunities for high density housing in select mixed use center locations. Residential land use designations (allowing between 2 and 40 units/acre) are distributed throughout the project site with high density housing located in close proximity to schools, parks, jobs and employment. The mix and distribution of housing are consistent with the General Plan Housing Element Goals H-1 and H-4 in terms of balancing employment and housing and encouraging housing opportunities, respectively.
- The Rio del Oro Circulation Plan (Exhibit 4-2) is consistent with the General Plan Circulation Plan (Figure C-1) and establishes a roadway system for local project traffic, improved community circulation, and well as regional transportation system with the addition of two major north south roadways (Rancho Cordova Parkway and Americanos Boulevard) as well as improvements to the east-west connectivity. The Rio de Oro Bikeway and Trails Plan (Exhibit 4-5) is consistent with the General Plan Bikeway and Trails Plan (Figure C-2) as well as the City's current Bikeway Master Plan. Section 4 of the Rio del Oro Specific Plan identifies planned street improvements for major roadways and trails and establishes standards and principles for subsequent review of local streets and trail connections in keeping with the General Plan Circulation Element Goals C-1 and C-2 for multi-modal facilities and connectivity.
- The Rio del Oro Land Use Plan (Exhibit 3-2) designates approximately 990 acres (~25% of the project area) for parks and open space, which excludes storm water detention and private recreation areas. Project open space includes a 510 acre wetland preserve, drainage parkways, landscape corridors, and greenbelts. Project parks include a 70 acre community park, plus adult sports park, neighborhood parks and future pocket parks and neighborhood greens. The Rio del Oro Bikeway and Trails Plan (Exhibit 4-5) includes more than 15 miles of Class I, paved off-street bike paths connecting neighborhoods to activity centers and improving regional trail connections. Planned open space, parks, and trails for Rio del Oro are consistent with General Plan Open Space, Parks, and Trails Element Goals OSPT-1, OSPT-2, and OSPT-3 in establishing a premier system of public parks, establishing connected and diverse open space systems, and maximizing opportunities for pedestrians and cyclists.
- Sections 4 (Circulation Element), 6 (Public Utilities Element) and 7 (Public Services Element) of the Rio del Oro Specific Plan identify necessary infrastructure, utilities, and services for the project consistent with the goals and policies outlined in the General Plan Infrastructure, Services, and Finance Element. Rio del Oro Specific Plan Section 8

(Implementation and Administration) identify requirements for the Financing Plan that is required prior to or contemporaneous with the approval of the first large lot tentative map for the Rio del Oro development. That section also includes guiding principles regarding infrastructure funding and phasing to ensure consistency with the General Plan.

- The Environmental Impact Report/Environmental Impact Statement for the Rio del Oro project identifies all known and protected resources within the project area. Required protection and mitigation measures have been incorporated into the Rio del Oro Specific Plan as shown on the Land Use Exhibit (Exhibit 3-2) and as described in Section 5 (Environmental Resources Element). The Rio del Oro project is consistent with the General Plan Natural Resources Element Goals NR-1, NR-2, and NR-3 regarding protection and preservation of wildlife, plant habitats, wetlands, and creek corridors.
- The Rio del Oro Specific Plan includes information about the historic use of the property and the Development Standards and Design Guidelines (Appendix A) specifically reference historic rocket testing operations on a neighborhood park site (Parcel 80) where special design treatment should convey the site's historic interest through inclusion of interpretive exhibits or other design features. This provision is consistent with General Plan Cultural and Historic Resources Element Goal CHR-1 to identify and preserve the history of Rancho Cordova for future generations.
- The Rio del Oro Specific Plan (including Appendix A) includes drainage improvements consistent with General Plan Safety Element Goal S-2 (and corresponding policies and actions) to reduce the possibility of a flooding or drainage issue causing damage to urban land uses. Residential uses within the project area are located outside of the designated Mather Airport flight zone consistent with Safety Element Goal S-6 to protect the community from potential harm associated with Mather Airport operations. Finally, the Rio del Oro Development Standards and Design Guidelines incorporate best practices from the Crime Prevention Through Environmental Design (CPTED) standards to ensure consistency with Safety Element Goal 7 regarding design of neighborhoods and buildings to maximize safety/security and minimize crime.
- The Rio del Oro Land Use Plan (Exhibit 3-2) incorporates desired development patterns for a balanced mix of uses that incorporate housing, jobs, and services in close proximity connected by roadways and trails to reduce vehicular travel and maximize opportunities for walking and biking. This land use plan and corresponding circulation exhibits are consistent with the General Plan Air Quality Element Goals AQ-2 and AQ-3 regarding land use patterns and densities, as well as circulation systems to reduce vehicle trips and air quality impacts.
- The Rio del Oro Land Use Plan (Exhibit 3-2) maintains residential uses outside of the designated Mather Airport flight zone and establishes setbacks and in some cases soundwalls to mitigate noise impacts from heavily traveled roadways and adjoining industrial uses to the west and south of the project site. This land plan and provisions in the Rio del Oro Development Standards and Design Guidelines are consistent with the General Plan Noise Element Goal N-1 to ensure that new development is free of noise disturbances.

Section 3. Compliance with State Law Requirement for Specific Plans

The proposed Rio del Oro Specific Plan complies with the requirements of Government Code section 65451 in that:

- (1) The distribution, location, and extent of the uses of land, including open space, within the area covered by the plan are provided in Rio del Oro Specific Plan Section 3 (Land Use Element) and Section 7.2 (Parks and Open Space).
- (2) The proposed distribution, location, and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities proposed to be located within the area covered by the plan and needed to support the land uses described in the plan are provided in Rio del Oro Specific Plan Section 4 (Circulation Element) and Section 6 (Public Utilities Element).
- (3) Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable are provided in Rio del Oro Specific Plan Section 5 (Environmental Resources Element).
- (4) A program of implementation measures including regulations, programs, public work projects, and financing measures necessary to carry out paragraphs (1), (2), and (3) above are provided in Rio del Oro Specific Plan Section 8 (Implementation)
- (5) The Rio del Oro Specific Plan includes a statement of the relationship of the specific plan to the general plan in Section 1 (Introduction).

Section 4. CEQA Compliance

In compliance with the California Environmental Quality Act, on September 7, 2010, the Rancho Cordova City Council, pursuant to Resolution No. 92-2010 certified the EIR, adopted environmental findings pursuant to CEQA guidelines Section 15091, adopted a statement of overriding considerations, and adopted a mitigation monitoring plan for the Rio del Oro Project, including the Specific Plan, prior to approval of the Specific Plan.

Section 5. Adoption of Rio del Oro Specific Plan

The City Council hereby adopts the Rio del Oro Specific Plan, attached as **Exhibit B**.

Section 6. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. Effective Date

Within fifteen (15) days after adoption, a Summary of this ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, City Clerk

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN		
General Plan Land Use Element Policies	Consistency	Analysis
Policy LU.1.3 Maintain a strong jobs-housing ratio, with a diverse job base and corresponding housing stock, within the Planning Area. Improve the relationship and proximity of jobs to housing and commercial services. (Further implemented through Action LU.1.3.2)	Yes	As described in Section 3.2, the project is expected to result in an improved jobs housing ratio than what current exists and is generally consistent with the City's General Plan in regards to the mix of residential and nonresidential land uses. Additionally, the project area includes retail, commercial, and industrial uses interspersed with residential uses; thereby providing jobs within proximity to housing.
Policy LU.1.6 Ensure adequate provisions for development of civic uses (public/quasi-public). (Further implemented by Action LU.1.6.1)	Yes	The proposed project includes the designation of public uses including public schools, parks (e.g., community park), and other public or quasi-public uses. Additional civic uses, such as hospitals, are listed as allowed uses in other zoning designations as well.
Policy LU.1.9 The City shall require development to protect one acre of existing farmland of equal or higher quality for each acre of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance that would be converted to non-agricultural uses. This protection may consist of the establishment of farmland conservation easements, farmland deed restrictions, or other appropriate farmland conservation in perpetuity, but may also be utilized for compatible wildlife conservation efforts. The farmland to be preserved shall be located within Sacramento County and must have adequate water supply to support agricultural use. As part of the consideration of land areas proposed to be protected, the City shall consider the benefits of preserving farmlands in proximity to other protected lands.	Yes	The project site does not include any Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Therefore, no protection of existing farmland is required and the proposed project is consistent with this policy.
Policy LU.2.1 Ensure future land use and growth within the Planning Area adheres to the City's eight smart growth principles, as described in this Element. Smart growth principles that apply to the proposed project are: • Transportation Choices	Yes	The proposed project impacts the seven applicable Smart Growth Principles as follows: • Transportation Choices - In addition to major roads planned throughout the project, transit opportunities are provided along those roads. Additionally, the project has proposed pedestrian/bicycle path network for the site. • Housing Choices - The proposed project includes a mix of high, medium, and low-density residential land uses, providing choices for future residents in the area of density and ultimately

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
- Housing Choices - Integrated (Mixed) Land Uses - Compact Urban Development - Walkable Neighborhoods - Preservation/Integration of Natural Resources - Quality Design/Sense of Place		- home size and price. - Mixed Land Uses - The proposed project includes residential, commercial, office, and industrial land uses. - Compact Urban Development - The proposed project is designed with commercial land uses surrounded by residential uses and connected by both roads and pedestrian/bicycle paths. Neighborhoods within the proposed project are consistent with the building blocks concept of the City and are therefore clustered and compact. - Walkable Neighborhoods - Residential land uses in the proposed project are clustered around transit and commercial opportunities, fostering a walkable community and serving to create compact residential areas. - Preservation/Integration of Natural Resources - The proposed project includes a 507-acre wetland preserve in the southern portion of the project. The project would also include additional open space associated with project drainage improvements and habitat preservation for VELB. - Quality Design/Sense of Place - The final design of structures within the proposed project will be subject to the Rio del Oro Specific Plan Design Guidelines.	
Policy LU.2.4 Use Community Plans, Specific Plans, and development projects to promote pedestrian movement via direct, safe, and pleasant routes that connect destinations inside and outside the plan or project area.	Yes	The proposed project (a specific plan) includes an extensive network of sidewalks and off-roadway pedestrian trails with interconnection with planned development, consistent with the General Plan.	
Policy LU.2.6 Discourage the over concentration of retail shopping facilities in a single location in order to ensure neighborhood services are distributed and integrated into the City's neighborhoods and that market demand is met without diminishing the viability of nearby commercial properties with the same customer base. (Further implemented by Action LU.2.6.1)	Yes	The proposed project includes Regional and Local Town Centers in several locations within the project area as well as Village Commercial areas, consistent with the City's Building Blocks Concept and the General Plan. The General Plan's designation, location and size of retail land uses within the Specific Plan area were based on technical analysis contained in the General Plan Proforma.	
Policy LU.3.4 Consult with state and federal regulatory and resource	Yes	Responsible State and federal regulatory and resource agencies were contacted during the design of the proposed project as well as during	

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
agencies during initial review of development projects to identify potential environmental conflicts and establish, if appropriate, concurrent application processing schedules.			the preparation process for the EIR/EIS. Additionally, the lead agency for the EIS is the U.S. Army Corps of Engineers, a major stakeholder in the project. Additional input was obtained during the formal public review period for the Draft EIR/EIS.
Policy LU.3.5 Work with community service providers such as the Cordova Recreation and Park District and the Rancho Cordova Neighborhood Center to expand their services to new areas of the City as opportunities arise.	Yes		The proposed project includes the provision of a community park, seven public parks, a private recreation site and passive recreation features associated with proposed drainage facilities (e.g., trails), which have involved close coordination with the Cordova Park and Recreation District.
Policy LU.3.9 Ensure that land uses adjacent to or near Mather Airport are subject to the location, use, and height restrictions of the most recently adopted CLUP at the time of development consideration, except when the CLUP is under an update process. In the circumstance of a CLUP update, coordinate with the County in the review of development projects to determine the most appropriate development restrictions for the continued operation of the airport.	Yes		Industrial uses within the proposed project were purposefully sited within the approach path and corresponding 60 CNEL noise contours for Mather Airport that have been identified by the County. Industrial uses do not constitute sensitive receptors for noise issues. All other areas of concern in the CLUP would not be impacted by the proposed project. City coordination with and participation in the CLUP update process for Mather Airport is ongoing and includes consideration of the proposed project. The City has seen advance versions of the possible modifications to the existing 60 CNEL noise contours that might come out of the CLUP update and has avoided the inclusion of any noise-sensitive land uses within these possible corridors.
General Plan Urban Design Element Policies	Consistency	Analysis	
Policy UD.1.3 Design neighborhoods as walkable places, approximately 1/3 mile in radius, and connected to adjoining neighborhoods by trails, open spaces, and commercial activity nodes. (Further implemented by Actions UD.1.3.1, UD.1.3.2 and UD.1.3.3)	Yes	See discussion under Policy LU.2.4 above for information on the walkability of the proposed project. The proposed project design meets the letter and intent of this policy.	
Policy UD.1.4 Design residential subdivisions with a mix of housing types and densities that satisfy a wide range of lifestyles and income levels.	Yes	The proposed project includes single family residential, medium density residential, and high density residential.	
Policy UD.1.5 Develop vibrant urban cores (village centers and local town centers) as the primary activity centers of each	Yes	See discussion under Policy LU.2.6 above.	

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
district within the City			
Policy UD.2.1 Require new development and redevelopment areas to be designed in accordance with the City's building blocks concept.	Yes		See discussion under Policy LU.2.6 above.
Policy UD.2.2 Redefine Rancho Cordova as a mixed-use community with vibrant, livable neighborhoods and pedestrian development.	Yes		See discussion under Policy LU.2.4, Policy LU.2.6, and Policy UD.1.4 above.
Policy UD.2.6 Create streetscape designs with themes that are oriented toward and inviting to pedestrians and cyclists and that are unique in character to a district, corridor, or area within the City. (Further implemented by Action UD.2.6.5)	Yes		The proposed project includes an extensive network of pedestrian trails and paths (See discussion under Policy LU.2.4 above) as well as bicycle lanes and paths. The Specific Plan and proposed Rio del Oro Design Guidelines includes details on the design and location of these paths, providing a unique visual character.
Policy UD.3.1 Ensure quality design of new development and redevelopment with an integrated development style. (Further implemented by Actions UD.3.1.2 and UD.3.1.3)	Yes		The Specific Plan and proposed Rio del Oro Design Guidelines include guidance as to the architectural design of buildings in the project area, thereby establishing a cohesive style for the project area.
Policy UD.3.3 Promote the incorporation of public spaces and pedestrian amenities into all commercial and mixed-use projects. (Further implemented by Actions UD.3.3.2 and UD.3.3.3)	Yes		See discussion under Policy UD.2.6 and Policy LU.3.5 above. As the proposed project includes extensive pedestrian and bicycle amenities and public spaces such as parks and schools, the proposed project is consistent with this policy.
Policy UD.4.2 Design new development to be compatible with surrounding development in ways that contribute to the desired character of the City and District.	Yes		The proposed project was designed consistent with the General Plan and would integrate with planned development to the south of the proposed project and includes buffering from existing industrial uses to the west of the site. The character of development within the proposed project is in-line and consistent with land uses under development to the south and development planned by the City to the north and east. The character of the proposed project will be guided by the City's adopted Design Guidelines, the Specific Plan, and proposed Rio del Oro Design Guidelines.
General Plan Economic Development Element Policies		Consistency	Analysis

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Policy ED.1.1 Ensure that an adequate supply of land is designated for future development of an economically viable and livable community. (Further implemented by Action ED.1.1.1)	Yes	The proposed project's land use mix is consistent with the General Plan land use provisions for the Rio del Oro Planning Area and includes large areas for retail and employment uses. Retail locations are generally consistent with the market analysis and retail strategy conducted for the General Plan.	
Policy ED.1.4 New industrial uses using large amounts of material and with low employment densities, such as warehousing, should generally be directed toward the Highway 16 corridor and areas constrained by the overflight path.	Yes	Industrial uses within the proposed project, which could include uses such as those described in this policy, will be limited to the overflight path from Mather Airport.	
Policy ED.1.8 Provide a variety of housing types in Rancho Cordova to support a diverse economy, including workforce housing, move-up housing and executive housing.	Yes	As identified in the Rio del Oro Specific Plan Land Use Plan, the proposed project includes single-family residential, medium-density residential, and high-density residential that meets the intent of this policy.	
Policy ED.2.1 Provide a mix of neighborhood retail, community retail, regional retail and specialty retail to serve Rancho Cordova and surrounding communities to achieve the recommendations outlined in the City's Retail Strategy. (Further implemented by Action ED.2.1.1)	Yes	See discussion under Policy LU.2.6 above.	
Policy ED.2.3 Strategically locate regional retail properties to take advantage of the local and regional transportation corridors (e.g., Highway 50, State Route 16, light rail, etc.) and integrate local retail and services into neighborhoods. (Further implemented by Action ED.2.3.1)	Yes	Retail within the proposed project is located along Rancho Cordova Parkway, Sunrise Boulevard and Americanos Boulevard. Rancho Cordova Parkway will eventually connect directly to US-50. Additionally, the proposed project includes a roadway system that connects southward to Douglas Road and Sunrise Boulevard. Sunrise Boulevard leads directly to SR-16. Transit planned for the proposed project would provide access to Light Rail at the Sunrise Station. Neighborhoods within the proposed project are all served by local retail uses (village and local town centers).	
General Plan Housing Element Policies		Analysis	
Policy H.1.1 Improve the City's jobs-housing balance through ensuring that housing development in Rancho Cordova provides opportunities for all income levels in order to serve the full range of available and projected jobs in the City.	Yes	The proposed project includes single-family low-density residential, medium-density residential, and high-density residential. The range of housing densities will provide both for sale and rental opportunities in a wide range of housing types for different income levels and to house the City's workers.	

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Policy H.1.2 Maintain adequate sites that support a range of housing types appropriate for the city's housing needs, taking into account employment projections, household growth, and the City's share of regional housing needs. (Further implemented by Action H.1.2.1)	Yes	Action H.1.2.1 requires that 5% of the residential acreage be designated for >10du/ac and 5% of the residential acreage be designated for >30 du/ac. The proposed project currently provides 13.7% of the residential acreage for medium density residential (6.1 – 18 du/ac) and 5.2% of the residential acreage for high density residential (18.1 – 40 du/ac). Specific Plan text clarifies that a minimum 5% of the land designated for residential uses will be developed at a minimum of 10 du/ac and that a minimum 5% of the land designated for residential uses will be developed at a minimum 30 du/ac. Consistent with action H.1.2.1, if subsequent development occurs at densities higher than those minimum densities, the corresponding acreage for remaining development at the minimum density can be reduced.
Policy H.1.3 Promote a broader range of housing options for executives. (Further implemented by Action H.1.3.1)	Yes	Specific Plan Exhibit 3-3 identifies candidate locations for executive housing and Development Standards and Design Guidelines includes specific standards for executive lot, single family residential development.
Policy H.1.4 Promote higher density housing in close proximity to transit, employment, and appropriate services, such as transit-oriented development.	Yes	See discussion under Policy H.1.1 above. Higher density residential within the project area is located near proposed commercial and employment centers within the project and along roadways identified for transit service (i.e., Rancho Cordova Parkway).
Policy H.1.5 Developers of new residential projects within the newly developing areas of the City (generally in the large, vacant areas south of Highway 50) shall prepare an Affordable Housing Plan (Plan) for the project for City review and approval that identifies the project's plan for providing affordable housing. (Further implemented by Action H.1.5.1 with guidelines provided in Policy H.1.6)	Yes	With regard to the Tier One approvals, City staff has evaluated the Rio del Oro land use plan under the Specific Plan and determined that there are adequate high density residential sites to accommodate affordable housing within the project. An Affordable Housing Plan is required as part of the Tier Two Entitlements for the Project (in conjunction with the required Financing Plan, Phasing Master Plan) which will set forth the specific program for compliance with this policy which may include payment of fees for affordable housing.
Policy H.1.6 The City has established the following guidelines to provide direction for the review of Affordable Housing Plans associated with individual development projects and to provide direction for the preparation of an Affordable Housing Ordinance if one is to be developed. If an Affordable Housing Ordinance is adopted, the City shall review this policy and the following actions for consistency	Yes	See discussion under Policy H.1.2 and Policy H.1.5 above and Action H.1.6.1 below.

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and shall amend the General Plan as necessary to maintain consistency.				
Action H.1.6.1 - The Affordable Housing Plan shall be approved in conjunction with the earliest stage of project entitlement, typically with the City Council approval of the Specific Plan, Development Agreement, or other primary land use entitlement.	Yes	The Tier One Entitlements for the Project require approval of an Affordable Housing Plan as part of the Tier Two Entitlements and prior to the commencement of development of the Project. Most development in the City has historically occurred with a single tier or step of major land use planning in which a specific plan, comprehensive development agreement, a detailed financing plan, a phasing plan and housing agreement are all simultaneously approved as the first stage of project entitlement. The requirement for approval of the Project Affordable Housing Plan as part of the Tier Two Entitlements for this project is consistent with this policy because other primary entitlements that are related to the Affordable Housing Plan are required as part of the Tier Two Entitlements, such as the Financing and Phasing Plan. In addition, no physical development of the property can occur until the Affordable Housing Plan is approved by the City..		
Policy H.4.1 Ensure that neighborhoods are developed in a balanced, sustainable manner, avoiding over-concentration of affordable housing or over-sized rental complexes and providing a range of housing prices and rents. (Further implemented by Action H.4.1.2)	Yes	As identified in the Rio del Oro Specific Plan Land Use Plan, higher densities of housing within the project are interspersed with lower density residential, avoiding over concentration. Additionally, the Rio del Oro development standards and design guidelines allow second dwelling units in most of the single family residential designations and some of the medium density residential areas.		
Policy H.4.5 Ensure that adequate parking is available in multi-family rental properties, condominiums, townhomes, and senior facilities.	Yes	Multi-family residential parking standards listed in the Rio del Oro Development Standards and Design Guidelines are consistent with the current standards in the City zoning code.		
Policy H.4.6 Ensure that housing appropriate for empty-nesters and single persons, such as townhomes or small lot, single-family homes, rather than large single-family homes, is developed.	Yes	See discussion under Policy H.1.1 above. Higher density residential development is included within the proposed project and is typically associated with townhomes and other multi-family homes as well as small lot detached homes.		
Policy H.6.1 Require energy efficiency in the design and construction of housing developments through implementation of the State Energy Conservation Standards (Title 24). The long-	Yes	Development and subsequent projects under the Rio del Oro Specific Plan will be required to comply with recently adopted changes to Title 24 of the California Code of Regulations regarding energy efficiency during future planning review by the City. The Rio del Oro Air Quality		

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term economic and environmental benefits of energy efficiency shall be weighed against any increased initial costs of energy saving measures. Encourage sustainable development by reducing energy use. (Further implemented by Actions H.6.1.1 and H.6.1.4)			and Emissions Reduction Plan also includes energy reduction measures that would be applied to future development of the site.
General Plan Circulation Element Policies	Consistency	Analysis	
Policy C.1.1 Implement the Circulation Plan with the Roadway System and Sizing Diagram, shown as Figure C-1, as a modified grid network. (Further implemented by Actions C.1.1.1 through C.1.1.5)	Yes	The Rio del Oro Specific Plan Circulation Plan (Exhibit 4-2) is consistent with the General Plan Roadway System and Sizing Diagram.	
Policy C.1.2 Seek to maintain operations on all roadways and intersections at Level of Service D or better at all times, including peak travel times, unless maintaining this Level of Service would, in the City's judgment, be infeasible and/or conflict with the achievement of other goals. Congestion in excess of Level of Service D may be accepted in these cases, provided that provisions are made to improve traffic flow and/or promote non-vehicular transportation as part of a development project or a City-initiated project. (Further implemented by Actions C.1.2.1 and C.1.2.2)	Yes, With Mitigation	The analysis included in Section 3.14 of this EIR/EIS utilized LOS D as the minimum acceptable level of service for roadways analyzed in the section and identifies feasible mitigation measures to reduce the project's impact to City roadway facilities as well as identifies where maintaining LOS D is not feasible, and/or would conflict with other City goals. The project design provides for new roadway connections and additional trail, bike and transit facilities to promote non-vehicular transportation. The Specific Plan land use mix also provides for residential, retail, employment, and public (parks) uses within close proximity that would reduce length of vehicle miles traveled and internalize project traffic.	
Policy C.1.5 Design the circulation system serving the City's industrial areas to safely accommodate heavy truck traffic.	Yes	Industrial uses within the project area are located adjacent to Rancho Cordova Parkway, a major thoroughfare through the project connecting development south of the project area with planned development to the north. This roadway will be capable of handling heavy truck traffic. The roadways within the proposed project (e.g., International Drive) also allow for direct connections to Sunrise Boulevard, another roadway capable of handling heavy truck traffic.	
Policy C.1.7 Require the installation of traffic pre-emption devices for emergency vehicles (police and fire) at all newly constructed intersections and seek to retrofit all existing intersections to incorporate these features.	Yes	The Specific Plan requires the installation of traffic pre-emption devices on all signalized intersections within the project area. Therefore, the proposed project is consistent with this policy.	

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Policy C.1.9 In an effort to reduce automotive traffic and increase the use of other travel modes, support the use of trip reduction programs. (Further implemented by Actions C.1.9.1 and C.1.9.2)	Yes	See analysis above for Policy C.1.2. The Rio del Oro Air Quality and Emissions Reduction Plan also includes the project's participation in a Traffic Management Association.	
Policy C.2.1 Create a system of on- and off-street trails and multi-use paths, as generally illustrated on Figure C-2, that are used for walking and bicycling and that are attractive, natural, and safe transportation corridors.	Yes	The proposed project includes a bike and trail plan that provides for an extensive trails network. Many of these trails are located in greenbelts, landscaped parkways, and along open space corridors within the proposed project. Additional circulation features for pedestrians and bicycles are also planned along major roads within the project with enhanced roadway crossings for improved safety.	
Policy C.2.2 Require bicycle and pedestrian connections to public transit systems at stops, stations, and terminals; carpool/vanpool park-and-ride lots; and activity centers (e.g., schools, community centers, medical facilities, senior residences, parks, employment centers, high-density residential areas, commercial centers).	Yes	Transit is planned for Rancho Cordova Parkway within the project area. The planned trails system and bike lanes within the proposed project would allow for pedestrian connections to potential transit stops within the site as well as with residential, retail and employment uses.	
Policy C.2.3 In designing development projects, design for the pedestrian first. (Further implemented by Actions C.2.3.1 through C.2.3.3)	Yes	See discussion under Policy C.2.1 and Policy C.2.2 above.	
Policy C.2.4 Provide sidewalks throughout the City. Meandering sidewalks are discouraged, except where necessary to accommodate site-specific features such as trees or habitat. (Further implemented by Actions C.2.4.1 and C.2.4.2)	Yes	All roadways within the project area include sidewalks that are subject to the City's requirements for width, as stated in the Design Guidelines for the City and enforced during Design Review and Public Works review of subsequent projects within the proposed project area.	
Policy C.2.5 Provide safe and convenient bicycle access to all parts of the community. (Further implemented by Actions C.2.5.1 through C.2.5.6)	Yes	See discussion under Policy C.2.1 and Policy C.2.2 above.	
Policy C.2.6 Provide on-street bike lanes along all connector roadways	Yes	See discussion under Policy C.2.1 and Policy C.2.2 above.	

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and on local and major roadways when necessary to provide for interconnected routes. On-street bike routes may be provided on local, connector, and major roadways as deemed necessary by the City.			
Policy C.3.3 Promote the integration of transit facilities into new development. (Further implemented by Actions C.3.3.1 and C.3.3.2)	Yes	See discussion under Policy C.2.2 above. The specific plan itself does not call for transit facilities within the project area. The Transit System Map identifies a transit route along Rancho Cordova Parkway within the proposed project. The proposed project does not include any characteristics that would impede establishment of such a transit route.	
Policy C.5.2 Require proposed new development projects to analyze their contribution to increased traffic and to implement improvements necessary to address their impact on facilities not covered by a fee program.	Yes, with Mitigation	Analysis and mitigation (where possible) of the traffic related impacts of the proposed project are included in this EIR/EIS in section 3.14. This mitigation is designed to address the project's impact on transportation facilities.	
General Plan Open Space, Parks, and Trails Element Policies	Consistency	Analysis	
Policy OSPT.1.1 Review all proposals for new residential development to ensure each project complies with the City's minimum standards for parkland dedication, and is consistent with Cordova Recreation and Park District goals. (Further implemented by Actions OSPT.1.1.1 through OSPT.1.1.3)	Yes	The proposed project would meet the City's minimum standards for parkland dedication of 5 acres per 1000 population. It should be noted that the High Density Alternative would not be consistent with this policy.	
Policy OSPT.1.3 Encourage park development adjacent to school sites and other compatible uses (public and private) for enhanced civic space and integration into the community. (Further implemented by Actions OSPT.1.3.1 and OSPT.1.3.2)	Yes	All school sites and designated Public/Quasi Public sites within the proposed project are situated immediately adjacent to a park.	
Policy OSPT.1.6 Provide sports and recreation facilities sufficient to attract regional sporting events. (Further implemented by Actions OSPT.1.6.1 and OSPT.1.6.2)	Yes	The proposed project includes a community park site that is planned to include sport facilities that could attract regional sporting events. In addition, the proposed Specific Plan would allow for the development of a sports complex within the "MP" land use designations on the site.	
Policy OSPT.2.1	Yes	The project provides publicly accessible open space consistent with General Plan Action OSPT.2.1.2 that requires Mandatory Open Space	

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Review all proposals for new residential development to ensure compliance with the City's minimum open space standards.			in the amount of 1.75 acres per 1,000 residents. Additionally, Action OSPT 2.1.5 has been implemented throughout the proposed project site with the incorporation of greenbelts and landscape corridors.
Policy OSPT.2.3 Maximize the potential benefits of natural resource mitigation lands within urban development. (Further implemented through Actions OSPT.2.3.1 and OSPT.2.3.2)	Yes		The wetland 507-acre preserve/mitigation bank in the southern portion of the project area not only provides mitigation but also a benefit to the visual quality for the site. Trails are planned along the perimeter of the preserve (outside the actual preserve area) in order to increase the aesthetic value of the preserve (See exhibit 2-13 of the Draft EIR/EIS for a description of the Bikeway and Trails Plan).
Action OSPT.2.3.1: - Encourage projects to accomplish the following: Align roads and public spaces to take advantage of vistas over mitigation lands; Site publicly accessible trails adjacent to the boundaries of mitigation lands to take advantage of the open character and uninterrupted edge of the mitigation lands; and Consider locating public parks adjacent to mitigation lands to create a greater sense of open space and to take advantage of opportunities for vistas and trail connections.	Yes		See Policy 2.3 discussion above. Also see Draft EIR-EIS Exhibit 2-13 for a description of the Bikeway and Trails Plan. Relating to locating parks in close proximity to mitigation lands, exhibit 2-4 of the EIR/EIS shows a large 54 acre private recreation area immediately adjacent to the 507 acre wetland preserve.
Action OSPT.2.3.2 - Through the development review process, incorporate design features that increase visual access to natural resource mitigation lands.	Yes		The 507 acre wetland preserve is surrounded by trails and roadways that will give a relatively unimpeded view of the wetland preserve. See Policy discussion 2.3 above.
General Plan Infrastructure, Services, and Finance Element Policies		Consistency	Analysis
Policy ISF.2.3 Ensure that adequate funding is available for all infrastructure and public facilities, and make certain that the cost of improvements is equitably distributed. (Further implemented by Actions ISF.2.3.1 and ISD.2.3.2)	Yes		The project includes a proposed financing plan. An approved financing plan must be completed prior to the start of construction activities.
Policy ISF.2.1 Ensure the development of public infrastructure that meet the long-term needs of residents and ensure infrastructure is available at the time such facilities are needed (Further implemented by Action ISF.2.1.1 and ISF 2.1.2)	Yes, with Mitigation		The project's compliance with this policy is examined in detail in the recirculated DEIR/supplemental DEIS water supply analysis. Overall, the DEIR/DEIS analysis demonstrates consistency with this Policy. In summary, long-term potable water would be provided by Sacramento County Water Agency (SCWA). However, the permanent long-term

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			water supply cannot be delivered to the project site until the SCWA facilities (Vineyard Surface Water Treatment Plant, the Freeport Regional Water Project, and the North Service Area Pipeline Project) have been constructed and are online. In the near term, Golden State Water Company has indicated that it would have an adequate water supply to serve Phase 1A. Several water supply options for providing initial water to the remaining Phase 1 development have been identified, including water from Golden State Water Company and other alternative sources. Mitigation Measures 3.5-2 and 3.5-3 include the requirements of Actions ISF 2.4.1 and 2.4.2 that certain showings on an available water supply and infrastructure be made prior to approval of various entitlements (see recirculated DEIR/supplemental DEIS Section 3.5 for a description of infrastructure improvements).
Action ISF.2.1.1 – Except when prohibited by state law, require sufficient capacity in all public facilities to maintain desired service levels and avoid capacity shortages, traffic congestion, or other negative effects on safety and quality of life.	Yes, with Mitigation		See discussion under Policy ISF 2.1 for water supply.
Action ISF.2.1.2 – Adopt a phasing plan for the development of public facilities in a logical manner that encourages the orderly development of roadways, water and sewer, and other public facilities.	Yes		A Public Facilities Infrastructure/Phasing Plan is required to be approved under Tier Two Entitlements for the Project prior to any development occurring on the Project site. The plan would provide specific details regarding the phasing, sizing, alignment and location, cost estimates, and construction timing requirements for public facilities and infrastructure for each phase of the Rio del Oro project site.
Policy ISF.2.2 Coordinate with independent public service providers, including schools, parks and recreation, utility, transit, and other service districts, in developing service and financial planning strategies.	Yes		The City of Rancho Cordova has consulted with SCWA on water demand and supply for the project. A water supply assessment has been prepared and approved by SCWA for this project. SCWA and Aerojet have entered into a new 2010 Agreement under which Aerojet is transferring 8,900 afy of GET water to SCWA. Under the 2010 Agreement, SCWA acknowledges that the 8,900 afy will provide SCWA with sufficient available water to supply the Project, and SCWA further confirmed this fact in writing to the City on June 10, 2010 (Correspondence from Keith DeVore to Cyrus Abhar). All responsible agencies and service providers, including the Folsom Cordova Unified School District, the Cordova Recreation and Park District, utilities, regional transit, and other service districts have been coordinated with in development of the Specific Plan.

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Policy ISF.2.3 Ensure that adequate funding is available for all infrastructure and public facilities, and make certain that the cost of improvements is equitably distributed (Further implemented by Action ISF.2.3.1 and ISF 2.3.2).	Yes	A proposed financing plan is required to be approved under Tier Two Entitlements for the Project prior to any development occurring on the Project site. The financing plan would define the specific mechanisms required to fund capital costs of all infrastructure necessary as a result of specific plan buildout. The Financing Plan would define funding for the maintenance of new infrastructure and public services needed by the future residents and business locating within the Rio del Oro project site.	
Action ISF.2.3.1 – Require secure financing for all components of the transportation system through the use of special taxes, assessment districts, developer dedications, or other appropriate mechanisms. Financing should be sufficient to complete required major public facilities at their full planned capacities in a single phase. Major facilities include roadways of collector size or larger; all wells, water transmission lines, treatment facilities, and storage tanks needed to serve the project; and all sewer trunk and interceptor lines and treatment plants or treatment plant capacity.	Yes	See Action ISF 2.1.2 and Policy 2.3 discussion above.	
Action ISF.2.3.2 – Require new development to fund its fair share portion of its impacts to all public infrastructure and facilities.	Yes	See Policy ISF 2.3 discussion above.	
Policy ISF.2.4 Ensure that water supply and delivery systems are available in time to meet the demand created by new development, or are guaranteed to be built by bonds or sureties (Further implemented by Action ISF.2.4.1).	Yes, with Mitigation	See discussion under Policies ISF.2.1, and 2.3 above for information on water supply, infrastructure and financing. Actions ISF 2.4.1 and 2.4.2 which implement this policy are required as mitigation measures in the recirculated DEIR/supplemental DEIS. Off-site water supply infrastructure for delivery of initial water supplies to the project site is included in the project design, as well as on-site water supply infrastructure that would be adequately sized to accommodate project-related water demands and fire-flow demands. An approved water supply assessment consistent with the requirements of SB 610 is provided in Appendix D of the DEIR/DEIS. See Mitigation Measures 3.5-2 and 3.5-3 of the recirculated DEIR/supplemental DEIS.	
Action ISF.2.4.1 – The following shall be required for all legislative-level development projects, including community plans, general plan amendments, specific	Yes, with Mitigation	See discussion under Policies 2.1, 2.3, and 2.4 above. This Action is required as a mitigation measure for the project. See Mitigation Measures 3.5-2 and 3.5-3 of the recirculated DEIR/supplemental DEIS.	

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plans, rezonings, and other plan-level discretionary entitlements, but excluding tentative subdivisions maps, parcel maps, use permits, and other project-specific discretionary land-use entitlements or approvals: Proposed water supplies and delivery systems shall be identified at the time of development project approval to the satisfaction of the City. The water agency or company proposing to provide service (collectively referred to as "water provider") to the project may provide several alternative methods of supply and/or delivery, provided that each is capable individually of providing water to the project. The project applicant or water provider shall make a factual showing prior to project approval that the water provider or providers proposing to serve the development project has or have legal entitlements to the identified water supplies or that such entitlements are reasonably foreseeable by the time of subsequent, project-specific discretionary land-use entitlements or approvals. This factual showing shall also demonstrate that the water provider's identified water supply is reasonably reliable over the long term (at least 20 years) under normal, single-dry and multiple-dry years. All required water treatment and delivery infrastructure for the project shall be in place at the time of subsequent, project-specific discretionary land-use entitlements or approvals, or shall be assured prior to occupancy through the use of bonds or other sureties to the City's satisfaction. Water infrastructure may be phased to coincide with the phased development of large-scale projects.		Yes, with Mitigation	See discussion under Policies 2.1, 2.3 and 2.4 above. This Action is required as a mitigation measure for the project (see Mitigation Measures 3.5-2 and 3.5-3 in Section 3.5 of the recirculated DEIR/supplemental DEIS).
Action ISF.2.4.2 – The following shall be required for project-specific discretionary land-use entitlements and approvals including, but not limited to, all tentative subdivision maps, parcel maps, or use permits. An assured water supply and delivery system shall be available or reasonably foreseeable at the time of project approval. The water agency providing service to the project may provide several alternative methods of supply and/or delivery, provided that each is capable individually			

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of providing water to the project. The project applicant, water agency (or agencies), or water company (or companies) providing water service to the project site shall make a factual showing consistent with, or the City shall impose conditions similar to, those required by Government Code section 66473.7 in order to ensure an adequate water supply for development authorized by the project. Prior to recordation of any final subdivision map, or prior to City approval of any similar project-specific discretionary land use approval or entitlement required for nonresidential uses, the project applicant or water provider shall demonstrate the availability of a long-term, reliable water supply for the amount of development that would be authorized by the final subdivision map or project-specific discretionary non-residential approval or entitlement. This assurance of water supply shall identify that the water provider has legal entitlement to the water source and that the water source is reasonably reliable (at least 20 years) under normal, dry and multiple dry years. Such demonstration shall consist of a written certification from the water provider that either existing sources are available or that needed improvements will be in place prior to occupancy. Offsite and onsite water infrastructure sufficient to provide adequate water to the subdivision shall be in place prior to the issuance of building permits or their financing shall be assured to the satisfaction of the City prior to the approval of the Final Map, consistent with the requirements of the Subdivision Map Act, or prior to the issuance of a similar, project-level entitlement for non-residential land uses. Offsite and onsite water distribution systems required to serve the subdivision shall be in place and contain water at sufficient quantity and pressure prior to the issuance of any building permits. Model homes may be exempted from this policy as determined appropriate by the City, and subject to approval by the City.		Yes, with	Mitigation measure 3.6-2 in Section 3.6 of this EIR/EIS requires that the
Policy ISF.2.5			

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Ensure that water flow and pressure are provided at sufficient levels to meet domestic, commercial, industrial, and firefighting needs.	Mitigation	applicant incorporate fire code and fire flow requirements into the project design.	
Policy ISF.2.6 Ensure that sewage conveyance and treatment capacity are available in time to meet the demand created by new development, or are guaranteed to be built by bonds or other sureties. (Further implemented by Actions ISF.2.6.1 and ISF.2.6.3)	Yes, with Mitigation	Sanitary sewer service for the project site would be provided by SRCSD and County Sanitation District No. 1 (CSD-1). Mitigation measure 3.5-6 of the EIR/EIS requires that all phases of the project demonstrate adequate capacity at the SRWTP for new wastewater flows generated by the projects.	
Policy ISF.2.7 Minimize visual impacts and physical impediments of utility infrastructure and equipment. (Further implemented by Action ISF.2.7.2)	Yes	The majority of utility infrastructure will be installed underground, eliminating visual impacts. Electrical supply infrastructure is commonly installed underground between power substations and individual customers. However, two substations would be constructed on the project site along with any electrical lines that are over 69 kV. Telephone and cable television are installed underground as well. Water supply and wastewater infrastructure is to be installed under roadways. Therefore, the proposed project is consistent with this policy.	
Policy ISF.4.1 Encourage school districts to locate and site facilities in an integrated manner with the rest of the community.	Yes	The Rio del Oro Specific Plan Land Use Plan includes site locations for schools based on consultations with the Folsom Cordova Unified School District, as well as State school siting criteria published by the California Department of Education and the siting provisions under the General Plan regarding walkability of communities.	
General Plan Natural Resource Element Policies	Consistency	Analysis	
Policy NR.1.1 Protect rare, threatened, and endangered species and their habitats in accordance with State and federal law. (Further implemented through Actions NR.1.1.1 through NR.1.1.4)	Yes, with Mitigation	Federally listed vernal pool invertebrate species No project construction shall proceed in areas supporting potential habitat for federally listed vernal pool invertebrates, or within adequate buffer areas (250 feet or lesser distance deemed sufficiently protective by a qualified biologist with approval from USFWS), until a Biological Opinion (BO) has been issued by USFWS in accordance with the Endangered Species Act and the project applicant(s) have abided by conditions in the BO (including conservation and minimization measures) intended to be completed before on-site construction (See mitigation measure 3.10-4). A revised draft wetland Mitigation Monitoring Program (MMP) was developed by ECORP Consulting in September 2007 and is the	

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applicant's proposed plan for addressing project impacts on habitats that potentially support federally listed vernal pool invertebrates. The draft MMP, included in Appendix B to the EIR, is subject to review and approval by the appropriate regulatory agencies and has not been approved as of the date of this document. The design of the project's on-site and off-site mitigation under the draft MMP will be required to be viable to support federally listed vernal pool invertebrate species. The on-site preserve is a large contiguous area ~507-acres in the southern portion of the project site. The wetland preserve would consist of the highest quality and highest density vernal pools and seasonal wetlands in the project area. (See EIR/EIS Section 3.10) Wetland acreages within the wetland preserve that provide potential habitat for federally listed vernal pool invertebrates include 20.4 acres of existing vernal pools, 2.5 acres of seasonal wetland swale, 3.3 acres of seasonal wetland, and the creation of approximately 17.9 acres of vernal pools that would provide habitat. The watershed in the preserve is sufficient to provide needed hydrology for all the existing and created vernal pools in the preserve area. This conclusion is based on the site design of the project and the hydrologic analysis of a topographic model of the wetland preserve derived from Light Detection and Ranging (LiDAR)- technology. The LiDAR analysis concluded that the configuration of the preserve conserves almost 100% of the original watershed area and would not negatively impact the hydrologic function of the vernal pools.

The proposed project's construction design would retain interconnections between on-site habitats by including measures to reduce interference with the hydrology that sustains vernal pools on-site. Within the proposed preserve of the proposed project, no alterations would be made to Morrison Creek. Where Morrison Creek approaches the western boundary of the project site downstream from the preserve, the creek would be modified to provide for project drainage and to permit construction of a large overbank flood-defention area. (EIR/EIS, p. 2-21) The proposed preserve is already bisected by existing roadways and culverts and the proposed roadways do not result in fragmentation of the on-site preserve. Although new roadways (Americanos and Rancho Cordova Parkway) will be constructed through the wetland preserve, the project would include a special bridge design ("con-span") where these roadways cross Morrison Creek in the wetland preserve (Exhibits 3.10-4 and 3.10-5) and where the southern portion of Villagio Drive crosses Morrison

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Creek. (EIR/EIS, p. 2-22) These natural substrate span crossings would be sized to provide for wildlife movement (including invertebrate species that occur in the preserve) and minimize habitat fragmentation. Furthermore, the alignment and design of the roadways is consistent with policies in the Circulation Element and Land Use Element of the General Plan. These two roadways are shown in the General Plan as critical north-south arterials needed to relieve congestion along Sunrise Boulevard and their environmental impacts on biological resources were programmatically addressed in the Rancho Cordova General Plan EIR.

Although connectivity to off-site habitat is not required under the policy, the project preserve connects to the proposed preserve area to the east. There is no possible physical interconnection from the proposed preserve area to preserve lands on adjacent properties to the west and south because existing roadways (Sunrise Boulevard and Douglas Road) and development create a barrier to connectivity. In addition, there are no existing or proposed preserves adjacent to the south or west of the project site. Connectivity of Morrison Creek will be maintained upstream and downstream.

Valley Elderberry Longhorn Beetle (VELB)

The EIR includes mitigation measure 3.10-4b to address impacts to the Valley Elderberry Longhorn Beetle (VELB). Mitigation measure 3.10-4b requires that prior to construction, the applicant shall obtain a Biological Opinion (BO) from USFWS under the Endangered Species Act, and that the applicant abides by all provisions contained in the BO, including conservation and minimization measures. At a minimum, a "no-net-loss" of VELB habitat shall be achieved.

Swainson's Hawk

Mitigation measure 3.10-4d included in Section 3.10 of this EIR would ensure that the proposed project would protect this species in accordance with State law. Mitigation measure 3.10-4d requires that the applicant shall preserve, to the satisfaction of the City, suitable Swainson's hawk foraging habitat to ensure 1:1 mitigation of habitat value. Project impacts and proposed mitigation approach has been generally reviewed by the City and California Department of Fish and Game.

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		Special Status Plants and Associated Habitat The EIR/EIS presents mitigation measure 3.10-5 to address impacts to the population of Greene's leguene located on the project site. Mitigation measure 3.10-5 requires that a mitigation and monitoring plan be developed for Greene's leguene that maintains viable plant populations on-site and shall include avoidance measures for the existing population to be retained and mitigation measures for the populations to be directly affected.
Action NR.1.1.1 - Incorporate large habitat preserves and interconnected wildlife corridors in new development areas to provide ample space for animal movement.	Yes, with Mitigation	The Project includes an on-site preserve that is a large area – 507-acres on the southern portion of the project site. Since the preserve is one nearly contiguous area, it provides on-site interconnections for invertebrate and other species. The roadways do not result in fragmentation of the on-site preserve. Although there will be new roads constructed through the wetland preserve, the project would include a special bridge design ("con-span") where the southern portion of Rancho Cordova Parkway crosses the wetland preserve and where the southern portion of Villagio Drive crosses Morrison Creek. (EIR/EIS, p. 2-22) Another con-span bridge would be constructed where Americanos Boulevard crosses Morrison Creek. (EIR/EIS, Exhibit 2-13). These natural substrate span crossings would provide for wildlife movement, including invertebrate species, and minimize habitat fragmentation. Bridge design would include a large enough span area to provide movement corridors for terrestrial wildlife even during high flows (i.e., the entire span would not be inundated). Furthermore, the alignment and design of the roadways is consistent with policies in the Circulation Element and Land Use Element of the General Plan. These two roadways are shown in the General Plan as critical north-south arterials needed to relieve congestion along Sunrise Boulevard and their environmental effects were programmatically evaluated in the Rancho Cordova General Plan. See also discussion in Policy NR1.1 above.
Action NR.1.1.2 – Review projects through the entitlement process and CEQA analysis to ensure that they comply with this policy if the site contains unique habitat, creeks, and/or wooded corridors.	Yes, with Mitigation	This EIR/EIS evaluates the environmental effects on wetland and habitat conditions. See Policy NR 1.1 and Action NR.1.1.1 discussion above.
Action NR.1.1.3 - As part of the consideration of	Yes, with	See Policy NR 1.1 and Action NR 1.1.1 discussion above for a

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development applications for individual Planning Areas containing habitats that support special-status plant and animal species that are planned to be preserved, the City shall require that these preserved habitats have interconnections with other habitat areas in order to maintain the viability of the preserved habitat to support the special-status species identified. The determination of the design and size of the "interconnections" shall be made by the City, as recommended by a qualified professional, and will include consultation with the California Department of Fish and Game and U.S. Fish and Wildlife Service.	Mitigation	description of preserved habitat on the project site. The on-site preserve has connectivity to support special-status species within the project. The watershed in the preserve is sufficient to provide needed hydrology for all the existing and created vernal pools in the preserve area. This conclusion is based on the site design of the project and GIS analysis of the watershed using a Light Detection and Ranging (LiDAR) -derived topographic model and wetland delineation conducted for the wetland preserve. The watershed analysis concluded that the configuration of the preserve conserves almost 100% of the original watershed area and would not negatively impact the hydrologic function of the vernal pools that support special status species. The final preserved habitat mitigation will be developed in consultation with USFWS and DFG where required by law and mitigation measures in the EIR/EIS. The mitigation measure establishes success criteria and requires monitoring to ensure successful implementation. Although connectivity to off-site habitat is not required under the policy, the project wetland preserve connects to the proposed preserve area (as designated by the Rancho Cordova General Plan) to the east. There is no possible physical interconnection from the proposed preserve area to preserve lands on adjacent properties to the west and south because no existing or proposed preserves are present to the south or west and existing roadways (Sunrise Boulevard and Douglas Road) and development create a barrier to connectivity. Given the disturbed conditions of the central and northern portions of the project site, no large habitat preservation areas (with the exception of VELB preserve sites) are proposed (consistent with the General Plan). However, the preserve design does include drainage parkways that would provide habitat and movement corridors for wildlife species.
Action NR.1.1.4 - Prior to the approval of any public or private development project in areas containing trees, the City shall require that a determinate survey be conducted during the nesting season (March 1 and August 31) to identify if active nesting by birds protected under the Migratory Bird Treaty Act (MBTA) is taking place. If all site disturbance is to occur outside this time, the actions described in this mitigation measure are not required. If nesting activity is observed, consultation with the City of	Yes, with Mitigation	Mitigation Measure 3.10-4c presented in the EIR/EIS is consistent with this Action. It requires preconstruction surveys during the nesting season for raptors. If active nests are found, the measure requires that appropriate buffers be established to protect the nests. No project activity shall commence within the buffer area until a qualified biologist confirms that any young have fledged and the nest is no longer active.

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Rancho Cordova Planning Department shall be conducted in order to determine the appropriate mitigation, if any, required to minimize impacts to nesting birds. No activity may occur within 100 feet of any nesting activity or as otherwise required following consultation with the California Department of Fish and Game.			
Policy NR.1.2 Conserve Swainson's hawk habitat consistent with State policies and Department of Fish and Game Guidelines. (Further implemented through Action NR.1.2.1)	Yes, With Mitigation	Mitigation measures 3.10-4c and 3.10-4d included in Section 3.10 of this EIR would ensure that the proposed project is consistent with this policy. Project impacts and proposed mitigation approach has been generally reviewed by the City and California Department of Fish and Game (City of Rancho Cordova, 2007).	
Action NR.1.2.1 – Establish a Swainson's Hawk Ordinance in coordination with the California Department of Fish and Game to establish the process of mitigating for the loss of Swainson's hawk foraging habitat based on habitat value lost to development. The ordinance will set forth a process where habitat lost to development will be mitigated through the permanent protection of equivalent or better existing habitat conditions (referred to hereafter as "mitigation lands"). The specific required mitigation ratios (habitat acreage lost versus mitigation lands) and any other provisions to mitigation process shall be established through technical studies as part of the development of the ordinance and will take into account value of habitat to be converted in relation to habitat value of the mitigation lands (e.g., relation to nesting sites), proximity of the mitigation lands to adjacent conditions affecting habitat (e.g., nearby land uses and already permanently protected lands), and other relevant factors. The ordinance will also establish standards ensuring that mitigation land will be adequately protected and managed in perpetuity (e.g., via conservation easement, deed restriction or other appropriate method), and setting forth the timing of the required provision of mitigation lands in relation with the timing of the loss of habitat in the City (as its boundaries may be changed through subsequent annexations), such that mitigation lands shall be provided no later than prior to ground disturbance.	Yes, with Mitigation	The City has not formally adopted a Swainson's Hawk Ordinance. However, mitigation measure 3.10-4d presented in the EIR/EIS meets or exceeds the provisions contained in Action Item NR 1.2.1. See also Policy NR 1.2 discussion above.	

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Policy NR.1.3 Promote educational programs that inform the public about natural resources.	Yes	The proposed project is consistent with this policy due to the 507-acre wetland preserve proposed for the south portion of the site. The wetland preserve will be highly visible with trails surrounding the perimeter. The preserve will allow for up close viewing by the public and emphasize the importance and benefit of wetland areas.	
Policy NR.1.4 Discourage the planting of invasive species.	Yes, With Mitigation	The proposed project includes the implementation of a wetland mitigation monitoring plan that includes the use of grazing and restoration activities to maintain the vegetation conditions of the preserve. Mitigation measure 3.10-1a would require monitoring to ensure that invasive species do not adversely impact the preserve.	
Policy NR.1.6 Participate in the development of a habitat conservation plan to address the unique biological resources in Rancho Cordova.	Yes	The City is currently participating in the South Sacramento Habitat Conservation Plan process.	
Policy NR.1.7 Prior to project approval, the City shall require a biological resources evaluation for private and public development projects in areas identified to contain or possibly contain listed plant and/or wildlife species based upon the City's biological resource mapping provided in the General Plan EIR or other technical materials. (Further implemented through Action NR.1.7.1)	Yes, With Mitigation	Biological resources impacts were evaluated in technical reports prepared by the project applicant and peer reviewed by the EIR/EIS consultant. Project impacts will be mitigated so that any decline of affected special status species will not cause a substantial adverse impact on viability of regional populations of these species. The mitigation for federally listed vernal pool invertebrates requires no net loss of habitat (acreage, value and function) (Mitigation Measure 3.10-4a (see also Mitigation Measure 3.10-1a (mitigation for wetlands and vernal pool impacts)). The mitigation includes performance standards and criteria to ensure that created and preserved habitat will be successfully maintained. The mitigation is to be designed in coordination with USFWS consultation and regulatory process (Section 7 biological opinion) to ensure the viability of the species regional population is not adversely affected. Similarly, the mitigation for the Valley Elderberry Longhorn Beetle requires no net loss of habitat (Mitigation Measure 3.10-4b). New habitat will be subject to performance standards and success criteria to ensure that habitat will be successfully maintained. The mitigation is developed in coordination with USFWS and DFG. The mitigation includes the incidental take permit and Section 7 consultation process for federally protected species. These processes will also ensure that the viability of the species regional population is not adversely affected. Impacts to Swainson's hawk are mitigated by ensuring 1:1 mitigation of habitat value for foraging habitat lost as a result of the Project (Mitigation	

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		Measure 3.10-4c and 4d). The mitigation measure establishes criteria to determine a habitat value and requires consultation with DFG. Since impacted habitat will be replaced by habitat of equal acreage, value and function, the project will not result in decline of any protected species that will affect viability of regional populations. There is no evidence in the EIR/EIS that the loss of habitat from the project will result in an adverse significant impact on the viability of special status species in the region.
Action NR.1.7.1 - For those areas in which special status species are found or likely to occur or where the presence of species can be reasonably inferred, the City shall require mitigation of impacts to those species that ensure that the project does not contribute to the decline of the affected species populations in the region to the extent that their decline would impact the viability of the regional population. Mitigation shall be designed by the City in coordination with the U.S. Fish and Wildlife Service (USFWS) and the California Department of Fish and Game (CDFG), and shall emphasize a multi-species approach to the maximum extent feasible. This may include development or participation in a habitat conservation plan.	Yes, with Mitigation	Project impacts will be mitigated so that any decline of affected special status species will not cause a substantial adverse impact on viability of regional populations of these species. The mitigation for federally listed vernal pool invertebrates requires no net loss of habitat (acreage, value and function) (Mitigation Measure 3.10-4a (see also Mitigation Measure 3.10-1a (mitigation for wetlands and vernal pool impacts)). The mitigation includes performance standards and criteria to ensure that created and preserved habitat will be successfully maintained. The mitigation is to be designed in coordination with USFWS consultation and regulatory process (Section 7 biological opinion) to ensure the viability of the species population is not adversely affected. Similarly, the mitigation for the Valley Elderberry Longhorn Beetle requires no net loss of habitat (Mitigation Measure 3.10-4b). New habitat will be subject to performance standards and success criteria to ensure that habitat will be successfully maintained. The mitigation is developed in coordination with USFWS and DFG. The mitigation includes the incidental take permit and Section 7 consultation process for federally protected species. These processes will also ensure that the viability of the species population is not adversely affected. Impacts to Swainson's hawk are mitigated by ensuring 1:1 mitigation of habitat value for foraging habitat lost as a result of the Project (Mitigation Measure 3.10-4c and 4d). The mitigation measure establishes criteria to determine a habitat value and requires consultation with DFG. Habitat impacts will be mitigated through the preservation and creation of equal acreage, value and function, the project will not result in decline of any protected species that will affect viability of regional populations. There is no evidence in the EIR/EIS that the loss of habitat from the project will result in an adverse significant impact on the viability of special status species for the region. A loss of habitat on the project site does not constitute an effect that would result in loss of

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		viability of species in the region since there is other habitat in the region that supports the species. See Policy NR 1.1 above for a discussion of mitigation required as a result of impacts to special status species.
Policy NR.1.8 The City shall encourage creation of habitat preserves that are immediately adjacent to each other in order to provide interconnected open space areas for animal movement.	Yes	This policy encourages, but does not require, creation of adjacent habitat preserves. As discussed above, the size and location of the proposed preserve supports many natural resources policies. The project wetland preserve connects to the proposed preserve area to the east. There is no possible physical interconnection from the proposed preserve area to lands on adjacent properties to the west and south because existing roadways (Sunrise Boulevard and Douglas Road) and development create a barrier to connectivity. There are no existing or proposed preserve areas adjacent to the south or west of the project site and the Agency Conceptual Strategy does not recommend any. Connectivity of Morrison Creek would be maintained upstream and downstream of the project site, providing opportunities for animal movement. Given the disturbed conditions of the central and northern portions of the project site, no large habitat preservation areas (with the exception of VELB preserve sites) are proposed (consistent with the General Plan). However, the preserve design does include drainage parkways that would provide for habitat and movement of wildlife species.
Policy NR.1.9 The City shall require that impacts to riparian habitats be mitigated at a no net loss of existing function and value based on field survey and analysis of the riparian habitat to be impacted. No net loss may be accomplished by avoidance of the habitat, restoration of existing habitat, or creation of new habitat, or through some combination of the above.	Yes, with Mitigation	Section 3.10 of the EIR/EIS includes mitigation measures that address the loss of riparian habitat consistent with this policy. Mitigation measure 3.10-2b expressly requires that mitigation for impacts to riparian habitats meet the performance standard of "no net loss" of overall habitat values and functions through either on-site or off-site efforts. The types of mitigations under the measure are consistent with the options identified in this policy. As identified in Section 3.10 of the EIR/EIS, the majority of the riparian habitat is of poor quality and would be mitigated consistent with its current value (e.g., nesting and foraging habitat).
Policy NR.1.10 The City shall avoid the placement of new roadways within habitat preserve to the maximum extent feasible.	Yes	The proposed project minimizes roadway crossing of the proposed wetland preserve to Rancho Cordova Parkway and Americanos Boulevard to the extent feasible. The roadways also are designed to minimize impacts on the preserve (see discussion of Policy NR.1.11 below). These roadways are integral regional roadways that are key facilities under the General Plan Roadway System and Sizing Map and

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			their environmental effects were considered in the Rancho Cordova General Plan EIR. Without these connections, the City's roadway system would not meet the key transportation provisions of the General Plan. Therefore, further avoidance of the placement of roadways in the habitat preserve areas is not feasible and would be inconsistent with the General Plan. Also, see discussion contained in policy NR 1.1.
Policy NR.1.11 In such cases where habitat preserves are crossed by a roadway, or where two adjacent preserves are separated by a roadway, the roadway shall be designed or updated with wildlife passable fencing separating the roadway from the preserve and/or shall incorporate design features that allow for the movement of wildlife across or beneath the road without causing a hazard for vehicles and pedestrians on the roadway.	Yes, With Mitigation		See discussion under Policy NR.1.10 above. Mitigation measures under Section 3.10 of the EIR/EIS address movement issues associated with changes to hydrologic conditions. The proposed construction design includes measures to reduce interference with the hydrology that sustains vernal pools on-site, including the use of con span bridge systems as natural substrate span crossings over Morrison Creek. Rancho Cordova Parkway and Americanos Boulevard would cross Morrison Creek with a clear span of the delineated wetlands within the channel bank. These natural substrate span crossings would also provide for wildlife movement, including invertebrate species, and minimize habitat fragmentation. Bridge design would include a large enough span area to provide movement corridors for terrestrial wildlife even during high flows. Furthermore, wildlife passable fencing is required by the City along the preserve boundary. Also, see discussion contained in policy NR 1.1.
Policy NR.2.1 Require mitigation that provides for "no net loss" of wetlands consistent with current State and federal policies. (Further implemented by Action NR.2.1.1)	Yes, with Mitigation		The wetland preserve would consist of the highest quality and highest density vernal pools and seasonal wetlands in the project area. (See EIR/EIS Section 3.10) Wetland acreages within the wetland preserve that provide potential habitat for federally listed vernal pool invertebrates include 20.4 acres of existing vernal pools, 2.5 acres of seasonal wetland swale, 3.3 acres of seasonal wetland, and the creation of approximately 17.9 acres of vernal pools that would provide habitat. The watershed in the preserve is sufficient to provide needed hydrology for all the existing and created vernal pools in the preserve area based on GIS analysis of LIDAR-derived topographic models and wetland delineation. Furthermore, mitigation measures included in Section 3.10 of this EIR/EIS (see Mitigation Measures 3.10-1a and 3.10-1b) require that the applicant ensure no net loss of wetlands in accordance with federal and state policies (including obtaining a 404 permit).
Action NR.2.1.1 - During the environmental review process, evaluate feasible on-site alternatives that will reduce	Yes		Section 2.5 of the EIR/EIS presents an Impact Minimization Alternative. Under the Impact Minimization Alternative, project components would

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impacts to wetland resources and effectively preserve these resources.			be reconfigured to avoid most, but not all impacts to USACE jurisdictional wetlands and high quality biological habitat. This alternative would result in 994.5 acres of wetland preserve in the southern portion of the project site. The City will determine if this alternative is feasible.
Policy NR.2.2 Ensure that direct and indirect effects to wetland habitats are minimized by environmentally sensitive project siting and design, to the maximum extent feasible.	Yes, with Mitigation		Mitigation measures under Section 3.10 of the EIR/EIS (see Mitigation Measures 3.10-1a and 3.10-1b) address direct and indirect effects to wetland resources. Because of the General Plan designation for the project area, which contemplates fairly dense urban development, the avoidance of all wetland habitat is infeasible. However, wetlands have been avoided or impacts have been minimized where feasible. The on-site preserve is a large contiguous area that contains the highest quality and highest density vernal pools and seasonal wetlands in the project area. (See EIR/EIS Section 3.10)
Policy NR.2.4 Educate the public on the importance and benefit of wetlands areas.	Yes		The proposed project is consistent with this policy due to the 507-acre wetland preserve proposed for the south portion of the site. The wetland preserve will be highly visible with trails surrounding the perimeter. The preserve will allow for up close viewing by the public and emphasize the importance and benefit of wetland areas.
Action NR.2.4.1 - Develop trails and associated educational facilities (e.g., information kiosks, signage) around wetland and vernal pool preserves where possible while maintaining the integrity of sensitive natural resources.	Yes		See discussion under Policy NR 2.4.
Action NR.2.4.2 - Consider constructing low impact trails interior to preserves, such as elevated board walkways, in coordination with the U.S. Fish and Wildlife Service and U.S. Army Corps of Engineers.	Yes		The project does not include interior trails to the preserve, but trails along the perimeter. Trails are not located in the preserve in order to minimize impacts on the preserve area.
Policy NR.2.5 The City shall require that drainage improvements that discharge into areas of wetlands to be preserved are, to the maximum extent feasible, designed to mimic the undeveloped surface water flow conditions of the area in terms of seasonality, volume, and flow velocity.	Yes, with Mitigation		Section 3.10 of the EIR/EIS presents mitigation measure 3.10-1b (Include in Drainage Plans all Wetlands that Remain on-site). This measure requires that all project phases commit to implement all measures in their drainage plans to avoid and minimize erosion and runoff into Morrison Creek in the proposed preserve and all wetlands that would remain on-site. The project proposes that the majority of drainage discharge would be outside of the wetland preserve area. The only drainage that would enter into the preserve area is a portion of the run-off from roadways located in the preserve. However, this drainage

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				would be treated before discharge. The GIS watershed analysis shows that watersheds necessary to maintain drainage flows to support wetlands in the preserve will be maintained.
Policy NR.3.1 Coordinate with property owners and local interest groups, such as the Sacramento Urban Creeks Council, to restore, enhance, and preserve creeks in Rancho Cordova.	Yes			Morrison Creek is to retain its natural contours and condition throughout the Project's 507- acre preserve area. Morrison Creek will be channelized once it leaves the preserve area up to the point where it leaves the southwest corner of the site via a culvert. The existing condition of the corridor of this section of Morrison Creek is disturbed due to past mining practices and aerospace activities on the project site. Although channelization of a portion of Morrison creek is necessary to provide adequate drainage of the site and consistency with other City policies, the channelization will retain its existing alignment.
Policy NR.3.2 In general, the City will encourage the preservation of existing location, topography, and meandering alignment of creeks. Where necessary, and if consistent with other City policies, the creation and realignment of creek corridors shall be constructed to recreate the character of the natural creek corridor. Channelization and the use of concrete within creek corridors shall not be supported.	Yes			The project does propose the construction of drainage channels within the project area. Morrison Creek is to retain its natural contours and condition throughout the Project's 507- acre preserve area. Morrison Creek will be channelized once it leaves the preserve area up to the point where it leaves the southwest corner of the site via a culvert. The existing condition of the corridor of this section of Morrison Creek is disturbed due to past mining practices and aerospace activities on the project site. Although channelization of a portion of Morrison creek is necessary to provide adequate drainage of the site and consistency with other City policies, the channelization will not include a concrete channel or structure and the creek would retain its existing alignment.
Action NR.3.2.1 – Develop guidelines for channel creation or modification that will ensure channel meander, naturalized side slope, and varied channel bottom elevation are considered in design.	Yes			As of the date of this document, the City has not adopted formal guidelines regarding channel creation or modification. However, the City has reviewed proposed drainage improvements of the project (including channelization of a portion of Morrison Creek) associated with these policies and other policy provisions of the General Plan and has determined that they are generally consistent with the intent of these policies.
Policy NR.3.3 Encourage the creation of secondary flood control channels where the existing channel supports extensive riparian vegetation. (Further implemented through Action NR.3.3.1)	Yes, With Mitigation			The proposed construction of secondary drainage channels within the project area are designed to keep Morrison Creek in as much a natural state as possible (see Mitigation Measure 3.10-1b). See discussion under Policy NR 3.2 for a discussion of Morrison Creek. It is important to note that although Morrison Creek meanders in a natural state through the project site, Morrison Creek does not support riparian vegetation.
Action NR 3.3.1 – Work with affected local, state, and	Yes, With			Secondary stormwater conveyance structures have been

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federal agencies, including SACOG, the California Department of Water Resources, Delta Keepers, and the U.S. Army Corps of Engineers, to determine when natural creek corridors can and should accommodate storm flows or if separate storm water conveyance structures are necessary.	Mitigation	Incorporated into the project design. Consultation with affected agencies has occurred including U.S. Army Corps of Engineers and U.S. Fish and Wildlife Service. See Policy NR 3.3 discussion above.
Policy NR.3.4 Encourage projects that contain wetland preserves or creeks, or are located adjacent to wetland preserves or creeks, to be designed for visibility and, as appropriate, access.	Yes	The proposed project includes 507 acres of wetland preserve/mitigation bank that is located along several major roads, including Douglas Road along the southern limit of the project area. Access is limited due to the sensitivity of the wetlands. However, visibility is ensured due to wildlife passable fencing required by the City and by the siting of pathways and recreation along the outer edge of the preserve. The general siting and design of trails adjacent to the wetland preserve has been reviewed by the City, U.S. Army Corps of Engineers and U.S. Fish and Wildlife Service.
Action NR.3.4.1 - Establish performance standards for natural resource preserves that accomplish the following: Provide sufficient width for a mowed firebreak (where necessary), adjacent passive recreation uses, and access for channel maintenance and flood control. Offer sufficient width in and/or adjacent to preserves to allow for existing and created wildlife habitat, species sensitive to human disturbance, vegetative filtration for water quality, corridor for wildlife habitat linkage, protection from runoff, and other impacts of urban uses adjacent to the corridor. Allow for sufficient width adjacent to natural resource preserves to allow for trails and greenbelts. Prohibit the placement of water quality treatment structures designed to meet pollutant discharge requirements within mitigation preserves.	Yes	See discussion under Policy NR 3.4. The drainage parkway would handle project drainage and water quality control. A water quality swale would be constructed associated with the construction of Rancho Cordova Parkway to ensure pollutants are not discharged into preserve wetlands. The perimeter of the preserve would include buffer areas for the placement of trails.
Action NR.3.4.2 – Establish standards that allow public access in the floodplain and buffers along creek corridors and preserves. Mitigation measures shall be incorporated into environmental documents and conditions of approval that require open-view fencing adjacent to preserves.	Yes	See discussion under Policy NR 3.4.

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Action NR.3.4.3 – Establish standards and/or guidelines for development of adjoining wetland preserves or creeks to maximize visibility by designing the land plan with public streets on at least one side of the corridor or preserve with vertical curbs, gutters, footpath(s), street lighting, and post and cable barriers to prevent unauthorized vehicular entry into creek corridors and preserves.	Yes	See discussion under Policy NR 3.4.
Policy NR.4.1 Conserve native oak and landmark tree resources for their historic, economic, aesthetic, and environmental value.	Yes, with Mitigation	Mitigation measure 3.10-3 included in Section 3.10 of this EIR/EIS would conserve trees within the proposed project or ensure the mitigation for trees that cannot feasibly be retained in light of the development densities and intensities contemplated by the General Plan. Therefore, the proposed project is consistent with this policy.
Action NR.4.1.1 - Implement the City's Tree Preservation and Protection Ordinance (and update as necessary) to establish minimum requirements for preserving native trees and landmark trees in the City, including a definition of the size, species, and age requirements of landmark, oak, and other trees to be protected and/or replaced.	Yes, with Mitigation	The City has not yet established a tree ordinance consistent with its current General Plan and defers to the County Tree Ordinance when addressing impacts on trees within the City's sphere of influence. The County Ordinance addresses the standards in this Action. See also Policy NR 4.1 discussion above and Policy NR 4.4 discussion below.
Action NR.4.1.2 - Where feasible, require underground utility lines that are in close proximity to oaks and other landmark trees to be designed and installed to minimize impacts to trees. Work with the utility provider(s) to coordinate transmission line location and other potential impacts associated with the undergrounding of the utilities.	Yes	The project would likely remove 47 native oak trees greater than 6 inches dbh. No existing trees are expected to conflict with the installation of underground utility lines.
Action NR.4.1.3 - Establish development guidelines that require all oak habitat to be avoided to the maximum extent feasible. When avoidance is not possible, require mitigation efforts that result in preservation of in-kind habitat in the Planning Area.	Yes, with Mitigation	The project would result in the loss of 3 acres of oak woodland habitat. See discussion NR 4.1 for a description of tree mitigation.
Policy NR.4.2 Improve overall landscaping quality and sustainability in all areas visible to the public.	Yes	The project includes design guidelines that call for landscape treatments within the project area, including parks and public open space areas.
Policy NR.4.3 Promote trees as economic and environmental resources for the use, education, and enjoyment of current and	Yes	The project includes design guidelines that call for landscape treatments and the general provision of trees within the project area, including parks and public open space areas.

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
future generations			
Policy NR.4.4 Prior to the approval of any public or private development project in areas identified or assumed to contain trees, the City shall require that a determinate survey of tree species and size be performed. If any native oaks or other native trees six inches or more in diameter at breast height (dbh), multitrunk native oaks or native trees of 10 inches or greater dbh, or non-native trees of 18 inches or greater dbh that have been determined by a certified arborist to be in good health are found to occur, such trees shall be avoided if feasible. If such trees cannot be avoided, the project applicant shall do one of the following: • All such trees shall be replaced at an inch-for-inch ratio. A replacement tree planting plan shall be prepared by a certified arborist or licensed landscape architect and shall be submitted to the City of Rancho Cordova for approval prior to removal of trees; or, • The project applicant shall submit a mitigation plan that provides for complete mitigation of the removal of such trees in coordination with the City of Rancho Cordova. The mitigation plan shall be subject to the approval of the City. • If the City of Ranch Cordova adopts a tree preservation ordinance at any time in the future, any future development activities shall be subject to that ordinance instead.	Yes, with Mitigation	Mitigation measure 3.10-3 presented in the EIR/EIS is consistent with the provisions set forth in Policy NR.4.4.	
Policy NR.5.3 Protect surface and ground water from major sources of pollution, including hazardous materials contamination and urban runoff. (Further implemented by Actions NR.5.3.1 and NR 5.3.4)	Yes, with Mitigation	Mitigation measures included in Section 3.4 of the EIR/EIS as well as compliance with the required SWPPP and City's existing NPDES permit (CAS082597) would ensure that the proposed project is consistent with this policy.	
Policy NR.5.4 Prevent contamination of the groundwater table and surface water, and remedy existing contamination to the extent practicable. (Further implemented by Action	Yes, with Mitigation	See discussion under Policy NR.5.3 above.	

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
NR.5.4.2)			
Policy NR.5.5 Minimize erosion to stream channels resulting from new development in urban areas. (Further implemented by Actions NR.5.5.1 through NR. 5.5.4)	Yes, with Mitigation		See discussion under Policy NR.5.3 above.
Policy NR.6.1 Ensure that the environmental effects of mining and reclamation on aquifers, streams, scenic views, and surrounding residential uses are prevented or minimized. (Further implemented by Actions NR.6.1.1 through NR.6.1.3)	Yes		Mining of site mine tailings is currently being conducted on the site under separate projects separate from the proposed Specific Plan. Future subsequent mining of mine tailings to be conducted within the project area has been programmatically evaluated in this EIR/EIS and is not expected to impact aquifers, streams, or scenic views.
General Plan Cultural and Historic Resources Element Policies	Consistency	Analysis	
Policy CHR.1.3 Establish review procedures for development projects that recognize the history of the area in conjunction with State and federal laws. (Further implemented through Actions CHR.1.3.1 and CHR.1.3.2)	Yes, With Mitigation		Paleontological and cultural resource technical studies have been completed for the project. Mitigation measures have been identified in Section 3.9 of the EIR/EIS, based on the results of these technical studies, in order to avoid and minimize impacts.
General Plan Safety Element Policies	Consistency	Analysis	
Policy S.1.1 Maintain acceptable levels of risk of injury, death, and property damage resulting from reasonably foreseeable safety hazards in Rancho Cordova. (Further implemented by Action S.1.1.1)	Yes, With Mitigation		This EIR/EIS includes an analysis of the hazards and hazardous materials impacts pursuant to CEQA and NEPA. Mitigation measures are identified in Section 3.13 regarding potential hazards associated with the project. These measures are intended to reduce the risks of injury, death, and property damage to levels deemed acceptable under federal and State law.
Policy S.1.5 The City shall require written confirmation from applicable local, regional, state, and federal agencies that known contaminated sites have been deemed remediated to a level appropriate for land uses proposed prior to the City approving site development or provide an approved remediation plan that demonstrates how contamination will be remediated prior to site occupancy. This documentation will specify the extent of development allowed on the remediated site as well as any special	Yes, with Mitigation		Mitigation measures included in Section 3.13 of this EIR would ensure that impacts to current remediation efforts are minimized and that development would not continue in affected areas until assurance is given that remediation is complete.

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
conditions and/or restrictions on future land uses.			
Policy S.2.2 Manage the risk of flooding by discouraging new development located in an area that is likely to flood. (Further implemented by Actions S.2.2.1 through S.2.2.8)	Yes		Exhibit 3.4-1 of this EIR/EIS identifies the awareness floodplain map for the proposed project. The majority of areas that are likely to flood are located within the wetland preserve in the south of the project area and would not be developed. Additional areas along Morrison Creek within the developed portions of the proposed project could potentially flood. However, additional drainage infrastructure to be installed by the proposed project would result in less than significant project impacts related to flooding (see Section 3.4 of the EIR/EIS for further details).
Policy S.2.4 Ensure that adequate drainage exists for both existing and new development. (Further implemented by Action S.2.4.1)	Yes		The proposed project includes the creation of several drainage channels and detention facilities, consistent with the Master Drainage Study for the project.
Policy S.3.2 Ensure that new structures are protected from damage caused by geologic and/or soil conditions to the greatest extent feasible. (Further implemented by Actions S.3.2.1 and S.3.2.2)	Yes, with Mitigation		The proposed project is not located within a seismically active area and is not located in a high risk area for geologic events. Mitigation measures included in Section 3.7 of this EIR/EIS as well as adherence to California Building Standards Code would ensure that damage to structures from soil conditions in the project would be unlikely. Therefore, the proposed project is consistent with this policy.
Policy S.5.2 Consider the potential impact of hazardous facilities on the public and/or adjacent or nearby properties posed by reasonably foreseeable events. The City considers an event to be "reasonably foreseeable" when the probability of the event occurring is greater than one in one million (1 x 10⁻⁶) per year.	Yes		See discussion under Policy S.1.1 above.
Policy S.5.5 Separate hazardous or toxic materials from the public. (Further implemented by Actions S.5.5.1 and S.5.5.2)	Yes		Industrial uses to be constructed as part of the proposed project are the most likely location for the use or storage of hazardous or toxic materials. These industrial uses will be required to adhere to all State and federal laws relating to the use, storage, or transport of hazardous materials. Additionally, industrial designated area are physically separated by roadways, other land use uses and other buffering measures.
Policy S.6.1 Promote safe air operations at Mather Airport through	Yes		Land use within the project was designed specifically to adhere to the most recent noise contours of the Mather Airport as well as the

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN				
cooperative implementation of the Mather Airport CLUP and similar plans and programs. (Further implemented by Action S.6.1.1)				requirements of any overflight areas overlaying the project area.
Policy S.7.1 Encourage the use of Crime Prevention Through Environmental Design (CPTED) principles in the design of projects and buildings.	Yes			Aspects of CPTED principles have been incorporated into the Rio del Oro Specific Plan and its design guidelines. Individual projects within the Specific Plan will be required to undergo Design Review by the City, and the Police Department is consulted with in this process.
Policy S.9.1 Cooperate with the Sacramento Metropolitan Fire District (SMFD) to reduce fire hazards, assist in fire suppression, and ensure efficient emergency medical response. (Further implemented by Actions S.9.1.1, S.9.1.2, S.9.1.4, and S.9.1.6 through S.9.1.9)	Yes, with Mitigation			Mitigation measures included in Section 3.5 of this EIR/EIS require fire code and fire district standards to be incorporated into the project design.
General Plan Air Quality Element Policies		Consistency	Analysis	
Policy AQ.1.2 Evaluate projects for compliance with State and federal ambient air quality standards and the Sacramento Metropolitan Air Quality Management District's (SMAQMD) thresholds of significance. (Further implemented through Actions AQ.1.2.1 through AQ.1.2.3)	Yes, With Mitigation		This EIR/EIS includes an analysis of the proposed project's consistency with SMAQMD's thresholds and standards as well as the proposed project's adherence to State and federal regulations. The project includes an Air Quality and Emissions Reduction Plan that meets the requirements of Action AQ.1.2.3 (15 percent emission reduction) and has been endorsed by the SMAQMD.	
Policy AQ.1.3 The City shall prohibit wood-burning open masonry fireplaces in all new development. Fireplaces with EPA-approved inserts, EP-approved stoves, and fireplaces burning natural gas will be allowed.	Yes		This policy is enforced by the City during the Design Review process for subsequent projects within the project area and has been included in the Rio del Oro Air Quality and Emissions Reduction Plan.	
Policy AQ.1.5 Require odor impact analyses be conducted for evaluating new development requests that either could generate objectionable odors that may violate SMAQMD Rule 402 or any subsequent rules and regulations regarding objectionable odors near sensitive receptors or locate new sensitive receptors near existing sources of objectionable odors. Should objectionable odor impacts be identified, odor mitigation shall be required in the form of setbacks, facility improvements or other appropriate	Yes, with Mitigation		Mitigation measures included in Section 3.15 of this EIR would ensure consistency with this policy. None of the land uses proposed within the Specific Plan area will be particularly prone to odors, though the odor-generating potential of industrial land uses will be addressed when individual industrial projects are brought forward for consideration by the City.	

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN			
measures.			
Policy AQ.2.5 Utilize the guidelines in the California Air Resources Control Board Air Quality and Land Use Handbook: A Community Health Perspective when evaluating new development requests that either would generate toxic air contaminant emissions near sensitive receptors or locate new sensitive receptors near existing sources of air toxic emissions or order to minimize health hazards, and implement all feasible best available control technology, as required by SMAQMID.	Yes, With Mitigation	The EIR/EIS evaluated potential impacts associated with the guidelines in the California Air Resources Control Board Air Quality and Land Use Handbook: A Community Health Perspective (see Section 3.15 of the EIR/EIS).	
Policy AQ.4.1 Promote improved air quality benefits through energy conservation measures for new and existing development. (Further implemented through Actions AQ.4.1.1 through AQ.4.1.6)	Yes	The project would be required to comply with recently adopted changes to Title 24 of the California Code of Regulations regarding energy efficiency. In addition, the Rio del Oro Air Quality and Emissions Reduction Plan includes measures for energy efficiency.	
General Plan Noise Element Policies		Analysis	
Policy N.1.2 Ensure that the indoor and outdoor areas of new projects will be located, constructed, and/or shielded from noise sources in compliance with the City's noise standards to the maximum extent feasible. (Further implemented through Actions N.1.2.1 through N.1.2.3)	Yes, with Mitigation	Mitigation measures included in Section 3.16 of this EIR would ensure that noise impacts of the proposed project are consistent with the City's noise standards. These measures, to the maximum extent feasible, are intended to protect both outdoor and indoor areas from noise levels considered unacceptable.	
Policy N.1.3 Ensure that proposed non-residential land uses likely to exceed the City's standards do not create noise disturbances in existing noise-sensitive areas. (Further implemented through Actions N.1.3.1 and N.1.3.2)	Yes, with Mitigation	Non-residential uses are sited within specific areas of the project area and are located immediately adjacent to other noise generating uses in order to minimize the area impacted by these noise sources. Additionally, mitigation measures included in Section 3.16 of this EIR would ensure that impacts to existing noise sensitive areas are consistent with City standards.	
Policy N.1.4 Mitigate noise created by proposed non-transportation noise sources to comply with the City's noise standards to the maximum extent feasible. (Further implemented through Actions N.1.4.1 through N.1.4.3)	Yes, with Mitigation	See discussion under Policy N.1.2 above.	

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN

Policy N.1.5 Mitigate noise created by the construction of new transportation noise sources (such as new roadways or new light rail service) to the maximum extent feasible to comply with the City's standards.	Yes, with Mitigation	See discussion under Policy N.1.2 above. At present, the City has no plan to extend light rail service through the project area.
Policy N.1.6 Ensure that comfortable noise levels and adequate privacy are maintained in higher density development. (Further implemented through Action N.1.6.1)	Yes, with Mitigation	See discussion under Policy N.1.2 above.
Policy N.1.7 To the extent feasible and appropriate, the City shall require the use of temporary construction noise control measures for public and private projects that may include the use of temporary noise barriers, temporary relocation of noise-sensitive land uses, or other appropriate measures.	Yes with Mitigation	Construction noise impacts are reduced by mitigation measures included in Section 3.16 of this EIR. Mitigation includes methods described in this policy.
Policy N.1.8 New residential development shall only be allowed inside of the 60 CNEL Mather Airport Policy Area if the following conditions are met: - Noise insulation is provided in all new residential dwelling units that reduces interior noise levels to 45 dB with windows closed in any habitable room. - Prospective buyers are notified through the Public Report prepared by the California Department of Real Estate disclosing the fact that the parcel is located within the Mather Airport Policy Area. - An Aviation Easement is recorded on the property acknowledging that the property is located within the Mather Airport Policy Area. The easement shall grant the right of flight and unobstructed passage of all aircraft into and out of Mather Airport. The Aviation Easement shall be granted to the County of Sacramento, recorded with the Sacramento County Recorder and filed with the County Department of Airports.	Yes	The proposed project does not include any residential uses within the anticipated 60 CNEL contour for the Mather Airport. City coordination with and participation in the CLUP update process for Mather Airport is ongoing and includes consideration of the proposed project. The City has seen advance versions of the possible modifications to the existing 60 CNEL noise contours that might come out of the CLUP update and has avoided the inclusion of any noise sensitive land uses, including residential development, within these possible corridors.

RIO DEL ORO PROJECT CONSISTENCY WITH CITY OF RANCHO CORDOVA GENERAL PLAN		
Policy N.2.2 Ensure that operational noise levels of new roadway projects will not result in significant noise impacts	Yes, With Mitigation	Section 3.1.6 of this EIR/EIS evaluates noise exposure associated with new roadway facilities.



DATE: September 7, 2010

TO: Honorable Mayor and Council Members

FROM: Paul Junker, Planning Director
Pam Johns, Project Manager (Specific Plan)
Patrick Angell, Project Manager (EIR)

SUBJECT: RIO DEL ORO SPECIFIC PLAN

The Rio del Oro Specific Plan was distributed to Council Members on Friday, August 6, 2010. In addition to the distribution of hard copies the Specific Plan was posted on the City website on August 5, 2010. The electronic files may be located by accessing the following link: <http://www.cityofranchocordova.org/Index.aspx?page=128>

CITY OF RANCHO CORDOVA

ORDINANCE NO. 15-2010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AMENDING THE CITY'S ZONING MAP AND SECTION 23.322.030(C)(4) OF THE ZONING
CODE TO DELETE THE RIO DEL ORO SPECIFIC PLAN AREA FROM THE AEROJET
SPECIAL PLANNING AREA**

WHEREAS, Section 23.322.030(C)(4) of the Rancho Cordova ("City") Zoning Code adopts by reference the Aerojet Special Planning Area ("Aerojet SPA") (Title V, Chapter 8 Article 3 of the Sacramento County Zoning Code (Sections 508-300 to 508-313, inclusive)) as part of the City's Zoning Code and designates it as part of the City's Zoning Map; and

WHEREAS, a portion of the Aerojet SPA includes the property known as Rio del Oro, which is more specifically described on **Exhibit A** ("Rio del Oro project area"); and

WHEREAS, the Aerojet SPA provides in Section 508-304(d) that property within the Aerojet SPA may be deleted from the SPA for all or any portion of property that is included in an approved Land Use Master Plan, as that phrase is further defined in Section 508-303 of the Aerojet SPA; and

WHEREAS, the City has (1) approved the Rio del Oro Specific Plan, which constitutes the Land Use Master Plan for the Rio del Oro project area, and which includes Development Standards and Design Guidelines and the On-Site Infrastructure Phasing Plan; (2) certified the Final Environmental Impact Report/Environmental Impact Statement for the Rio del Oro project area, and (3) approved Tier 1 Development Agreements for the Rio del Oro project area (collectively the "Tier 1 Entitlements"); and

WHEREAS, on July 8, 2010, the Planning Commission held a properly noticed public hearing at which it received a report from City Staff, oral and written testimony from the public, and deliberated on the item. At the meeting, the Planning Commission recommended that the City Council approve and adopt the Rio del Oro Tier 1 Entitlements and amend the Aerojet SPA to remove the Rio del Oro project area; and

WHEREAS, on August 16, 2010, the City Council held a properly noticed public hearing to consider a written staff report on the Tier 1 Entitlements, the Amendment to the Aerojet SPA, and all other oral and written comments presented to them; and

WHEREAS, the City desires to delete the Rio del Oro project area from the Aerojet SPA in light of the approval of the Tier 1 Entitlements as allowed for by Section 508-304(d) of the Aerojet SPA.

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Deletion of the Rio del Oro Project Area from the Aerojet SPA

Pursuant to Section 508-300 and Section 508-304(d) of the Aerojet SPA, the Exhibits under Section 508-313 are hereby amended to delete the Rio del Oro project area, as specifically delineated on **Exhibit A**, which is hereby incorporated by this reference.

Section 2. Amendment of City's Zoning Map

The City's Zoning Map is hereby amended to reflect the deletion of the Rio del Oro project area from the Aerojet SPA, as specifically depicted on **Exhibit A**.

Section 3. Amendment to Zoning Code section 23.322.030

Section 23.322.030, "Special Planning Area Zoning Districts, subsection (C)(4) of the City's Zoning Code is amended to read as follows:

"4. Aerojet Special Planning Area (adopted by Ordinance No. SCZ 95-0014 by Sacramento County in 1994; amended by Ordinance No. 97-0040 by Sacramento County on September 10, 1997; amended by Ordinance No. 15-2010 by the City of Rancho Cordova on September 7, 2010."

Section 4. General Plan Consistency

The amendment to the Aerojet Special Planning Area (SPA) deletes the Rio del Oro project area from the Aerojet SPA's boundaries and establishes that the development in the project area will be regulated by the Tier 1 Entitlements. The development standards for the Tier 1 Entitlements are set forth in the Rio Del Oro Specific Plan. Therefore, the amendment to the Aerojet SPA will be consistent with the General Plan if the Rio del Oro Specific Plan is consistent with the City's General Plan. The City Council finds that the amendment to the Aerojet Special Planning Area, which authorizes the implementation of the Rio del Oro Specific Plan and its Land Use Plan, is consistent with the City's General Plan. The findings and evidence to support this General Plan consistency determination are set forth in **Exhibit B** attached hereto and incorporated herein by this reference, which addressing consistency with applicable policies in the General Plan, and the general findings set forth below.

In general, the Project is consistent with the General Plan as follows:

- The Rio del Oro Specific Plan Community Plan (Exhibit 3-1), Land Use Plan (Exhibit 3-2), and land use parameters in Section 3 and Appendix A are consistent with the desired land use patterns (neighborhoods, villages, and districts) and corresponding development parameters in the General Plan Land Use Element. Specifically, the land use types, distribution, densities and intensities of the Rio del Oro Specific Plan is consistent with the Rio del Oro Planning Area Concept Plan (Figure LU-26), corresponding text description, and assumed development potential (Table LU-5) outlined in the General Plan.
- The Rio del Oro Specific Plan and Development Standards and Design Guidelines (Specific Plan Appendix A) include a land use plan, use and development standards as well as guidelines for subsequent project design consistent with the goals of the General Plan Urban Design Element. Specifically, the location and design concepts for the village, local, and regional town centers within Rio del Oro are in keeping with the building block concepts outlined in the Urban Design Element (Goal UD-1 and corresponding policies and actions). Additionally, design guidelines in Appendix A establish unique project identity with context sensitive design provisions envisioned in Goals UD-3 and UD-4).
- The Rio del Oro Specific Plan includes land use designations for a significant employment center, two village centers, one local town center, and two regional town centers. This plan implements General Plan Economic Development Element Goals ED-1 and ED-2 in terms of diversifying the local economy and providing new local and regional retail opportunities.
- The Rio del Oro Land Use Plan (Exhibit 3-2) includes a wide range of residential land use designations including single-family residential, medium density residential, high density residential, as well as opportunities for high density housing in select mixed use

center locations. Residential land use designations (allowing between 2 and 40 units/acre) are distributed throughout the project site with high density housing located in close proximity to schools, parks, jobs and employment. The mix and distribution of housing are consistent with the General Plan Housing Element Goals H-1 and H-4 in terms of balancing employment and housing and encouraging housing opportunities, respectively.

- The Rio del Oro Circulation Plan (Exhibit 4-2) is consistent with the General Plan Circulation Plan (Figure C-1) and establishes a roadway system for local project traffic, improved community circulation, and well as regional transportation system with the addition of two major north south roadways (Rancho Cordova Parkway and Americanos Boulevard) as well as improvements to the east-west connectivity. The Rio de Oro Bikeway and Trails Plan (Exhibit 4-5) is consistent with the General Plan Bikeway and Trails Plan (Figure C-2) as well as the City's current Bikeway Master Plan. Section 4 of the Rio del Oro Specific Plan identifies planned street improvements for major roadways and trails and establishes standards and principles for subsequent review of local streets and trail connections in keeping with the General Plan Circulation Element Goals C-1 and C-2 for multi-modal facilities and connectivity.
- The Rio del Oro Land Use Plan (Exhibit 3-2) designates approximately 990 acres (~25% of the project area) for parks and open space, which excludes storm water detention and private recreation areas. Project open space includes a 510 acre wetland preserve, drainage parkways, landscape corridors, and greenbelts. Project parks include a 70 acre community park, plus adult sports park, neighborhood parks and future pocket parks and neighborhood greens. The Rio del Oro Bikeway and Trails Plan (Exhibit 4-5) includes more than 15 miles of Class I, paved off-street bike paths connecting neighborhoods to activity centers and improving regional trail connections. Planned open space, parks, and trails for Rio del Oro are consistent with General Plan Open Space, Parks, and Trails Element Goals OSPT-1, OSPT-2, and OSPT-3 in establishing a premier system of public parks, establishing connected and diverse open space systems, and maximizing opportunities for pedestrians and cyclists.
- Sections 4 (Circulation Element), 6 (Public Utilities Element), and 7 (Public Services Element) of the Rio del Oro Specific Plan identify necessary infrastructure, utilities, and services for the project consistent with the goals and policies outlined in the General Plan Infrastructure, Services, and Finance Element. Rio del Oro Specific Plan Section 8 (Implementation and Administration) identify requirements for the Financing Plan that is required prior to or contemporaneous with the approval of the first large lot tentative map for the Rio del Oro development. That section also includes guiding principles regarding infrastructure funding and phasing to ensure consistency with the General Plan.
- The Environmental Impact Report/Environmental Impact Statement for the Rio del Oro project identifies all known and protected resources within the project area. Required protection and mitigation measures have been incorporated into the Rio del Oro Specific Plan as shown on the Land Use Exhibit (Exhibit 3-2) and as described in Section 5 (Environmental Resources Element). The Rio del Oro project is consistent with the General Pan Natural Resources Element Goals NR-1, NR-2, and NR-3 regarding protection and preservation of wildlife, plant habitats, wetlands and creek corridors.
- The Rio del Oro Specific Plan includes information about the historic use of the property and the Development Standards and Design Guidelines (Appendix A) specifically reference historic rocket testing operations on a neighborhood park site (Parcel 80) where special design treatment should convey the site's historic interest through inclusion of interpretive exhibits or other design features. This provision is consistent

with General Plan Cultural and Historic Resources Element Goal CHR-1 to identify and preserve the history of Rancho Cordova for future generations.

- The Rio del Oro Specific Plan (including Appendix A) includes drainage improvements consistent with General Plan Safety Element Goal S-2 (and corresponding policies and actions) to reduce the possibility of a flooding or drainage issue causing damage to urban land uses. Residential uses within the project area are located outside of the designated Mather Airport flight zone consistent with Safety Element Goal S-6 to protect the community from potential harm associated with Mather Airport operations. Finally, the Rio del Oro Development Standards and Design Guidelines incorporate best practices from the Crime Prevention Through Environmental Design (CPTED) standards to ensure consistency with Safety Element Goal 7 regarding design of neighborhoods and buildings to maximize safety/security and minimize crime.
- The Rio del Oro Land Use Plan (Exhibit 3-2) incorporates desired development patterns for a balanced mix of uses that incorporate housing, jobs, and services in close proximity connected by roadways and trails to reduce vehicular travel and maximize opportunities for walking and biking. This land use plan and corresponding circulation exhibits are consistent with the General Plan Air Quality Element Goals AQ-2 and AQ-3 regarding land use patterns and densities, as well as circulation systems to reduce vehicle trips and air quality impacts.
- The Rio del Oro Land Use Plan (Exhibit 3-2) maintains residential uses outside of the designated Mather Airport flight zone and establishes setbacks and in some cases soundwalls to mitigate noise impacts from heavily traveled roadways and adjoining industrial uses to the west and south of the project site. This land plan and provisions in the Rio del Oro Development Standards and Design Guidelines are consistent with the General Plan Noise Element Goal N-1 to ensure that new development is free of noise disturbances.

Section 5. CEQA Compliance

In compliance with the California Environmental Quality Act, on September 7, 2010, the Rancho Cordova City Council, pursuant to Resolution No. 92-2010 certified the EIR, adopted environmental findings pursuant to CEQA guidelines Section 15091, adopted a statement of overriding considerations, and adopted a mitigation monitoring and reporting plan for the Rio del Oro Project, including the Rio del Oro Specific Plan, prior to approval of the adoption of this Ordinance. The amendment to the Aerojet SPA and development allowed thereunder was analyzed as part of the approvals and CEQA analysis.

Section 6. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 7. Effective Date

Within fifteen (15) days after adoption, a Summary of this ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in

accordance with Government Code section 36933. This ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

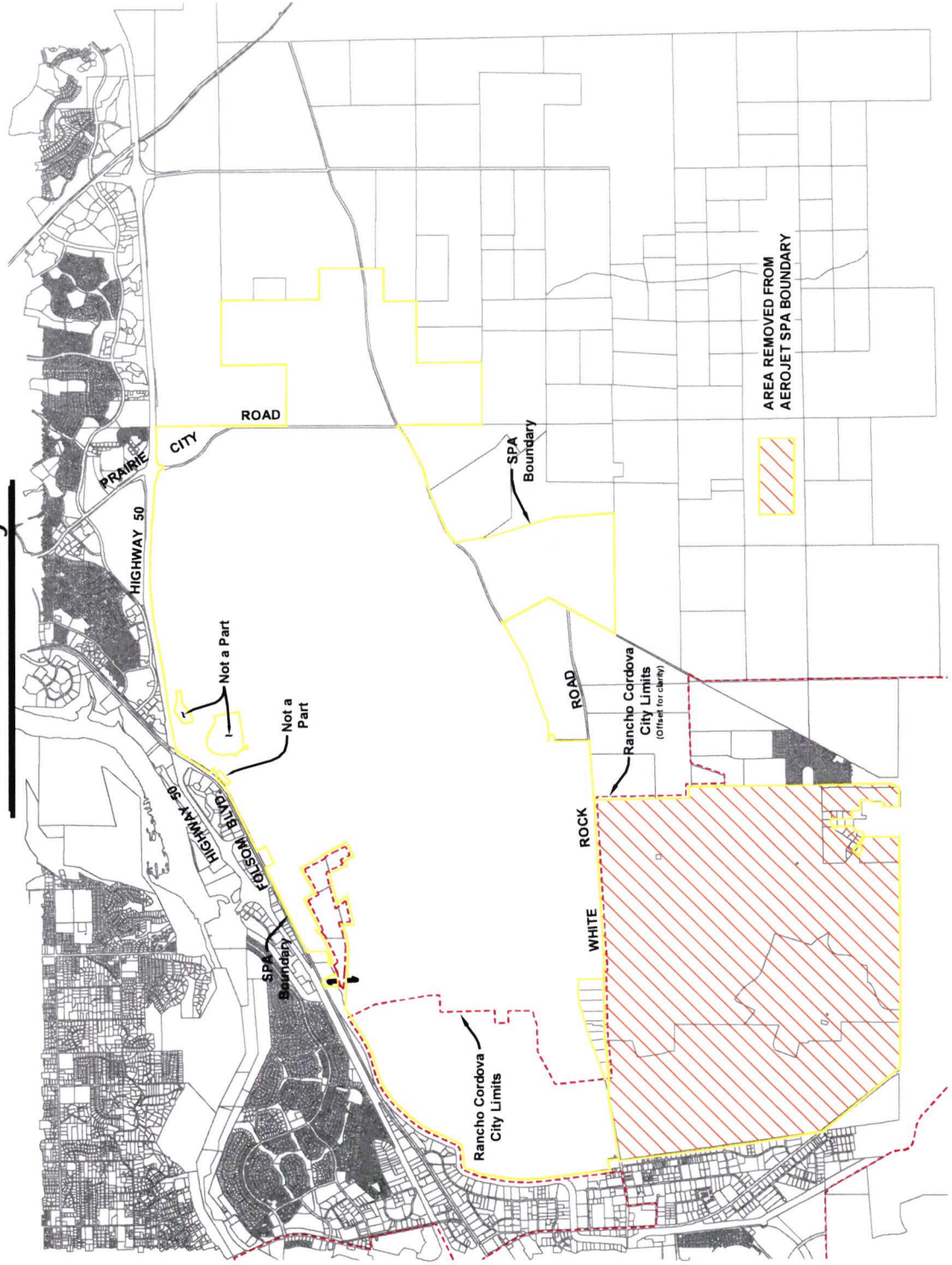
Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, City Clerk

EXHIBIT "A"

SPA Boundary



Scale: 1" = 2000'
 Revised: July 23, 2010
 27786-00

MEMORANDUM



DATE: September 7, 2010

TO: Honorable Mayor and Council Members

FROM: Paul Junker, Planning Director
Pam Johns, Project Manager (Specific Plan)
Patrick Angell, Project Manager (EIR)

SUBJECT: RIO DEL ORO GENERAL PLAN CONSISTENCY TABLE

The General Plan consistency table referenced in Ordinance 15-2010 as Exhibit B is the same consistency table provided for Ordinance 14-2010 as Exhibit A of this staff report. The table provides findings and evidence to support this General Plan consistency determination and will be part of the final record adoption of Ordinance 15-2010.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 16-2010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING TWO TIER 1 DEVELOPMENT AGREEMENTS FOR THE
RIO DEL ORO PROJECT**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, et seq., of the Government Code (the "Development Agreement Statute"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the property which is the subject of the development project application; and

WHEREAS, the development application for the Rio del Oro project ("Project") was transferred from the County of Sacramento to the City of Rancho Cordova ("City") upon the City's incorporation on July 1, 2003. Since that time, the City has been in the process of evaluating the Rio del Oro Specific Plan application in accordance with Government Code section 65451; and

WHEREAS, the Rio del Oro Specific Plan Project is a plan for a mixed-use development supporting a combination of employment-generating uses, retail and supporting services, recreational uses, and a broad range of residential uses and associated infrastructure and roads on an approximately 3,828-acre site in the City of Rancho Cordova. The Project includes 11,601 residential units at various densities; 522 acres of employment-generating uses (village commercial, shopping center, business park, industrial park); public/quasi-public uses; elementary, middle, and high schools; community and neighborhood parks; private recreational uses; stormwater detention basins; open-space areas and open-space preserves; a drainage parkway; greenbelts; major roads with landscaping; and a wetland preserve/mitigation bank. Several off-site infrastructure facilities (road widening and extensions, sewer interceptors, water and wastewater treatment facilities, wastewater transmission mains, water pipelines and distribution systems and facilities, electrical transmission lines, and water tanks) are proposed to serve project development; and

WHEREAS, an Environmental Impact Report (EIR) was prepared for the Project and circulated in accordance with the requirements of the California Environmental Quality Act (CEQA); and

WHEREAS, the current proposal is to process the Project in two separate phases or "Tiers" of development approvals for each of the two owners. The Tier One entitlements include a Tier One Development Agreement for each of the two owners, the Rio del Oro Specific Plan (and corresponding amendment to Aerojet Special Planning Area (SPA)), and certification of the EIR for the Project. The two Tier One Development Agreements are nearly identical, except that one will apply to the property owned by Elliott Homes and one will apply to the property owned by Aerojet-General Corporation; and

WHEREAS, in accordance with Government Code sections 65854 and 65867, the Rancho Cordova Planning Commission ("Planning Commission") held a noticed, public hearing on July 8, 2010 to consider the Project and the Project applicant's requested approvals,

including the Rio del Oro Specific Plan (and corresponding amendment to Aerojet SPA), certification of the EIR for the Project, a Tier 1 Development Agreement with Elliott Homes, Inc. and a Tier 1 Development Agreement with Aerojet-General Corporation; and

WHEREAS, the public hearing was noticed in accordance with the requirements set forth in Government Code sections 65090 and 65091; and

WHEREAS, during the public hearing, the Planning Commission considered a written staff report on the two Tier 1 Development Agreements, the Rio del Oro Specific Plan (and corresponding amendment to Aerojet SPA), and certification of the EIR for the Project, and all other oral and written comments presented to them; and

WHEREAS, following the conclusion of the public hearing on July 8, 2010, the Planning Commission voted to recommend to the City Council approval of the two Tier 1 Development Agreements, the Specific Plan (and corresponding amendment to Aerojet SPA), and certification of the EIR for the Project; and

WHEREAS, in accordance with Government Code section 65355, the Rancho Cordova City Council held a noticed, public hearing on August 16, 2010, to consider the Project, the Project applicant's requested Tier 1 approvals, including a Tier 1 Development Agreement between the City and Elliott Homes, Inc. (**Exhibit A**) and a Tier 1 Development Agreement between the City and Aerojet-General Corporation (**Exhibit B**), and in accordance with Government Code section 65867, the recommendation of the Planning Commission; and

WHEREAS, the public hearing was noticed in accordance with the requirements set forth in Government Code section 65090 and 65091; and

WHEREAS, during the public hearing, the City Council considered a written staff report on the Project, and all other oral and written comments presented to them; and

WHEREAS, on September 7, 2010, the Rancho Cordova City Council, pursuant to Resolution No. 92-2010 certified the EIR, adopted mitigation findings pursuant to CEQA guidelines Section 15091, adopted a statement of overriding considerations, and adopted a mitigation monitoring plan for the Project, which include the Tier 1 Development Agreements, prior to approving the Tier 1 entitlements.

Section 2. Findings and Determination

On the basis of (a) the foregoing Recitals, which are incorporated herein, (b) the Rio del Oro Specific Plan, (c) the City of Rancho Cordova's General Plan, (d) the Environmental Impact Report for the Project, and (e) on the basis of the specific conclusions set forth below, the City Council finds and determines that:

A. The two Tier 1 Development Agreements are consistent with the objectives, policies, general land uses and programs specified and contained in the City's General Plan, in that:

In accordance with Government Code section 65867.5(b), the two Tier 1 Development Agreements are consistent with the City's General Plan. The two Tier 1 Development Agreements vest the developers' right to proceed with development of the property in accordance with the Rio del Oro Specific Plan. The Tier 1 Development Agreements do not amend or revise the development standards in the Rio Del Oro Specific Plan. Therefore, the two Tier 1 Development Agreements will be consistent with the General Plan if development under the Rio del Oro Specific Plan is consistent with the City's General Plan. As required by Government Code section 65867.5(b), the City Council finds that the two Tier 1 Development Agreements, which vests development under the Specific Plan, are consistent with the City's

General Plan. The findings and evidence to support this General Plan consistency determination are set forth in **(Exhibit C)** attached hereto and incorporated herein by this reference, which addressing consistency with applicable policies in the General Plan, and the general findings set forth below.

In general, the Project is consistent with the General Plan as follows:

- The Rio del Oro Specific Plan Community Plan (Exhibit 3-1), Land Use Plan (Exhibit 3-2), and land use parameters in Section 3 and Appendix A are consistent with the desired land use patterns (neighborhoods, villages, and districts) and corresponding development parameters in the General Plan Land Use Element. Specifically, the land use types, distribution, densities and intensities of the Rio del Oro Specific Plan is consistent with the Rio del Oro Planning Area Concept Plan (Figure LU-26), corresponding text description, and assumed development potential (Table LU-5) outlined in the General Plan.
- The Rio del Oro Specific Plan and Development Standards and Design Guidelines (Specific Plan Appendix A) include a land use plan, use and development standards as well as guidelines for subsequent project design consistent with the goals of the General Plan Urban Design Element. Specifically, the location and design concepts for the village, local, and regional town centers within Rio del Oro are in keeping with the building block concepts outlined in the Urban Design Element (Goal UD-1 and corresponding policies and actions). Additionally, design guidelines in Appendix A establish unique project identity with context sensitive design provisions envisioned in Goals UD-3 and UD-4).
- The Rio del Oro Specific Plan includes land use designations for a significant employment center, two village centers, one local town center, and two regional town centers. This plan implements General Plan Economic Development Element Goals ED-1 and ED-2 in terms of diversifying the local economy and providing new local and regional retail opportunities.
- The Rio del Oro Land Use Plan (Exhibit 3-2) includes a wide range of residential land use designations including single-family residential, medium density residential, high density residential, as well as opportunities for high density housing in select mixed use center locations. Residential land use designations (allowing between 2 and 40 units/acre) are distributed throughout the project site with high density housing located in close proximity to schools, parks, jobs and employment. The mix and distribution of housing are consistent with the General Plan Housing Element Goals H-1 and H-4 in terms of balancing employment and housing and encouraging housing opportunities, respectively.
- The Rio del Oro Circulation Plan (Exhibit 4-2) is consistent with the General Plan Circulation Plan (Figure C-1) and establishes a roadway system for local project traffic, improved community circulation, and well as regional transportation system with the addition of two major north south roadways (Rancho Cordova Parkway and Americanos Boulevard) as well as improvements to the east-west connectivity. The Rio de Oro Bikeway and Trails Plan (Exhibit 4-5) is consistent with the General Plan Bikeway and Trails Plan (Figure C-2) as well as the City's current Bikeway Master Plan. Section 4 of the Rio del Oro Specific Plan identifies planned street improvements for major roadways and trails and establishes standards and principles for subsequent review of local streets and trail connections in keeping with the General Plan Circulation Element Goals C-1 and C-2 for multi-modal facilities and connectivity.

- The Rio del Oro Land Use Plan (Exhibit 3-2) designates approximately 990 acres (~25% of the project area) for parks and open space, which excludes storm water detention and private recreation areas. Project open space includes a 510 acre wetland preserve, drainage parkways, landscape corridors, and greenbelts. Project parks include a 70 acre community park, plus adult sports park, neighborhood parks and future pocket parks and neighborhood greens. The Rio del Oro Bikeway and Trails Plan (Exhibit 4-5) includes more than 15 miles of Class I, paved off-street bike paths connecting neighborhoods to activity centers and improving regional trail connections. Planned open space, parks, and trails for Rio del Oro are consistent with General Plan Open Space, Parks, and Trails Element Goals OSPT-1, OSPT-2, and OSPT-3 in establishing a premier system of public parks, establishing connected and diverse open space systems, and maximizing opportunities for pedestrians and cyclists.
- Sections 4 (Circulation Element), 6 (Public Utilities Element) and 7 (Public Services Element) of the Rio del Oro Specific Plan identify necessary infrastructure, utilities, and services for the project consistent with the goals and policies outlined in the General Plan Infrastructure, Services, and Finance Element. Rio del Oro Specific Plan Section 8 (Implementation and Administration) identify requirements for the Financing Plan that is required prior to or contemporaneous with the approval of the first large lot tentative map for the Rio del Oro development. That section also includes guiding principles regarding infrastructure funding and phasing to ensure consistency with the General Plan.
- The Environmental Impact Report/Environmental Impact Statement for the Rio del Oro project identifies all known and protected resources within the project area. Required protection and mitigation measures have been incorporated into the Rio del Oro Specific Plan as shown on the Land Use Exhibit (Exhibit 3-2) and as described in Section 5 (Environmental Resources Element). The Rio del Oro project is consistent with the General Plan Natural Resources Element Goals NR-1, NR-2, and NR-3 regarding protection and preservation of wildlife, plant habitats, wetlands and creek corridors.
- The Rio del Oro Specific Plan includes information about the historic use of the property and the Development Standards and Design Guidelines (Appendix A) specifically reference historic rocket testing operations on a neighborhood park site (Parcel 80) where special design treatment should convey the site's historic interest through inclusion of interpretive exhibits or other design features. This provision is consistent with General Plan Cultural and Historic Resources Element Goal CHR-1 to identify and preserve the history of Rancho Cordova for future generations.
- The Rio del Oro Specific Plan (including Appendix A) includes drainage improvements consistent with General Plan Safety Element Goal S-2 (and corresponding policies and actions) to reduce the possibility of a flooding or drainage issue causing damage to urban land uses. Residential uses within the project area are located outside of the designated Mather Airport flight zone consistent with Safety Element Goal S-6 to protect the community from potential harm associated with Mather Airport operations. Finally, the Rio del Oro Development Standards and Design Guidelines incorporate best practices from the Crime Prevention Through Environmental Design (CPTED) standards to ensure consistency with Safety Element Goal 7 regarding design of neighborhoods and buildings to maximize safety/security and minimize crime.
- The Rio del Oro Land Use Plan (Exhibit 3-2) incorporates desired development patterns for a balanced mix of uses that incorporate housing, jobs, and services in close proximity connected by roadways and trails to reduce vehicular travel and maximize opportunities for walking and biking. This land use plan and corresponding circulation exhibits are consistent with the General Plan Air Quality Element Goals AQ-2 and AQ-3 regarding

land use patterns and densities, as well as circulation systems to reduce vehicle trips and air quality impacts.

- The Rio del Oro Land Use Plan (Exhibit 3-2) maintains residential uses outside of the designated Mather Airport flight zone and establishes setbacks and in some cases soundwalls to mitigate noise impacts from heavily traveled roadways and adjoining industrial uses to the west and south of the project site. This land plan and provisions in the Rio del Oro Development Standards and Design Guidelines are consistent with the General Plan Noise Element Goal N-1 to ensure that new development is free of noise disturbances.

B. The two Tier 1 Development Agreements are consistent with the Rio Del Oro Specific Plan, in that the development standards under the Rio Del Oro Specific Plan are incorporated into and vested by the Tier 1 Development Agreements. The two Tier 1 Development Agreements do not amend or alter the development standards under the Rio Del Oro Specific Plan.

C. The two Tier 1 Development Agreements are compatible with the uses authorized in, and the regulations prescribed for, the land use area in which the real property is located in that the project approvals include the Rio del Oro Specific Plan adopted by the City on September 7, 2010 by City Ordinance No. 14-2010.

D. The two Tier 1 Development Agreements are in conformity with public convenience, general welfare and good land use policies in that the Project will implement land use guidelines set forth in the General Plan, which have planned for mixed-use development, consisting of both residential and commercial uses at this location.

E. The two Tier 1 Development Agreements will not be detrimental to the health, safety and general welfare in that the Project will proceed in accordance with all the programs and policies of the General Plan and Specific Plan. The impacts of the development on existing land uses, public services and the environment have been evaluated and mitigated through the CEQA process, except for those impacts found to be significant and unavoidable for which the City Council adopted a Statement of Overriding Considerations.

F. The two Tier 1 Development Agreements will not adversely affect the orderly development of property or the preservation of property values in that the project will be consistent with the General Plan.

G. The two Tier 1 Development Agreements are consistent with the provisions of Government Code sections 65864 through 65869.5 in that they include all the substantive elements, and have been processed consistent with, all the procedural requirements of Government Code sections 65864 through 65869.5.

Section 3. CEQA Compliance

In compliance with the California Environmental Quality Act, on September 7, 2010, the Rancho Cordova City Council, pursuant to Resolution No. 92-2010 certified the EIR, adopted environmental findings pursuant to CEQA guidelines section 15091, adopted a statement of overriding considerations, and adopted a mitigation monitoring plan for the Rio del Oro Project, including the two Tier 1 Development Agreements, prior to approval of the Development Agreements.

Section 4. Approval

The City Council hereby approves the Tier 1 Development Agreement between the City and Elliott Homes, Inc. (**Exhibit A**) and the Tier 1 Development Agreement between the City and Aerojet-General Corporation (**Exhibit B**) and authorizes the City Manager to execute both Development Agreements.

Section 5. Recordation

Within ten (10) days after the Development Agreements are executed by the City Manager, the City Clerk shall submit the Agreements to the County Recorder for recordation.

Section 6. Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. Effective Date

Within fifteen (15) days after adoption, a Summary of this ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, City Clerk

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

TIER 1 DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF RANCHO CORDOVA
AND
ELLIOTT HOMES, INC.
RELATIVE TO THE RIO DEL ORO PROJECT

DEVELOPMENT AGREEMENT RELATIVE TO RIO DEL ORO PROJECT

This Development Agreement is entered into as of this 21st day of September 2010, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), and Elliott Homes, Inc., an Arizona corporation ("Elliott"), pursuant to the authority of Government Code section 65864 et seq. relating to Development Agreements. City and Elliott are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

A. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, California Government Code Section 65864, *et seq.* (the "Development Agreement Statute") and Rancho Cordova Municipal Code Chapter 23.158, which authorize City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Definitions. All capitalized terms as used herein are defined in Section 3 of this Agreement.

C. Elliott Property. Elliott holds a legal or equitable interest in that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto. Elliott represents that all persons holding legal or equitable interests in the property shall be bound by this Elliott Tier 1 Development Agreement.

D. Concurrent Approval of Aerojet Tier 1 Development Agreement. Concurrent with the approval of this Elliott Tier 1 Development Agreement, a second Tier 1 development agreement with near identical terms is being processed and approved by and between the City of Rancho Cordova and Aerojet General Corporation for the remaining 2,312-acre portion of the Rio Del Oro Specific Plan Area.

E. Joint Planning of Rio Del Oro. Elliott, Aerojet General Corporation, the City, and other public agencies have jointly planned for the development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto. The Rio Del Oro Specific Plan, this Elliott Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Aerojet Tier 1 Development Agreement are the result of this joint effort.

F. Public Hearing. On August 5, 2010, the Planning Commission of City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867 and Rancho Cordova Municipal Code Chapter 23.158, considered this Elliott Tier 1 Development Agreement and recommended approval of this Agreement to the City Council.

G. Relationship of Tier 1 Entitlements to Tier 2 Entitlements and Subsequent Entitlements. This Elliott Tier 1 Development Agreement establishes certain initial, mutual obligations relating to the development of the Property under the Tier 1 Entitlements. This Elliott Tier 1 Development Agreement also describes the requirements and standards for processing Tier 2 Entitlements and Subsequent Entitlements.

H. **Environmental Review.** In compliance with the National Environmental Policy Act and the California Environmental Quality Act, on September 7, 2010, by Resolution No. 92-2010, the City approved the Rio Del Oro Specific Plan Project EIS/EIR ("EIS/EIR"). Elliott agrees that the City may in its discretion determine that additional environmental review under CEQA, beyond that contained in the EIS/EIR, is required for future Tier 2 Entitlements and Subsequent Entitlements to implement the Project. Government Code section 65457 provides that any residential development project that is consistent with a specific plan for which an environmental impact report has been certified is generally exempt from further CEQA review; notwithstanding section 65457 or any successor or related state statute establishing exemptions from or restrictions on further CEQA environmental review, Elliott agrees that City may, in its sole discretion, require further CEQA review for any Tier 2 Entitlement or Subsequent Entitlement.

I. **Development Agreement Ordinance.** City and Elliott have taken all actions mandated by, and fulfilled all requirements set forth in Rancho Cordova Municipal Code Chapter 23.158, the Development Agreement Ordinance of the City of Rancho Cordova.

J. **Consistency with General and Specific Plan.** Having duly examined and considered this Elliott Tier 1 Development Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 16-2010, the City found that this Elliott Tier 1 Development Agreement satisfies the Government Code §65867.5 and this Agreement is consistent with the requirements of the General Plan and Specific Plan.

K. **Negotiations.** The Parties have, in good faith, negotiated terms set forth in this Elliott Tier 1 Development Agreement, which terms are intended to carry out the legislative purposes of the Development Agreement Statutes, and which provide for the mutually desirable development of the Elliott Property.

AGREEMENT

1. **Incorporation of Recitals.** The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Elliott Tier 1 Development Agreement as if set forth herein in full.

2. **Relationship of City and Elliott.** It is understood that this Elliott Tier 1 Development Agreement is a contract that has been negotiated and voluntarily entered into by City and Elliott and that neither Party is an agent of the other Party. City and Elliott hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Elliott joint venturers or partners.

3. **Definitions.**

"Aerojet" means Aerojet General Corporation, an Ohio corporation.

"Aerojet Property" means that certain 2,312-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit C-1 and Exhibit C-2, and attached hereto, which is subject to the Aerojet Tier 1 Development Agreement.

"Aerojet Tier 1 Development Agreement" means the Tier 1 Development Agreement, with near identical terms to this Elliott Tier 1 Development Agreement, which is being concurrently processed and approved by and between the City of Rancho Cordova and Aerojet for the Aerojet Property.

"Aerojet Tier 2 Development Agreement" means that development agreement which may be approved for the entire Aerojet Property pursuant to the process and terms set forth in the Aerojet Tier 1 Development Agreement.

"Affordable Housing Plan" means a plan prepared by Elliott or Aerojet General Corporation in compliance with the City of Rancho Cordova General Plan Housing Element, and in particular with Policy H.1.5 of thereof, for review and approval by the City, that identifies the plans of the Rio del Oro Project for providing affordable housing.

"City Council" means the City Council of the City of Rancho Cordova.

"Development Activity" means any development, construction and land use pursuant to or in furtherance of the Rio Del Oro Specific Plan, including without limitation ground disturbance, grading, land alteration, and construction of any improvements, including, but not limited to, structures, roadways, infrastructure, dwelling units, and non-residential buildings. Development Activity expressly does not include: (a) any development, construction or land use authorized by laws regulations, plans, policies or permits, of the City applicable to the Property that were in effect prior to the effective date of the Rio del Oro Specific Plan and the other Tier 1 Entitlements, including without limitation, Rio del Oro Mining Permit pertaining to Grantline West Mining Operation (Teichert) Permit affecting Assessor's Parcel No. 072--370-071, City of Rancho Cordova Resolution No. 81-2005, and (b) activities necessary to fill "waters of the United States," as defined by then applicable federal law and pursuant to a valid and unexpired Section 404 permit for the Property; and (c) any work of any nature that Aerojet or the Boeing Company may be required or authorized to conduct by local, state or federal regulatory agencies, in connection with the McDonnell Douglas Inactive Rancho Cordova Test Site (IRCTS), including, by way of example and not by way of limitation, orders, consent decrees, waste discharge requirements, monitoring/reporting program orders and any amendments thereto that have been issued or may in the future be issued by the California Department of Toxic Substance Control (DTSC), United States EPA, United States Fish and Wildlife Service, United States Army Corps of Engineers, and/or the Central Valley Regional Water Quality Control Board, pertaining to, arising out of or related to soil and groundwater remediation, endangered species mitigation, wetlands mitigation, or any other similar activity required or authorized by said local, state or federal regulatory agencies.

"Elliott Property" means that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto, which is subject to this Elliott Tier 1 Development Agreement.

"Elliott Project" means the planned development of the Elliott Property pursuant to the Tier 1 Entitlements.

"Elliott Tier 2 Development Agreement" means that development agreement which may be approved for the entire Elliott Property pursuant to the process and terms set forth in this Elliott Tier 1 Development Agreement, in particular section 6.2 hereto.

"Financing Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define: (a) the specific mechanisms that will be required to fund the capital costs of all infrastructure necessary as a result of build-out of the Specific Plan; (b) the funding mechanisms necessary to maintain new infrastructure and public services needed by the future residents and businesses in the Specific Plan Area; and (c) the funding and financing of the activities and actions described in the Affordable Housing Plan.

"Phasing Master Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define in detail the on-site and off-site facility requirements to develop each phase of the Specific Plan Area, including location of facilities, cost estimates, and construction timing requirements.

"Master Large Lot Map Conditions of Approval" means the set of conditions and requirements that will be placed on large lots maps for the Elliott Property and other property within the Rio Del Oro Specific Plan Area, and that, together with the Financing Plan, the Phasing Master Plan, and the Affordable Housing Plan will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area.

"Minor Revision" shall have that meaning set forth on page 8-4 of the Rio Del Oro Specific Plan approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Rio del Oro Project" means the planned development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto, pursuant to the Rio Del Oro Specific Plan, this Elliott Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Aerojet Tier 1 Development Agreement.

"Specific Plan" means the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan", approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Specific Plan Area" and "Rio Del Oro Specific Plan Area" mean the entire 3,832-area which is the subject of the "Rio Del Oro Specific Plan."

"Subsequent Entitlements" mean those additional permits, plans and approvals, that may be approved following approval of the Tier 2 Entitlements, and which will allow for implementation of the Tier 2 Entitlements by subdivision, development and construction within the Specific Plan Area. Subsequent Entitlements may include, without limitation, small lot tentative subdivision maps, small lot final subdivision maps, parcel maps for non-residential areas, lot line adjustments, conditional use permits, and design review permits.

"Substantially comply with" or "substantial compliance with" the "terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval" shall mean that developers in the Specific Plan Area (including any

Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Map Conditions of Approval.

"Tier 1 Entitlements" mean (a) the City of Rancho Cordova General Plan in effect on the Effective Date of this Elliott Tier 1 Development Agreement; (b) the Rio Del Oro Specific Plan Project EIS/EIR, approved by the City on September 7, 2010 by Resolution No. 92-2010 (the Mitigation Measures in the EIR/EIS are incorporated into the Elliott Project and into the terms and conditions of this Agreement, unless the mitigation measures pertain solely to the Aerojet Property); (c) the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan" , approved by the City on September 20, 2010, by Ordinance No. 14-2010; (d) the Amendment to the Aerojet Special Planning Area (SPA), approved by the City on September 20, 2010 by Ordinance No 15-2010; and (e) this Elliott Tier 1 Development Agreement, approved by the City on September 20, 2010 by Ordinance No. 16-2010 (the "Adopting Ordinance").

"Tier 2 Entitlements" mean (a) the Financing Plan, (b) the Phasing Master Plan, (c) the Master Large Lot Tentative Map Conditions of Approval, (d) additional Mitigation Measures, beyond or different from those in the EIS/EIR, as provided in the additional environmental documentation required for the Tier 2 Entitlements, unless the mitigation measures pertain solely to the Aerojet Property, (e) the Affordable Housing Plan, and (f) and the amendments to Tier 1 Development Agreements or Tier 2 Development Agreements necessary to bind every landowner and all the property within the entire Specific Plan Area (which includes Elliott, Aerojet and their respective successors in interest) to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

4. Effective Date, Term and Termination.

4.1 Effective Date. The effective date of this Elliott Tier 1 Development Agreement ("Effective Date") is October 20, 2010 which is the effective date of City Ordinance No. 16-2010, adopting this Elliott Tier 1 Development Agreement.

4.2 Term. The term of this Elliott Tier 1 Development Agreement shall commence on the Effective Date and extend for a period of ten (10) years, unless said term is terminated, modified or extended by the terms of this Elliott Tier 1 Development Agreement. Following the expiration of the term, this Elliott Tier 1 Development Agreement shall be deemed terminated and of no further force and effect. If this Elliott Tier 1 Development Agreement expires, Elliott shall have no vested right under the Tier 1 Entitlements and the City shall have the right to modify or repeal the remaining Tier 1 Entitlements and apply new laws and regulations to the development of the Property, subject to then applicable notice and hearing requirements. However, while the Parties have no present agreement to extend the term of this Agreement, the Parties anticipate that negotiations will occur on the Elliott Tier 2 Development Agreement prior to the expiration of this Elliott Tier 1 Development Agreement. The Parties anticipate that the Elliott Tier 2 Development Agreement will (i) replace this Elliott Tier 1 Development Agreement or modify it and extend its term, and (ii) establish further vested rights for the Property. If a Tier 2 Development Agreement has not been approved for the Elliott Property six (6) months prior to the expiration of the term of this Elliott Tier 1 Development Agreement, the City and Elliott shall meet to discuss the possibility of amending this Elliott Tier 1 Development Agreement to extend its term.

4.3 Tolling and Extension During Legal Challenge or Moratoria. In the event that this Elliott Tier 1 Development Agreement or any of the Tier 1 Entitlements or the EIR or any subsequent approvals or permits required to implement the Tier 1 Entitlements (such as any required wetlands fill permit or environmental document required under the National Environmental Protection Act ("NEPA") related thereto) are subjected to legal challenge by a third party, and Elliott is unable to proceed with the Project due to such litigation or Elliott gives written notice to City that it is electing not to proceed with the Project until such litigation is resolved to Elliott's satisfaction, the term of this Elliott Tier 1 Development Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Elliott, be extended and tolled for a maximum period of three (3) years during such litigation until the entry of final order of judgment upholding this Elliott Tier 1 Development Agreement and/or Tier 1 Entitlements, or the litigation is dismissed by stipulation of the parties; provided, however, that, notwithstanding the foregoing, Elliott shall have the right to elect, in Elliott's sole discretion, to proceed with the Elliott Project at any point by providing the City with written notice that it is electing to proceed with Elliott Project, in which event the tolling of the term of this Elliott Tier 1 Development Agreement shall cease as of the date of such notice.

5. Vested Rights. Elliott shall have the vested right to proceed with development of the Elliott Property in accordance with the Tier 1 Entitlements, and to have the Tier 2 Entitlements and Subsequent Entitlements considered for approval or denial, based upon the standards and requirements set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan.

5.1 Permitted Uses, Density and Intensity, Maximum Height and Size of Structures, and Reservation or Dedication of Land. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, shall be those set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan. City acknowledges that the Rio Del Oro Specific Plan includes the land uses and approximate acreages for the Project as shown and described on page 3-7 of the Specific Plan.

5.2 Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Elliott and City intend that, except as otherwise provided in or limited by Section 5.3 or other provisions of this Agreement, this Elliott Tier 1 Development Agreement shall vest the Tier 1 Development Entitlements against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Tier 1 Development Entitlements; provided however, Elliott shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns an imminent public health or safety issue, in which case City shall treat Elliott in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

5.3 Vested Rights Exclude and Do Not Authorize Development Activity. Neither the vested rights conferred by this Section 5 (including 5.1 and 5.2) nor any other provision of this Elliott Tier 1 Development Agreement nor of the Tier 1 Entitlements grant Elliott a vested right to engage in Development Activity on the Elliott Property. Development Activity shall occur on the Elliott Property only following approval of Tier 2 Entitlements as further

provided in Section 7 hereto. This Elliott Tier 1 Development Agreement does not guarantee approval of the Tier 2 Entitlements or Subsequent Entitlements.

6. Processing of Tier 2 Entitlements and Subsequent Entitlements.

6.1. Intent of Tiered Entitlement Approval Process. The primary intent of the tiered entitlement approval process set forth in this Elliott Tier 1 Development Agreement, and in particular in this Section 6, is to ensure, to the City's satisfaction, that the provisions of the Specific Plan, the Financing Plan and the Phasing Master Plan are uniformly applied in the entire Specific Plan Area in both the Elliott Property and the Aerojet Property.

6.2 Timing of Application for Tier 2 Development Agreement for Elliott Property. Prior to any Development Activity on the Property, Elliott shall apply to City to request approval of the Elliott Tier 2 Development Agreement, which shall cover the entire Elliott Property. Elliott shall have the right to apply for the Elliott Tier 2 Development Agreement at any time during the term of this Elliott Tier 1 Development Agreement. The Elliott Tier 2 Development Agreement and the Aerojet Tier 2 Development Agreement shall not be required to be simultaneously processed by the City.

6.3 Processing of Tier 2 Development Agreement for Elliott Property, Requirement of Rio Del Oro Phasing Master Plan and Rio Del Oro Master Large Lot Map. If Elliott requests approval of the Elliott Tier 2 Development Agreement before Aerojet requests approval of the Aerojet Tier 2 Development Agreement, Elliott shall be responsible for working with the City to prepare the Financing Plan, the Phasing Master Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. The Elliott Tier 2 Development Agreement shall be approved at the same time as, but not before, the City approves the Financing Plan, Phasing Master Plan and Affordable Housing Plan for the entire Specific Plan Area, and a large lot tentative map for the Elliott Property which map includes the Master Conditions of Approval to implement the Specific Plan, the Financing Plan, Phasing Master Plan and Affordable Housing Plan.

If Aerojet requests approval of the Aerojet Tier 2 Development Agreement before Elliott requests approval of the Elliott Tier 2 Development Agreement, Aerojet shall be responsible for working with the City to prepare a single Financing Plan, a single Phasing Master Plan, a single Affordable Housing Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. Thereafter, when Elliott requests approval of the Elliott Tier 2 Development Agreement, City shall have the discretion to deny approval of the Elliott Tier 2 Development Agreement and any other Tier 2 entitlements for any portion of the Elliott Property unless Elliott agrees to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Tentative Map Conditions of Approval as previously adopted with the Aerojet Tier 2 Development Agreement by either (a) amending this Elliott Tier 1 Development Agreement or (b) agreeing to such terms and entering into the Elliott Tier 2 Development Agreement.

As provided in Section 5 of this Elliott Tier 1 Development Agreement, the City shall consider approval or denial, of the Elliott Tier 2 Development Agreement, the other Tier 2 Entitlements

and the Subsequent Approvals based upon the standards and requirements in the Tier 1 Entitlements.

7. **No Development Activity Until Tier 2 Approved.** Notwithstanding the vested rights granted by this Elliott Tier 1 Development Agreement and consistent with the limitation on Elliott's rights in Section 5.3 of this Agreement, the City shall have the full, unrestrained and sole discretion to deny any and all Development Activity on any property in the Specific Plan Area unless and until every landowner in the entire Specific Plan Area (which includes Elliott, Aerojet and their respective successors in interest) has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval as adopted by the City by either (a) amending its Tier 1 Development Agreement or (b) agreeing to such terms and entering into a Tier 2 Development Agreement.

8. **Amendment or Cancellation.**

8.1 **Modification Because of Conflict with State or Federal Laws.** In the event that State or Federal laws or regulations enacted after the Effective Date of this Elliott Tier 1 Agreement prevent or preclude compliance with one or more provisions of this Agreement or any Tier 1 Entitlements, the Parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Elliott Tier 1 Agreement and such Tier 1 Entitlements to comply with such Federal or State law or regulation. Any such amendment or suspension of this Elliott Tier 1 Agreement or Tier 1 Entitlements shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

8.2 **Amendment by Mutual Consent.** This Elliott Tier 1 Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State law and Municipal Code. Any amendment of the Tier 1 Entitlements that does not constitute a Minor Revision shall require amendment of this Elliott Tier 1 Agreement.

8.3 **Cancellation by Mutual Consent.** Except as otherwise permitted herein, this Elliott Tier 1 Agreement may be canceled in whole or in part only by the mutual consent of the Parties or their successors in interest, in accordance with Municipal Code. Any fees paid pursuant to this Agreement and spent by the City prior to the date of cancellation shall be retained by City.

9. **Annual Review.**

9.1 **Annual Review.** The City shall annually monitor and review Elliott's good faith compliance with the terms of this Elliott Tier 1 Agreement and the Initial Entitlements.

9.2 **Monitoring.** The City has the responsibility and discretion to monitor the continuing compliance of Elliott with the terms of this Elliott Tier 1 Agreement and the Tier 1 Entitlements by updating decision makers, conducting field inspections, implementing and interpreting requirements, monitoring any litigation relating to the Property, and taking such other actions as the City may deem appropriate. As a result of the limited scope of the Tier 1 Entitlements, the Parties anticipate that, the focus of the Annual Review will generally, in the discretion of the City, be on whether or not any Development Activity is occurring.

9.3 Annual Review Date. The annual review shall occur each year during the term of this Elliott Tier 1 Agreement on or about the anniversary date of the Effective Date.

9.4 Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Elliott written notice that the City intends to undertake such review, including an estimate of the total costs the City expects to incur in connection with the review. Within thirty (30) days of City's notice, Elliott shall provide evidence to the Planning Director to demonstrate good faith compliance with this Elliott Tier 1 Development Agreement. The burden of proof, by substantial evidence of compliance, is upon Elliott. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to conduct review at a later date or otherwise enforce the provisions of this Elliott Tier 1 Agreement. Elliott is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

9.5 Staff Reports. City shall deposit in the mail to Elliott a copy of all staff reports, and related exhibits, concerning contract performance at least twenty (20) days prior to any annual review. City shall also, to the extent practicable, make reasonable efforts to provide simultaneous notice by e-mail or other then available means of electronic technology.

9.6 Costs. Costs reasonably and directly incurred by the City in connection with the annual review and monitoring shall be paid by Elliott in accordance with the City's schedule of fees and billing rates in effect at the time of review. The City may require Elliott to provide deposits for the City's estimated costs in connection with the City's annual review and monitoring in the year following the current compliance review. The costs that Elliott may be required to pay shall not be limited to the amount in the Planning Director's estimate.

9.7 Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Elliott has not complied in good faith with the terms and conditions of the Elliott Tier 1 Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law. As part of that final determination, the City Council may impose conditions on the Elliott Project that it considers necessary and appropriate to protect the interest of the City. Elliott may, at the same hearing, raise any and all issues of non-compliance by the City with the terms of this Elliott Tier 1 Development Agreement, and the City Council shall review and make findings concerning the compliance of all Parties to the Agreement.

9.8 Appeal of Determination. The decision of the City Council as to Elliott's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days.

10. Default and Opportunity to Cure. Subject to any applicable extension of time agreed to by the Parties in writing, failure by any party to perform any term or provision of this Elliott Tier 1 Agreement required to be performed by such Party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." Except as provided in Section 10, a Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such

Complaining Party first gives notice to the Party in Default as provided in Section 20, and the Party in Default fails to cure such Event of Default within the applicable cure period.

10.1 Procedure Regarding Defaults.

10.1.1 Notice of Default. If an Event of Default occurs, prior to exercising any remedies except as provided in Section 10, the Complaining Party shall give the Party in Default written notice of such default. Where the City provides notice of an Event of Default by Elliott, the City shall not be obligated to issue any permit or approve any entitlement for which an application has been filed until the Default is cured pursuant to the procedures in this Section 10.

10.1.2 Cure. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the Party in Default receipt of the notice), the Party in Default provides written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given. If the Event of Default is discovered or determined in the course of the Annual Compliance Review, in addition to other remedies and potential cures, the City shall have the statutory authority pursuant to Government Code section 65865.1 to decide to terminate or modify the Elliott Tier 1 Agreement following the opportunity to cure as provided in this Section 10.1.2.

10.1.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

10.1.4 Legal Proceedings. If the Party in Default fails to cure a default in accordance with the provisions of Section 10.1.2, the Complaining Party, at its option, may institute legal proceedings pursuant to this Elliott Tier 1 Agreement or terminate this Elliott Tier 1 Development Agreement. Upon the occurrence of an Event of Default, the Parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or the City's regulations governing development agreements, expressly including the remedy of specific performance of this Elliott Tier 1 Agreement. In no event, except as provided in Sections 14, 17 and 18 of this Agreement shall either Party be liable to the other Party for any monetary damage for claims arising out of this Agreement and both Parties hereby expressly waive any such monetary damages City. Notwithstanding the foregoing, the City may immediately institute any legal proceedings relating to this Elliott Tier 1 Development Agreement without the notice and opportunity to cure required in the case of an emergency or immediate danger to public health, safety or welfare.

11. **Estoppel Certificate.** Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party certify in writing that, to the knowledge of the certifying party, (i) this Elliott Tier 1 Agreement is in full force and effect and a binding obligation of the parties, (ii) this Elliott Tier 1 Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Elliott Tier 1 Agreement, or if in default, describing therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Elliott Tier 1 Development Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording Party.

12. **Severability.** Except as set forth herein, if any term, covenant or condition of this Elliott Tier 1 Development Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Elliott Tier 1 Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Elliott Tier 1 Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Elliott Tier 1 Agreement from and after such determination.

13. **Applicable Law.** This Elliott Tier 1 Agreement shall be construed and enforced in accordance with the laws of the State of California.

14. **Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement.** Should any legal action be brought by either party for breach of this Elliott Tier 1 Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

15. **Agreement Runs with the Land.** Except as otherwise provided for in this Elliott Tier 1 Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Elliott Tier 1 Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Elliott Tier 1 Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property: (1) is for the benefit of such properties and is a burden upon such properties; (2) runs with such properties; and (3) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. **Bankruptcy.** The obligations of this Elliott Tier 1 Agreement shall not be dischargeable in bankruptcy.

17. **Indemnification From Construction, Improvement, Operation and Maintenance Claims.** Elliott agrees to indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by Elliott, or any actions or inactions of Elliott's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided, however, that Elliott shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, or its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by City or another public entity (except as provided in an improvement agreement or maintenance bond). The provisions of this Section 17 shall survive the termination of this Elliott Tier 1 Agreement.

18. **Cooperation and Elliott Indemnification of City in Event of Legal Challenge to Agreement or Initial Entitlements.** In the event of any legal or equitable action or other proceeding instituted by a third party or other governmental entity or official challenging the validity of any provisions of this Elliott Tier 1 Agreement or the Tier 1 Entitlements or seeking to overturn or invalidate any approval granted pursuant to this Elliott Tier 1 Agreement, the Parties hereby agree to cooperate in defending said action or proceeding; provided, however, that Elliott shall be solely responsible for costs incurred for such defense. In any such legal or equitable action or proceeding, Elliott shall indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability. Neither Elliott nor the City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other Party. The provisions of this Section 18 shall survive the termination of this Elliott Tier 1 Agreement.

19. **Third Party Beneficiaries.** This Elliott Tier 1 Agreement is made and entered into for the sole protection and benefit of Elliott and, City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

20. **Notices.** All notices required by this Elliott Tier 1 Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Notice required to be given to Elliott shall be addressed as follows:

ELLIOTT HOMES
Harry C. Elliott, III
80 Iron Point Circle, Suite 110
Folsom, CA 95630

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

21. Assignment and Release. Elliott shall have the full right to assign this Elliott Tier 1 Development Agreement in connection with any sale, transfer or conveyance of all or any portion of the Property, subject to the limitations and terms in this Section 21. Upon the express written assignment by Elliott, and assumption by the assignee of such assignment in the form attached hereto as Exhibit D, Elliott shall be released from further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Elliott," with all rights and obligations related thereto, with respect to such conveyed property (the "Assigned Property").

21.1 Effect of Partial Assignments on Tier 2 Development Agreement and Application for Subsequent Entitlements. In the event of a sale, transfer or conveyance of only a portion of the Property prior to approval of the Tier 2 Development Agreement or the Subsequent Entitlements, the assignee of a partial assignment ("Partial Assignee") shall have no right to conduct Development Activity on the Elliott Property. The City shall have the discretion to deny approval of any Tier 2 Entitlements for any portion of the Specific Plan area until every Elliott and Partial Assignee has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval by either (1) amending its Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Landowners (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval.

22. Priority of Enactment. In the event of conflict between this Elliott Tier 1 Development Agreement and the Tier 1 Entitlements, the Parties agree that the following sequence of approvals establishes the relative priority of approvals, each approval superior to the approvals listed thereafter: (1) the Elliott Tier 1 Development Agreement and (2) the Tier 1 Entitlements.

23. Form of Agreement; Recordation; Exhibits. Except when this Elliott Tier 1 Agreement is automatically terminated due to the expiration of the Term of this Agreement, City shall cause this Agreement, any amendment hereto and any termination of any parts or provisions hereof, to be recorded with the County Recorder within ten (10) days of the effective date thereof. Any amendment or termination of this Elliott Tier 1 Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 14 pages and 6 exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Elliott Tier 1 Development Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. 16-2010 adopted by the Council of the City on the 20th day of September 2010, and Elliott has caused this Agreement to be executed.

"CITY"

CITY OF RANCHO CORDOVA,
a municipal corporation

By: _____

Name: _____

Its: _____

Date: _____

"ELLIOTT"

ELLIOTT HOMES, INC
an Arizona corporation

By: _____

Name: _____

Its: _____

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
City Attorney
Date: _____

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Elliott Property
Exhibit A-2:	Diagram of the Elliott Property
Exhibit B:	Rio Del Oro Specific Plan area (Rio Del Oro Project)
Exhibit C-1:	Legal Description of the Aerojet Property
Exhibit C-2:	Diagram of the Aerojet Property
Exhibit D:	Form of Assignment

EXHIBIT A-1

Legal Description of the Elliott Homes Property

PARCEL 1:

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being more particularly described as follows:

Beginning at the Northwest corner of said Parcel 15; thence from said point of beginning along the Westerly line of said Parcel the following five (5) courses: (1) South 07°44'05" West 30.44 feet, (2) South 06°36'05" East 3603.85 feet, (3) South 08°08'17" East 2073.42 feet, (4) South 08°47'03" East 2197.91 feet, and (5) South 08°48'24" East 419.75 feet to a point on the Westerly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said right-of-way line South 39°18'38" East 4093.39 feet; thence South 89°10'03" East 990.37 feet; thence South 89°06'40" East 933.19 feet; thence North 00°53'20" East 2290.81 feet to a point on an existing fence line; thence along said fence line, the following fourteen (14) courses and distances: (1) North 89°32'35" West 367.46 feet, (2) North 89°24'25" West 402.97 feet; (3) North 00°30'05" East 722.15 feet, (4) North 00°34'11" East 608.94 feet, (5) North 87°30'22" West 39.63 feet, (6) North 00°50'49" East 225.19 feet, (7) North 71°12'32" West 459.31 feet, (8) North 18°32'48" East 299.22 feet, (9) North 18°43'33" East 581.68 feet, (10) North 18°52'10" East 260.18 feet, (11) North 87°29'23" East 30.58 feet, (12) North 86°35'54" East 79.74 feet, (13) North 87°23'08" East 104.15 feet, and (14) South 71°22'21" East 494.50 feet; thence North 00°53'20" East 4230.53; thence North 90°00'00" West 1078.83 feet; thence

North 04°03'36" West 192.34 feet; thence North 15°38'51" West 253.09 feet; thence North 10°48'50" West 497.39 feet; thence North 06°52'34" West 292.93 feet; thence North 05°51'41" West 169.64 feet; thence North 00°52'23" West 152.03 feet; thence North 72°06'34" East 146.02 feet; thence North 74°39'41" East 462.88 feet; thence North 85°19'48" East 66.67 feet; thence North 11°27'56" East 102.96 feet; thence North 03°39'36" West 197.73 feet; thence North 02°17'57" East 318.01 feet; thence North 01°15'08" East 494.52 feet; thence South 84°44'15" West 1242.18 feet; thence curving to the right on an arc having a radius of 3000.00 feet, said arc being subtended by a chord bearing South 88°53'53" West 435.31 feet; thence North 86°56'29" West 389.84 feet; thence curving to the left on an arc having a radius of 1500.00 feet, said arc being subtended by a chord bearing south 87°03'12" West 313.85 feet, thence South 81°02'54" West 2579.08 feet to the point of beginning.

EXCEPTING THEREFROM as a mineral interest, and not as a royalty interest, all of the minerals of every kind in, under, or that may be produced from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting as a mineral interest, and not as a royalty interest, all oil, gas, hydrocarbons, and associated substances in, under, or produced and saved from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting all water and rights, including, but not limited to, all rights of access, to water lying below the surface of the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; provided, however, that Grantor, and its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into, or through the surface of the Real Property, or within one hundred (100) feet below, as measured vertically from, the surface of the Real Property.

PARCEL 2:

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Beginning at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Beginning, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, South 89°56'25" West, a distance of 367.46 feet along said common line;

Thence, North 89°55'25" West, a distance of 402.97 feet along said common line;

Thence, North 00°00'55" West, a distance of 722.15 feet along said common line;

Thence, North 00°03'11" East, a distance of 608.94 feet along said common line;

Thence, North 88°01'22" West, a distance of 39.63 feet along said common line;

Thence, North 00°19'49" East, a distance of 225.19 feet along said common line;

Thence, North 71°43'32" West, a distance of 459.31 feet along said common line;

Thence, North 18°01'48" East, a distance of 299.22 feet along said common line;

Thence, North 18°12'33" East, a distance of 581.68 feet along said common line;

Thence, North 18°21'10" East, a distance of 260.18 feet along said common line;

Thence, North 86°58'23" East, a distance of 30.58 feet along said common line;

Thence, North 86°04'54" East, a distance of 79.74 feet along said common line;

Thence, North 86°52'08" East, a distance of 104.15 feet along said common line;

Thence, South 71°53'21" East, a distance of 494.50 feet along said common line;

Thence, North 00°22'20" East, a distance of 1401.37 feet along said common line;

Thence, South 51°45'32" East, a distance of 723.29 feet;

Thence, North 27°42'33" East, a distance of 850.47 feet;

Thence, North 38°10'20" East, a distance of 125.00 feet;

Thence, South 51°49'40" East, a distance of 453.85 feet;

Thence, on the arc of a curve to the right a distance of 498.28 feet, said curve has a central angle of 25°22'37" and a radius of 1125.00 feet;

Thence, on the arc of a curve to the left a distance of 784.77 feet, said curve has a central angle of 46°07'00" and a radius of 975.00 feet;

Thence, South 72°34'03" East, a distance of 651.82 feet;

Thence, South 17°25'57" West, a distance of 25.00 feet;

Thence, South 72°34'03" East, a distance of 856.47 feet;

Thence, South 17°25'57" West, a distance of 1542.41 feet to the arc of a non-tangent curve having a radial bearing of South 42°47'17" West;

Thence, on the arc of said non-tangent curve to the right a distance of 665.31 feet, said curve has a central angle of 19°03'35" and a radius of 2000.00 feet;

Thence, South 28°09'08" East, a distance of 236.87 feet;

Thence, North 79°02'16" West, a distance of 274.71 feet;

Thence, on the arc of a curve to the left a distance of 1060.28 feet, said curve has a central angle of 108°28'52" and a radius of 560.00 feet;

Thence, on the arc of a curve to the right a distance of 555.35 feet, said curve has a central angle of 58°55'26" and a radius of 540.00 feet;

Thence, on the arc of a curve to the left a distance of 550.67 feet, said curve has a central angle of 50°28'53" and a radius of 625.00 feet;

Thence, South 89°31'57" West, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South 89°24'23" West;

Thence, on the arc of said non-tangent curve to the right a distance of 135.81 feet, said curve has a central angle of 47°26'53" and a radius of 164.00 feet;

Thence, on the arc of a curve to right a distance of 269.45 feet, said curve has a central angle of 27°49'00" and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 567.31 feet, said curve has a central angle of 08°53'18" and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 614.63 feet, said curve has a central angle of 66°04'15" and a radius of 533.00 feet;

Thence, South 00°17'18" East, a distance of 423.57 feet to the south line of said Parcel 15;

Thence, North 89°37'40" West, a distance of 418.60 feet along said south line to the Point of Beginning.

Containing 401.202 Acres gross, more or less.

Excepting therefrom the following described parcels of land:

Exception A

All that property described as "Beta Area Well Site 'B'-806" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 1075.90 feet along the common line between said properties;

Thence, South 89°37'45" East, a distance of 120.05 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 00°02'10" West, a distance of 79.89 feet;

Thence, South 89°58'18" East, a distance of 78.00 feet;

Thence, South 00°00'36" West, a distance of 79.95 feet;

Thence, North 89°55'38" West, a distance of 77.93 feet to the Point of Beginning.

Containing 0.143 Acres, more or less.

Exception B

All that property described as "Tank Site No. 804" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 18°24'30" West, a distance of 263.84 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 18°10'05" East, a distance of 276.73 feet;

Thence, South 71°48'29" East, a distance of 146.44 feet;

Thence, South 18°10'43" West, a distance of 276.46 feet;

Thence, North 71°55'01" West, a distance of 146.39 feet to the Point of Beginning.

Containing 0.930 Acres, more or less.

Exception C

All that property described as "Beta Area Well Site 'A'-805" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between

Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North $00^{\circ}22'20''$ East, a distance of 2290.81 feet along the common line between said properties;

Thence, North $26^{\circ}40'21''$ East, a distance of 268.14 feet to the Point of Beginning;

Thence, from the Point of Beginning, North $00^{\circ}02'08''$ East, a distance of 79.98 feet;

Thence, North $89^{\circ}57'06''$ East, a distance of 70.00 feet;

Thence, South $00^{\circ}00'09''$ East, a distance of 80.01 feet;

Thence, South $89^{\circ}58'15''$ West, a distance of 70.05 feet to the Point of Beginning.

Containing 0.129 Acres, more or less.

End of Legal Description

EXHIBIT A-2
Diagram of the Elliott Homes Property

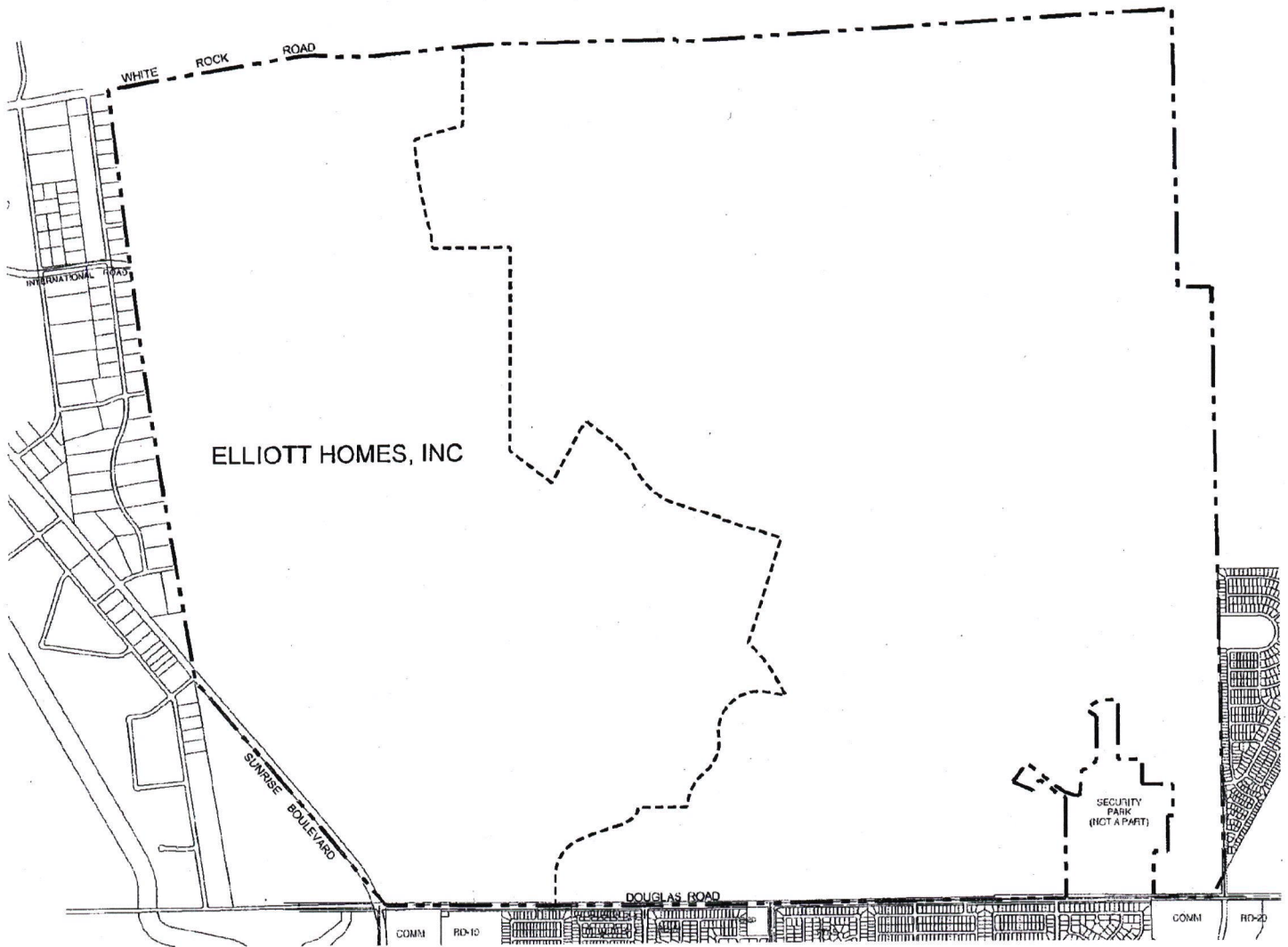


EXHIBIT B

RIO DEL ORO SPECIFIC PLAN AREA

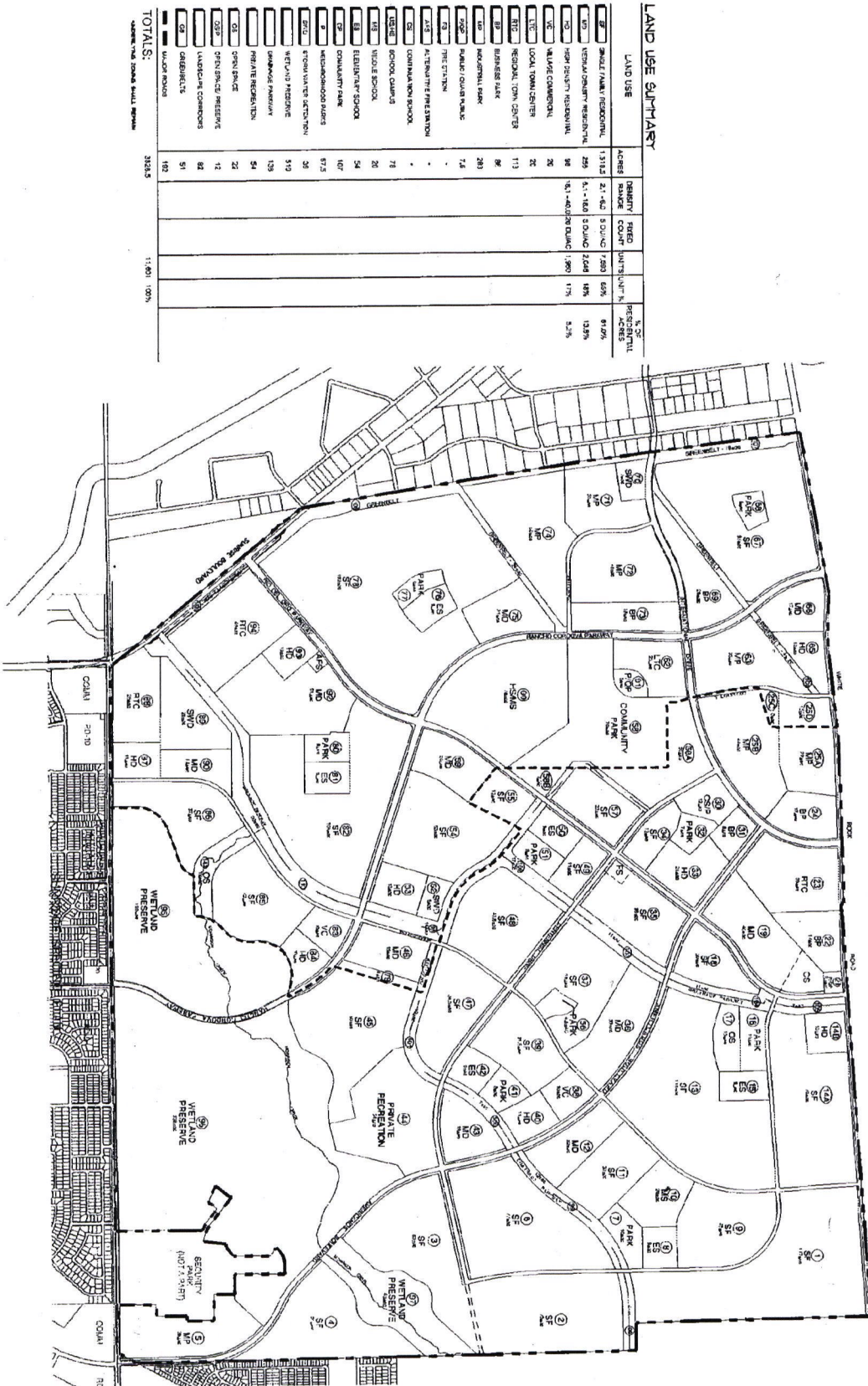


EXHIBIT C-1
Legal Description of the Aerojet Property

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 and Parcel 23 as shown in Book 55 of Parcel Maps at Page 30 as shown in book 20080325, at Page 1226, all in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, South 89°37'40" East, a distance of 418.60 feet to the Point of Beginning;

Thence from the Point of Beginning, North 00°17'18" West, a distance of 423.57 feet;

Thence, on the arc of a curve to the right a distance of 614.63 feet, said curve has a central angle of 66°04'15" and a radius of 533.00 feet;

Thence, on the arc of a curve to the right a distance of 567.31 feet, said curve has a central angle of 08°53'18" and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 269.45 feet, said curve has a central angle of 27°49'00" and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 135.81 feet, said curve has a central angle of 47°26'53" and a radius of 164.00 feet;

Thence, North 89°31'57" East, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South 89°04'35" East;

Thence, on the arc of said non-tangent curve to the right a distance of 550.67 feet, said curve has a central angle of 50°28'53" and a radius of 625.00 feet;

Thence, on the arc of a curve to the left a distance of 555.35 feet, said curve has a central angle of 58°55'26" and a radius of 540.00 feet;

Thence, on the arc of a curve to the right a distance of 1060.28 feet; said curve has a central angle of $108^{\circ}28'52''$ and a radius of 560.00 feet;

Thence, South $79^{\circ}02'16''$ East, a distance of 274.71 feet;

Thence, North $28^{\circ}09'08''$ West, a distance of 236.87 feet;

Thence, on the arc of a curve to the left a distance of 665.31 feet, said curve has a central angle of $19^{\circ}03'35''$ and a radius of 2000.00 feet;

Thence, North $17^{\circ}25'57''$ East, a distance of 1542.41 feet;

Thence, North $72^{\circ}34'03''$ West, a distance of 856.47 feet;

Thence, North $17^{\circ}25'57''$ East, a distance of 25.00 feet;

Thence, North $72^{\circ}34'03''$ West, a distance of 651.82 feet;

Thence, on the arc of a curve to the right a distance of 784.77 feet, said curve has a central angle of $46^{\circ}07'00''$ and a radius of 975.00 feet;

Thence, on the arc of a curve to the left a distance of 498.28 feet, said curve has a central angle of $25^{\circ}22'37''$ and a radius of 1125.00 feet;

Thence, North $51^{\circ}49'40''$ West, a distance of 453.85 feet;

Thence, South $38^{\circ}10'20''$ West, a distance of 125.00 feet;

Thence, South $27^{\circ}42'33''$ West, a distance of 850.47 feet;

Thence, North $51^{\circ}45'32''$ West, a distance of 723.29 feet to the common line between Lot A and Lot B of said Lot Line Adjustment;

Thence, North $00^{\circ}22'20''$ East, a distance of 2829.16 feet along said common line;

Thence, South $89^{\circ}29'00''$ West, a distance of 1078.83 feet along said common line;

Thence, North $04^{\circ}34'36''$ West, a distance of 192.34 feet along said common line;

Thence, North $16^{\circ}09'51''$ West, a distance of 253.09 feet along said common line;

Thence, North $11^{\circ}19'50''$ West, a distance of 479.39 feet along said common line;

Thence, North $07^{\circ}23'34''$ West, a distance of 292.93 feet along said common line;

Thence, North $06^{\circ}22'41''$ West, a distance of 169.64 feet along said common line;

Thence, North $01^{\circ}23'23''$ West, a distance of 152.03 feet along said common line;

Thence, North $71^{\circ}35'34''$ East, a distance of 146.02 feet along said common line;

Thence, North $74^{\circ}08'41''$ East, a distance of 462.88 feet along said common line;

Thence, North $84^{\circ}48'48''$ East, a distance of 66.67 feet along said common line;

Thence, North $10^{\circ}56'56''$ East, a distance of 102.96 feet along said common line;

Thence, North $04^{\circ}10'36''$ West, a distance of 197.73 feet along said common line;

Thence, North $01^{\circ}46'57''$ East, a distance of 318.01 feet along said common line;

Thence, North $00^{\circ}44'08''$ East, a distance of 496.43 feet along said common line to the north line of said Parcel 15;

Thence, North $84^{\circ}12'46''$ East, a distance of 56.52 feet along said north line to the arc of a non-tangent curve having a radial bearing of South $05^{\circ}46'55''$ East;

Thence, on the arc of said non-tangent curve to the right a distance of 404.13 feet along said north line, said non-tangent curve has a central angle of $04^{\circ}37'52''$ and a radius of 5000.00 feet;

Thence, North $88^{\circ}50'57''$ East, a distance of 2409.24 feet along said north line to the arc of a non-tangent curve having a radial bearing of North $01^{\circ}08'48''$ West;

Thence, on the arc of said non-tangent curve to the left a distance of 62.58 feet along said north line, said non-tangent curve has a central angle of $01^{\circ}11'43''$ and a radius of 3000.00 feet;

Thence, South $00^{\circ}58'24''$ East, a distance of 40.54 feet along said north line;

Thence, North $86^{\circ}31'01''$ East, a distance of 6897.56 feet to the northeast corner of said Parcel 15;

Thence, South $00^{\circ}57'26''$ East, a distance of 3869.39 feet along said east line;

Thence, North $89^{\circ}05'46''$ East, a distance of 466.94 feet along said east line;

Thence, South $00^{\circ}56'26''$ East, a distance of 5357.51 feet along said east line;

Thence, South $89^{\circ}02'10''$ West, a distance of 3214.24 feet along said east line;

Thence, South 00°58'22" East, a distance of 860.88 feet along said east line to the most northerly corner of Parcel 23 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, South 51°47'34" East, a distance of 610.84 feet along the northeast line of said Parcel 23;

Thence, South 38°12'24" West, a distance of 298.46 feet along the southeast line of said Parcel 23;

Thence, South 89°01'38" West, a distance of 284.95 feet along the south line of said Parcel 23 to the east line of said Parcel 15;

Thence, South 00°58'22" East, a distance of 1635.90 feet along said east line to the south east corner of said Parcel 15;

Thence, South 89°23'14" West, a distance of 3090.85 feet along the south line of said Parcel 15;

Thence, South 89°37'42" West, a distance of 1947.08 feet along said south line;

Thence, North 89°37'40" West, a distance of 1009.49 feet along said south line to the Point of Beginning.

Containing 2150.616 Acres, more or less.

Together with the following described Parcels of land:

Parcels 18 through 20, Area "B", Parcels 24 through 31, Parcels 35 through 37, filed in Book 55 of Parcel Maps, at Page 30 and New Parcel Eighteen filed in Book 20080221, at Page 0781, both Official Records Sacramento County

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

Excepting therefrom the following described parcels of land:

Exception D

All that property described as "Alpha Area Tank Site No. 803" recorded in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the northwest corner of Parcel 26 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, from the Point of Commencement, North $31^{\circ}28'35''$ West, a distance of 1296.42 feet to the Point of Beginning;

Thence, from the Point of Beginning, North $11^{\circ}48'07''$ West, a distance of 82.96 feet;

Thence, North $78^{\circ}12'53''$ East, a distance of 69.57 feet;

Thence, South $11^{\circ}46'01''$ East, a distance of 82.97 feet;

Thence, South $78^{\circ}13'32''$ West, a distance of 69.52 feet to the Point of Beginning.

Containing 0.132 Acres, more or less.

Exception E

All that property described in a Grant Deed recorded in Book 801215 at Page 499 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the west end of a line described as (N. $89^{\circ}36'00''$ E. 467.64) which is on the east line of said Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 of the Official Records of Sacramento County, thence, North $62^{\circ}26'47''$ West a distance of 2547.29 feet;

Thence, North $89^{\circ}53'58''$ West, a distance of 200.00 feet;

Thence, North $00^{\circ}05'32''$ East, a distance of 200.00 feet;

Thence, South 89°54'15" East, a distance of 199.92 feet;

Thence, South 00°04'05" West, a distance of 200.02 feet to the Point of Beginning.

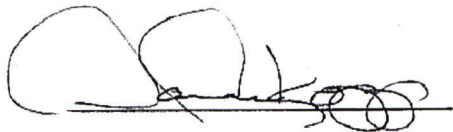
Containing 0.918 Acres, more or less.

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

End of Description

Description prepared by:

MACKAY & SOMPS CIVIL ENGINEERS, INC.
1552 Eureka Road, Suite 100, Roseville, CA 95661



David W Kopp, PLS 4533
License Expiration Date: 12-31-10

Date: 8/17/2010

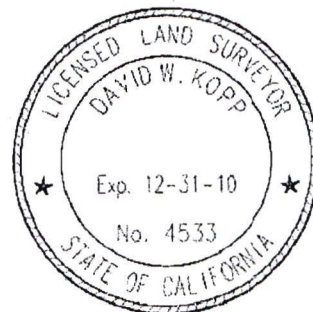


EXHIBIT C-2
Diagram of the Aerojet Property

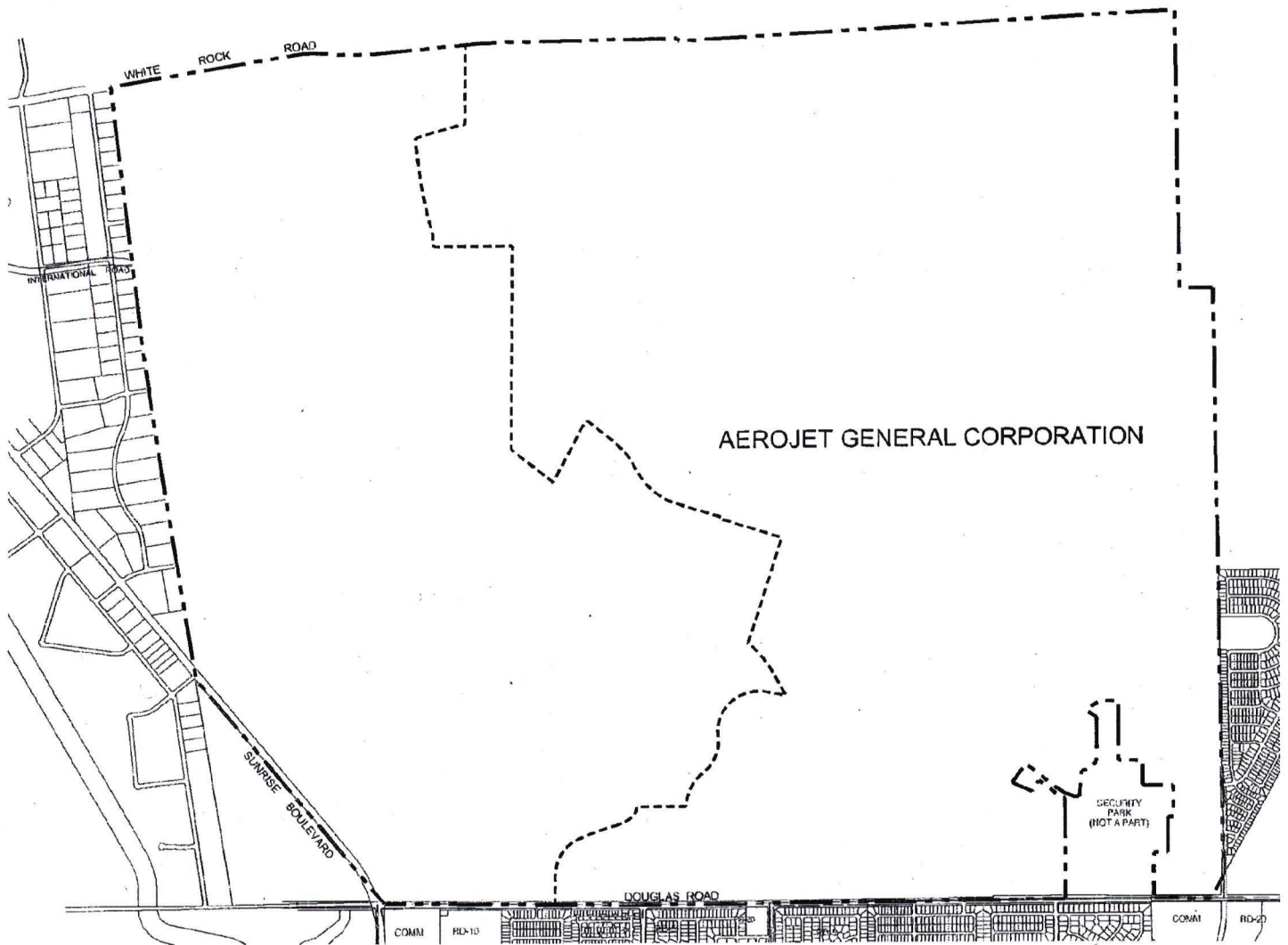


EXHIBIT D

FORM OF ASSIGNMENT

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova

(SPACE ABOVE THIS LINE RESERVED
FOR RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO _____

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this _____ day of _____, 2010, by and between Elliott Homes, Inc, an Arizona corporation (hereinafter "Elliott"), and _____, a _____ (hereinafter "Assignee").

RECITALS

On September 21, 2010, the City of Rancho Cordova and Elliott entered into that certain agreement entitled "Tier 1 Development Agreement By and Between the City of Rancho Cordova and Relative to the Development Known as Rio Del Oro (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Elliott agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 2010, as Instrument No. 2010-_____.

Elliott intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly

identified and described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

Elliott desires to assign and Assignee desires to assume all of Elliott's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Elliott and Assignee hereby agree as follows:

Elliott hereby assigns, effective as of Elliott's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel. Elliott retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Elliott.

Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Elliott under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Elliott as the "Elliott" under the Development Agreement with respect to the Assigned Parcel and Elliott shall be released of and from any obligations or liabilities under the Development Agreement with respect to the Assigned Parcel.

Assignee understands and acknowledges that pursuant to Section 7 of the Development Agreement, Assignee shall have no right to conduct Development Activity on the Assigned Parcel beyond that which is expressly provided for in Section 7 of the Development Agreement, and that City shall have the discretion to deny approval for any Tier 2 Entitlements for the Assigned Parcel until Elliott, Assignee and any other owners of record in the Specific Plan area have agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval by either (1) amending the respective Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Elliott and Assignees achieve the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

The Notice Address described in Section 20 of the Development Agreement for the Elliott with respect to the Assigned Parcel shall be:

Attn: _____

[Signatures follow on next page]

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

ELLIOTT:

ASSIGNEE:

ELLIOTT HOMES INC.,
an Arizona Corporation

a _____

By:

By:

Print Name: _____

Print Name: _____

Title: _____

Title: _____

1474520.5

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

TIER 1 DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF RANCHO CORDOVA
AND
AEROJET CORPORATION
RELATIVE TO THE RIO DEL ORO PROJECT

DEVELOPMENT AGREEMENT RELATIVE TO RIO DEL ORO PROJECT

This Development Agreement is entered into as of this 21st day of September 2010, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), and Aerojet-General Corporation, an Ohio corporation ("Aerojet"), pursuant to the authority of Government Code section 65864 et seq. relating to Development Agreements. City and Aerojet are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

A. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, California Government Code Section 65864, *et seq.* (the "Development Agreement Statute") and Rancho Cordova Municipal Code Chapter 23.158, which authorize City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Definitions. All capitalized terms as used herein are defined in Section 3 of this Agreement.

C. Aerojet Property. Aerojet holds a legal or equitable interest in that certain 2,312-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto. Aerojet represents that all persons holding legal or equitable interests in the property shall be bound by this Aerojet Tier 1 Development Agreement.

D. Concurrent Approval of Elliott Tier 1 Development Agreement. Concurrent with the approval of this Aerojet Tier 1 Development Agreement, a second Tier 1 development agreement with near identical terms is being processed and approved by and between the City of Rancho Cordova and Elliott Homes for the remaining 1,516-acre portion of the Rio Del Oro Specific Plan Area.

E. Joint Planning of Rio Del Oro. Aerojet, Elliott Homes the City, and other public agencies have jointly planned for the development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto. The Rio Del Oro Specific Plan, this Aerojet Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Elliott Tier 1 Development Agreement are the result of this joint effort.

F. Public Hearing. On August 5, 2010, the Planning Commission of City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867 and Rancho Cordova Municipal Code Chapter 23.158, considered this Aerojet Tier 1 Development Agreement and recommended approval of this Agreement to the City Council.

G. Relationship of Tier 1 Entitlements to Tier 2 Entitlements and Subsequent Entitlements. This Aerojet Tier 1 Development Agreement establishes certain initial, mutual obligations relating to the development of the Property under the Tier 1 Entitlements. This

Aerojet Tier 1 Development Agreement also describes the requirements and standards for processing Tier 2 Entitlements and Subsequent Entitlements.

H. Environmental Review. In compliance with the National Environmental Policy Act and the California Environmental Quality Act, on September 7, 2010, by Resolution No. 92-2010, the City approved the Rio Del Oro Specific Plan Project EIS/EIR ("EIS/EIR"). Aerojet agrees that the City may in its discretion determine that additional environmental review under CEQA, beyond that contained in the EIS/EIR, is required for future Tier 2 Entitlements and Subsequent Entitlements to implement the Project. Government Code section 65457 provides that any residential development project that is consistent with a specific plan for which an environmental impact report has been certified is generally exempt from further CEQA review; notwithstanding section 65457 or any successor or related state statute establishing exemptions from or restrictions on further CEQA environmental review, Aerojet agrees that City may, in its sole discretion, require further CEQA review for any Tier 2 Entitlement or Subsequent Entitlement.

I. Development Agreement Ordinance. City and Aerojet have taken all actions mandated by, and fulfilled all requirements set forth in Rancho Cordova Municipal Code Chapter 23.158, the Development Agreement Ordinance of the City of Rancho Cordova.

J. Consistency with General and Specific Plan. Having duly examined and considered this Aerojet Tier 1 Development Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 16-2010, the City found that this Aerojet Tier 1 Development Agreement satisfies the Government Code §65867.5 and this Agreement is consistent with the requirements of the General Plan and Specific Plan.

K. Negotiations. The Parties have, in good faith, negotiated terms set forth in this Aerojet Tier 1 Development Agreement, which terms are intended to carry out the legislative purposes of the Development Agreement Statutes, and which provide for the mutually desirable development of the Aerojet Property.

AGREEMENT

1. Incorporation of Recitals. The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Aerojet Tier 1 Development Agreement as if set forth herein in full.

2. Relationship of City and Aerojet. It is understood that this Aerojet Tier 1 Development Agreement is a contract that has been negotiated and voluntarily entered into by City and Aerojet and that neither Party is an agent of the other Party. City and Aerojet hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Aerojet joint venturers or partners.

3. Definitions.

"Aerojet Property" means that certain 2,312-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2, and attached hereto, which is subject to this Aerojet Tier 1 Development Agreement.

"Aerojet Project" means the planned development of the Aerojet Property pursuant to the Tier 1 Entitlements.

"Aerojet Tier 2 Development Agreement" means that development agreement which may be approved for the entire Aerojet Property pursuant to the process and terms set forth in this Aerojet Tier 1 Development Agreement, in particular section 6.2 hereto.

"Affordable Housing Plan" means a plan prepared by Aerojet or Elliott Homes in compliance with the City of Rancho Cordova General Plan Housing Element, and in particular with Policy H.1.5 of thereof, for review and approval by the City, that identifies the plans of the Rio del Oro Project for providing affordable housing.

"City Council" means the City Council of the City of Rancho Cordova.

"Development Activity" means any development, construction and land use pursuant to or in furtherance of the Rio Del Oro Specific Plan, including without limitation ground disturbance, grading, land alteration, and construction of any improvements, including, but not limited to, structures, roadways, infrastructure, dwelling units, and non-residential buildings. Development Activity expressly does not include: (a) any development, construction or land use authorized by laws regulations, plans, policies or permits, of the City applicable to the Property that were in effect prior to the effective date of the Rio del Oro Specific Plan and the other Tier 1 Entitlements, including without limitation, Rio del Oro Mining Permit pertaining to Assessor's Parcel No. 072-0370-070-000 (now Assessor's Parcel Nos. 072-0370-102-000, 072-0370-103-000, 072-0370-104-000, and 072-0370-105-000) and associated reclamation activities issued to Granite Construction Company (b) activities necessary to fill "waters of the United States," as defined by then applicable federal law and pursuant to a valid and unexpired Section 404 permit for the Property; and (c) any work of any nature that Aerojet or the Boeing Company may be required or authorized to conduct by local, state or federal regulatory agencies, in connection with the McDonnell Douglas Inactive Rancho Cordova Test Site (IRCTS), including, by way of example and not by way of limitation, orders, consent decrees, waste discharge requirements, monitoring/reporting program orders and any amendments thereto that have been issued or may in the future be issued by the California Department of Toxic Substance Control (DTSC), United States EPA, United States Fish and Wildlife Service, United States Army Corps of Engineers, and/or the Central Valley Regional Water Quality Control Board, pertaining to, arising out of or related to soil and groundwater remediation, endangered species mitigation, wetlands mitigation, or any other similar activity required or authorized by said local, state or federal regulatory agencies.

"Elliott Homes" means Elliott Homes, Inc., an Arizona corporation.

"Elliott Homes Property" means that certain 1,516-acre portion of the Rio Del Oro Specific Plan Area located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit C-1 and Exhibit C-2, and attached hereto, which is subject to the Elliott Tier 1 Development Agreement.

"Elliott Tier 1 Development Agreement" means the Tier 1 Development Agreement, with near identical terms to this Aerojet Tier 1 Development Agreement, which is being concurrently processed and approved by and between the City of Rancho Cordova and Elliott Homes for the Elliott Homes Property.

"Elliott Homes Tier 2 Development Agreement" means that development agreement which may be approved for the entire Elliott Homes Property pursuant to the process and terms set forth in the Elliott Tier 1 Development Agreement.

"Financing Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define: (a) the specific mechanisms that will be required to fund the capital costs of all infrastructure necessary as a result of build-out of the Specific Plan; (b) the funding mechanisms necessary to maintain new infrastructure and public services needed by the future residents and businesses in the Specific Plan Area; and (c) the funding and financing of the activities and actions described in the Affordable Housing Plan.

"Phasing Master Plan" means that plan, as further described in the Specific Plan, applicable to the entire Rio Del Oro Specific Plan Area, which will be adopted by the City Council prior to or concurrent with approval of the first Tier 2 Development Agreement approved for any development within the Specific Plan Area and prior to any Development Activity within the Specific Plan Area, and which shall define in detail the on-site and off-site facility requirements to develop each phase of the Specific Plan Area, including location of facilities, cost estimates, and construction timing requirements.

"Master Large Lot Map Conditions of Approval" means the set of conditions and requirements that will be placed on large lots maps for the Aerojet Property and other property within the Rio Del Oro Specific Plan Area, and that, together with the Financing Plan, the Phasing Master Plan, and the Affordable Housing Plan will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area.

"Minor Revision" shall have that meaning set forth on page 8-4 of the Rio Del Oro Specific Plan approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Rio del Oro Project" means the planned development of the entire 3,832-acre Rio Del Oro Specific Plan Area described in Exhibit B attached hereto, pursuant to the Rio Del Oro Specific Plan, this Aerojet Tier 1 Development Agreement, the other Tier 1 Entitlements, and the Elliott Tier 1 Development Agreement.

"Specific Plan" means the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan", approved by the City on September 20, 2010, by Ordinance No. 14-2010.

"Specific Plan Area" and "Rio Del Oro Specific Plan Area" mean the entire 3,832-acre which is the subject of the "Rio Del Oro Specific Plan."

"Subsequent Entitlements" mean those additional permits, plans and approvals, that may be approved following approval of the Tier 2 Entitlements, and which will allow for implementation of the Tier 2 Entitlements by subdivision, development and construction within the Specific Plan Area. Subsequent Entitlements may include, without limitation, small lot tentative subdivision maps, small lot final subdivision maps, parcel maps for non-residential areas, lot line adjustments, conditional use permits, and design review permits.

"Substantially comply with" or "substantial compliance with" the "terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval" shall mean that developers in the Specific Plan Area (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Map Conditions of Approval.

"Tier 1 Entitlements" mean (a) the City of Rancho Cordova General Plan in effect on the Effective Date of this Aerojet Tier 1 Development Agreement; (b) the Rio Del Oro Specific Plan Project EIS/EIR, approved by the City on September 7, 2010 by Resolution No. 92-2010 (the Mitigation Measures in the EIR/EIS are incorporated into the Aerojet Project and into the terms and conditions of this Agreement, unless the mitigation measures pertain solely to the Elliott Homes Property); (c) the "Rio Del Oro Specific Plan," including Appendix A thereto "Rio Del Oro Development Standards and Design Guidelines", and Appendix B thereto "On-Site Infrastructure Phasing Plan", approved by the City on September 20, 2010, by Ordinance No. 14-2010; (d) the Amendment to the Aerojet Special Planning Area (SPA), approved by the City on September 20, 2010 by Ordinance No. 16-2010; and (e) this Aerojet Tier 1 Development Agreement, approved by the City on September 20, 2010 by Ordinance No. 16-2010 (the "Adopting Ordinance").

"Tier 2 Entitlements" mean (a) the Financing Plan, (b) the Phasing Master Plan, (c) the Master Large Lot Tentative Map Conditions of Approval, (d) additional Mitigation Measures, beyond or different from those in the EIS/EIR, as provided in the additional environmental documentation required for the Tier 2 Entitlements, unless the mitigation measures pertain solely to the Elliott Homes Property, (e) the Affordable Housing Plan, and (f) and the amendments to Tier 1 Development Agreements or Tier 2 Development Agreements necessary to bind every landowner and all the property within the entire Specific Plan Area (which includes Aerojet, Elliott Homes and their respective successors in interest) to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

4. Effective Date, Term and Termination.

4.1 Effective Date. The effective date of this Aerojet Tier 1 Development Agreement ("Effective Date") is October 20, 2010, which is the effective date of City Ordinance No. 16-2010, adopting this Aerojet Tier 1 Development Agreement.

4.2 Term. The term of this Aerojet Tier 1 Development Agreement shall commence on the Effective Date and extend for a period of ten (10) years, unless said term is terminated, modified or extended by the terms of this Aerojet Tier 1 Development Agreement. Following the expiration of the term, this Aerojet Tier 1 Development Agreement shall be deemed terminated and of no further force and effect. If this Aerojet Tier 1 Development Agreement expires, Aerojet shall have no vested right under the Tier 1 Entitlements and the City shall have the right to modify or repeal the remaining Tier 1 Entitlements and apply new laws and regulations to the development of the Property, subject to then applicable notice and hearing requirements. However, while the Parties have no present agreement to extend the term of this Agreement, the Parties anticipate that negotiations will occur on the Aerojet Tier 2 Development Agreement prior to the expiration of this Aerojet Tier 1 Development Agreement. The Parties anticipate that the Aerojet Tier 2 Development Agreement will (i) replace this Aerojet Tier 1 Development Agreement or modify it and extend its term, and (ii) establish further

vested rights for the Property. If a Tier 2 Development Agreement has not been approved for the Aerojet Property six (6) months prior to the expiration of the term of this Aerojet Tier 1 Development Agreement, the City and Aerojet shall meet to discuss the possibility of amending this Aerojet Tier 1 Development Agreement to extend its term.

4.3 Tolling and Extension During Legal Challenge or Moratoria. In the event that this Aerojet Tier 1 Development Agreement or any of the Tier 1 Entitlements or the EIR or any subsequent approvals or permits required to implement the Tier 1 Entitlements (such as any required wetlands fill permit or environmental document required under the National Environmental Protection Act ("NEPA") related thereto) are subjected to legal challenge by a third party, and Aerojet is unable to proceed with the Project due to such litigation or Aerojet gives written notice to City that it is electing not to proceed with the Project until such litigation is resolved to Aerojet's satisfaction, the term of this Aerojet Tier 1 Development Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Aerojet, be extended and tolled for a maximum period of three (3) years during such litigation until the entry of final order of judgment upholding this Aerojet Tier 1 Development Agreement and/or Tier 1 Entitlements, or the litigation is dismissed by stipulation of the parties; provided, however, that, notwithstanding the foregoing, Aerojet shall have the right to elect, in Aerojet's sole discretion, to proceed with the Aerojet Project at any point by providing the City with written notice that it is electing to proceed with Aerojet Project, in which event the tolling of the term of this Aerojet Tier 1 Development Agreement shall cease as of the date of such notice.

5. Vested Rights. Aerojet shall have the vested right to proceed with development of the Aerojet Property in accordance with the Tier 1 Entitlements, and to have the Tier 2 Entitlements and Subsequent Entitlements considered for approval or denial, based upon the standards and requirements set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan.

5.1 Permitted Uses, Density and Intensity, Maximum Height and Size of Structures, and Reservation or Dedication of Land. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, shall be those set forth in the Tier 1 Entitlements, including without limitation the Rio Del Oro Specific Plan. City acknowledges that the Rio Del Oro Specific Plan includes the land uses and approximate acreages for the Project as shown and described on page 3-7 of the Specific Plan.

5.2 Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Aerojet and City intend that, except as otherwise provided in or limited by Section 5.3 or other provisions of this Agreement, this Aerojet Tier 1 Development Agreement shall vest the Tier 1 Development Entitlements against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Tier 1 Development Entitlements; provided however, Aerojet shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns an imminent public health or safety issue, in which case City shall treat Aerojet in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

5.3 Vested Rights Exclude and Do Not Authorize Development Activity.

Neither the vested rights conferred by this Section 5 (including 5.1 and 5.2) nor any other provision of this Aerojet Tier 1 Development Agreement nor of the Tier 1 Entitlements grant Aerojet a vested right to engage in Development Activity on the Aerojet Property. Development Activity shall occur on the Aerojet Property only following approval of Tier 2 Entitlements as further provided in Section 7 hereto. This Aerojet Tier 1 Development Agreement does not guarantee approval of the Tier 2 Entitlements or Subsequent Entitlements.

6. Processing of Tier 2 Entitlements and Subsequent Entitlements.

6.1. Intent of Tiered Entitlement Approval Process. The primary intent of the tiered entitlement approval process set forth in this Aerojet Tier 1 Development Agreement, and in particular in this Section 6, is to ensure, to the City's satisfaction, that the provisions of the Specific Plan, the Financing Plan and the Phasing Master Plan are uniformly applied in the entire Specific Plan Area in both the Aerojet Property and the Elliott Property.

6.2 Timing of Application for Tier 2 Development Agreement for Aerojet Property. Prior to any Development Activity on the Property, Aerojet shall apply to City to request approval of the Aerojet Tier 2 Development Agreement, which shall cover the entire Aerojet Property. Aerojet shall have the right to apply for the Aerojet Tier 2 Development Agreement at any time during the term of this Aerojet Tier 1 Development Agreement. The Aerojet Tier 2 Development Agreement and the Elliott Homes Tier 2 Development Agreement shall not be required to be simultaneously processed by the City.

6.3 Processing of Tier 2 Development Agreement for Aerojet Property, Requirement of Rio Del Oro Phasing Master Plan and Rio Del Oro Master Large Lot Map.

If Aerojet requests approval of the Aerojet Tier 2 Development Agreement before Elliott Homes requests approval of the Elliott Homes Tier 2 Development Agreement, Aerojet shall be responsible for working with the City to prepare the Financing Plan, the Phasing Master Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. The Aerojet Tier 2 Development Agreement shall be approved at the same time as, but not before, the City approves the Financing Plan, Phasing Master Plan and Affordable Housing Plan for the entire Specific Plan Area, and a large lot tentative map for the Aerojet Property which map includes the Master Conditions of Approval to implement the Specific Plan, the Financing Plan, Phasing Master Plan and Affordable Housing Plan.

If Elliott Homes requests approval of the Elliott Homes Tier 2 Development Agreement before Aerojet requests approval of the Aerojet Tier 2 Development Agreement, Elliott Homes shall be responsible for working with the City to prepare a single Financing Plan, a single Phasing Master Plan, a single Affordable Housing Plan, and a single set of Master Large Lot Map Conditions of Approval, that together will specify the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations that will be applicable to and cover the entire Specific Plan Area. Thereafter, when Aerojet requests approval of the Aerojet Tier 2 Development Agreement, City shall have the discretion to deny approval of the Aerojet Tier 2 Development Agreement and any other Tier 2 entitlements for any portion of the Aerojet Property unless Aerojet agrees to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan, and the Master Large Lot Tentative Map Conditions of Approval as previously adopted with the Elliott Homes Tier 2

Development Agreement by either (a) amending this Aerojet Tier 1 Development Agreement or (b) agreeing to such terms and entering into the Aerojet Tier 2 Development Agreement.

As provided in Section 5 of this Aerojet Tier 1 Development Agreement, the City shall consider approval or denial, of the Aerojet Tier 2 Development Agreement, the other Tier 2 Entitlements and the Subsequent Approvals based upon the standards and requirements in the Tier 1 Entitlements.

7. **No Development Activity Until Tier 2 Approved.** Notwithstanding the vested rights granted by this Aerojet Tier 1 Development Agreement and consistent with the limitation on Aerojet's rights in Section 5.3 of this Agreement, the City shall have the full, unrestrained and sole discretion to deny any and all Development Activity on any property in the Specific Plan Area unless and until every landowner in the entire Specific Plan Area (which includes Aerojet, Elliott Homes and their respective successors in interest) has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval as adopted by the City by either (a) amending its Tier 1 Development Agreement or (b) agreeing to such terms and entering into a Tier 2 Development Agreement.

8. **Amendment or Cancellation.**

8.1 **Modification Because of Conflict with State or Federal Laws.** In the event that State or Federal laws or regulations enacted after the Effective Date of this Aerojet Tier 1 Agreement prevent or preclude compliance with one or more provisions of this Agreement or any Tier 1 Entitlements, the Parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Aerojet Tier 1 Agreement and such Tier 1 Entitlements to comply with such Federal or State law or regulation. Any such amendment or suspension of this Aerojet Tier 1 Agreement or Tier 1 Entitlements shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

8.2 **Amendment by Mutual Consent.** This Aerojet Tier 1 Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State law and Municipal Code. Any amendment of the Tier 1 Entitlements that does not constitute a Minor Revision shall require amendment of this Aerojet Tier 1 Agreement.

8.3 **Cancellation by Mutual Consent.** Except as otherwise permitted herein, this Aerojet Tier 1 Agreement may be canceled in whole or in part only by the mutual consent of the Parties or their successors in interest, in accordance with Municipal Code. Any fees paid pursuant to this Agreement and spent by the City prior to the date of cancellation shall be retained by City.

9. **Annual Review.**

9.1 **Annual Review.** The City shall annually monitor and review Aerojet's good faith compliance with the terms of this Aerojet Tier 1 Agreement and the Initial Entitlements.

9.2 **Monitoring.** The City has the responsibility and discretion to monitor the continuing compliance of Aerojet with the terms of this Aerojet Tier 1 Agreement and the Tier 1 Entitlements by updating decision makers, conducting field inspections, implementing and

interpreting requirements, monitoring any litigation relating to the Property, and taking such other actions as the City may deem appropriate. As a result of the limited scope of the Tier 1 Entitlements, the Parties anticipate that, the focus of the Annual Review will generally, in the discretion of the City, be on whether or not any Development Activity is occurring.

9.3 Annual Review Date. The annual review shall occur each year during the term of this Aerojet Tier 1 Agreement on or about the anniversary date of the Effective Date.

9.4 Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Aerojet written notice that the City intends to undertake such review, including an estimate of the total costs the City expects to incur in connection with the review. Within thirty (30) days of City's notice, Aerojet shall provide evidence to the Planning Director to demonstrate good faith compliance with this Aerojet Tier 1 Development Agreement. The burden of proof, by substantial evidence of compliance, is upon Aerojet. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to conduct review at a later date or otherwise enforce the provisions of this Aerojet Tier 1 Agreement. Aerojet is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

9.5 Staff Reports. City shall deposit in the mail to Aerojet a copy of all staff reports, and related exhibits, concerning contract performance at least twenty (20) days prior to any annual review. City shall also, to the extent practicable, make reasonable efforts to provide simultaneous notice by e-mail or other then available means of electronic technology.

9.6 Costs. Costs reasonably and directly incurred by the City in connection with the annual review and monitoring shall be paid by Aerojet in accordance with the City's schedule of fees and billing rates in effect at the time of review. The City may require Aerojet to provide deposits for the City's estimated costs in connection with the City's annual review and monitoring in the year following the current compliance review. The costs that Aerojet may be required to pay shall not be limited to the amount in the Planning Director's estimate.

9.7 Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Aerojet has not complied in good faith with the terms and conditions of the Aerojet Tier 1 Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law. As part of that final determination, the City Council may impose conditions on the Aerojet Project that it considers necessary and appropriate to protect the interest of the City. Aerojet may, at the same hearing, raise any and all issues of non-compliance by the City with the terms of this Aerojet Tier 1 Development Agreement, and the City Council shall review and make findings concerning the compliance of all Parties to the Agreement.

9.8 Appeal of Determination. The decision of the City Council as to Aerojet's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days.

10. Default and Opportunity to Cure. Subject to any applicable extension of time agreed to by the Parties in writing, failure by any party to perform any term or provision of this

Aerojet Tier 1 Agreement required to be performed by such Party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." Except as provided in Section 10, a Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 20, and the Party in Default fails to cure such Event of Default within the applicable cure period.

10.1 Procedure Regarding Defaults.

10.1.1 Notice of Default. If an Event of Default occurs, prior to exercising any remedies except as provided in Section 10, the Complaining Party shall give the Party in Default written notice of such default. Where the City provides notice of an Event of Default by Aerojet, the City shall not be obligated to issue any permit or approve any entitlement for which an application has been filed until the Default is cured pursuant to the procedures in this Section 10.

10.1.2 Cure. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the Party in Default receipt of the notice), the Party in Default provides written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given. If the Event of Default is discovered or determined in the course of the Annual Compliance Review, in addition to other remedies and potential cures, the City shall have the statutory authority pursuant to Government Code section 65865.1 to decide to terminate or modify the Aerojet Tier 1 Agreement following the opportunity to cure as provided in this Section 10.1.2.

10.1.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

10.1.4 Legal Proceedings. If the Party in Default fails to cure a default in accordance with the provisions of Section 10.1.2, the Complaining Party, at its option, may institute legal proceedings pursuant to this Aerojet Tier 1 Agreement or terminate this Aerojet Tier 1 Development Agreement. Upon the occurrence of an Event of Default, the Parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or the City's regulations governing development agreements, expressly including the remedy of specific performance of this Aerojet Tier 1 Agreement. In no event, except as provided in Sections 14, 17 and 18 of this Agreement shall either Party be liable to the other Party for any monetary damage for claims arising out of this Agreement and both Parties hereby expressly waive any such monetary damages City. Notwithstanding the

foregoing, the City may immediately institute any legal proceedings relating to this Aerojet Tier 1 Development Agreement without the notice and opportunity to cure required in the case of an emergency or immediate danger to public health, safety or welfare.

11. **Estoppel Certificate.** Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party certify in writing that, to the knowledge of the certifying party, (i) this Aerojet Tier 1 Agreement is in full force and effect and a binding obligation of the parties, (ii) this Aerojet Tier 1 Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligations under this Aerojet Tier 1 Agreement, or if in default, describing therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Aerojet Tier 1 Development Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording Party.

12. **Severability.** Except as set forth herein, if any term, covenant or condition of this Aerojet Tier 1 Development Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Aerojet Tier 1 Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Aerojet Tier 1 Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Aerojet Tier 1 Agreement from and after such determination.

13. **Applicable Law.** This Aerojet Tier 1 Agreement shall be construed and enforced in accordance with the laws of the State of California.

14. **Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement.** Should any legal action be brought by either party for breach of this Aerojet Tier 1 Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

15. **Agreement Runs with the Land.** Except as otherwise provided for in this Aerojet Tier 1 Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Aerojet Tier 1 Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Aerojet Tier 1 Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property: (1) is for the benefit of such properties and is a burden upon such properties; (2) runs with such properties; and (3) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall

be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. **Bankruptcy.** The obligations of this Aerojet Tier 1 Agreement shall not be dischargeable in bankruptcy.

17. **Indemnification From Construction, Improvement, Operation and Maintenance Claims.** Aerojet agrees to indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by Aerojet, or any actions or inactions of Aerojet's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided, however, that Aerojet shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, or its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by City or another public entity (except as provided in an improvement agreement or maintenance bond). The provisions of this Section ____ shall survive the termination of this Aerojet Tier 1 Agreement.

18. **Cooperation and Aerojet Indemnification of City in Event of Legal Challenge to Agreement or Initial Entitlements.** In the event of any legal or equitable action or other proceeding instituted by a third party or other governmental entity or official challenging the validity of any provisions of this Aerojet Tier 1 Agreement or the Tier 1 Entitlements or seeking to overturn or invalidate any approval granted pursuant to this Aerojet Tier 1 Agreement, the Parties hereby agree to cooperate in defending said action or proceeding; provided, however, that Aerojet shall be solely responsible for costs incurred for such defense. In any such legal or equitable action or proceeding, Aerojet shall indemnify, defend with counsel selected by the City and hold harmless City, and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability. Neither Aerojet nor the City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other Party. The provisions of this Section 18 shall survive the termination of this Aerojet Tier 1 Agreement.

19. **Third Party Beneficiaries.** This Aerojet Tier 1 Agreement is made and entered into for the sole protection and benefit of Aerojet and, City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

20. **Notices.** All notices required by this Aerojet Tier 1 Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Notice required to be given to Aerojet shall be addressed as follows:

EASTON Development Company LLC
Chief Operating Officer and Vice President
620 Coolidge Drive, Suite 100
Folsom, CA 95630

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

21. Assignment and Release. Aerojet shall have the full right to assign this Aerojet Tier 1 Development Agreement in connection with any sale, transfer or conveyance of all or any portion of the Property, subject to the limitations and terms in this Section 21. Upon the express written assignment by Aerojet, and assumption by the assignee of such assignment in the form attached hereto as Exhibit D, Aerojet shall be released from further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Aerojet," with all rights and obligations related thereto, with respect to such conveyed property (the "Assigned Property").

21.1 Effect of Partial Assignments on Tier 2 Development Agreement and Application for Subsequent Entitlements. In the event of a sale, transfer or conveyance of only a portion of the Property prior to approval of the Tier 2 Development Agreement or the Subsequent Entitlements, the assignee of a partial assignment ("Partial Assignee") shall have no right to conduct Development Activity on the Aerojet Property. The City shall have the discretion to deny approval of any Tier 2 Entitlements for any portion of the Specific Plan area until every Aerojet and Partial Assignee has agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval by either (1) amending its Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Landowners (including any Partial Assignees) achieve substantially the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Map Conditions of Approval.

22. Priority of Enactment. In the event of conflict between this Aerojet Tier 1 Development Agreement and the Tier 1 Entitlements, the Parties agree that the following sequence of approvals establishes the relative priority of approvals, each approval superior to the approvals listed thereafter: (1) the Aerojet Tier 1 Development Agreement and (2) the Tier 1 Entitlements.

23. Form of Agreement; Recordation; Exhibits. Except when this Aerojet Tier 1 Agreement is automatically terminated due to the expiration of the Term of this Agreement, City shall cause this Agreement, any amendment hereto and any termination of any parts or provisions hereof, to be recorded with the County Recorder within ten (10) days of the effective date thereof. Any amendment or termination of this Aerojet Tier 1 Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 14 pages and 6 exhibits, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Aerojet Tier 1 Development Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. 16-2010, adopted by the Council of the City on the 20th day of September 2010, and Aerojet has caused this Agreement to be executed.

"CITY"

CITY OF RANCHO CORDOVA,
a municipal corporation

By: _____

Name: _____

Its: _____

Date: _____

"AEROJET"

AEROJET-GENERAL CORPORATION
an Ohio corporation

By: _____

Name: _____

Its: _____

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
City Attorney
Date: _____

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Aerojet Property
Exhibit A-2:	Diagram of the Aerojet Property
Exhibit B:	Rio Del Oro Specific Plan area (Rio Del Oro Project)
Exhibit C-1:	Legal Description of the Elliott Homes Property
Exhibit C-2:	Diagram of the Elliott Homes Property
Exhibit D:	Form of Assignment

Thence, on the arc of a curve to the right a distance of 1060.28 feet; said curve has a central angle of $108^{\circ}28'52''$ and a radius of 560.00 feet;

Thence, South $79^{\circ}02'16''$ East, a distance of 274.71 feet;

Thence, North $28^{\circ}09'08''$ West, a distance of 236.87 feet;

Thence, on the arc of a curve to the left a distance of 665.31 feet, said curve has a central angle of $19^{\circ}03'35''$ and a radius of 2000.00 feet;

Thence, North $17^{\circ}25'57''$ East, a distance of 1542.41 feet;

Thence, North $72^{\circ}34'03''$ West, a distance of 856.47 feet;

Thence, North $17^{\circ}25'57''$ East, a distance of 25.00 feet;

Thence, North $72^{\circ}34'03''$ West, a distance of 651.82 feet;

Thence, on the arc of a curve to the right a distance of 784.77 feet, said curve has a central angle of $46^{\circ}07'00''$ and a radius of 975.00 feet;

Thence, on the arc of a curve to the left a distance of 498.28 feet, said curve has a central angle of $25^{\circ}22'37''$ and a radius of 1125.00 feet;

Thence, North $51^{\circ}49'40''$ West, a distance of 453.85 feet;

Thence, South $38^{\circ}10'20''$ West, a distance of 125.00 feet;

Thence, South $27^{\circ}42'33''$ West, a distance of 850.47 feet;

Thence, North $51^{\circ}45'32''$ West, a distance of 723.29 feet to the common line between Lot A and Lot B of said Lot Line Adjustment;

Thence, North $00^{\circ}22'20''$ East, a distance of 2829.16 feet along said common line;

Thence, South $89^{\circ}29'00''$ West, a distance of 1078.83 feet along said common line;

Thence, North $04^{\circ}34'36''$ West, a distance of 192.34 feet along said common line;

Thence, North $16^{\circ}09'51''$ West, a distance of 253.09 feet along said common line;

Thence, North $11^{\circ}19'50''$ West, a distance of 479.39 feet along said common line;

Thence, North $07^{\circ}23'34''$ West, a distance of 292.93 feet along said common line;

Thence, North 06°22'41" West, a distance of 169.64 feet along said common line;

Thence, North 01°23'23" West, a distance of 152.03 feet along said common line;

Thence, North 71°35'34" East, a distance of 146.02 feet along said common line;

Thence, North 74°08'41" East, a distance of 462.88 feet along said common line;

Thence, North 84°48'48" East, a distance of 66.67 feet along said common line;

Thence, North 10°56'56" East, a distance of 102.96 feet along said common line;

Thence, North 04°10'36" West, a distance of 197.73 feet along said common line;

Thence, North 01°46'57" East, a distance of 318.01 feet along said common line;

Thence, North 00°44'08" East, a distance of 496.43 feet along said common line to the north line of said Parcel 15;

Thence, North 84°12'46" East, a distance of 56.52 feet along said north line to the arc of a non-tangent curve having a radial bearing of South 05°46'55" East;

Thence, on the arc of said non-tangent curve to the right a distance of 404.13 feet along said north line, said non-tangent curve has a central angle of 04°37'52" and a radius of 5000.00 feet;

Thence, North 88°50'57" East, a distance of 2409.24 feet along said north line to the arc of a non-tangent curve having a radial bearing of North 01°08'48" West;

Thence, on the arc of said non-tangent curve to the left a distance of 62.58 feet along said north line, said non-tangent curve has a central angle of 01°11'43" and a radius of 3000.00 feet;

Thence, South 00°58'24" East, a distance of 40.54 feet along said north line;

Thence, North 86°31'01" East, a distance of 6897.56 feet to the northeast corner of said Parcel 15;

Thence, South 00°57'26" East, a distance of 3869.39 feet along said east line;

Thence, North 89°05'46" East, a distance of 466.94 feet along said east line;

Thence, South 00°56'26" East, a distance of 5357.51 feet along said east line;

Thence, South 89°02'10" West, a distance of 3214.24 feet along said east line;

Thence, South 00°58'22" East, a distance of 860.88 feet along said east line to the most northerly corner of Parcel 23 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, South 51°47'34" East, a distance of 610.84 feet along the northeast line of said Parcel 23;

Thence, South 38°12'24" West, a distance of 298.46 feet along the southeast line of said Parcel 23;

Thence, South 89°01'38" West, a distance of 284.95 feet along the south line of said Parcel 23 to the east line of said Parcel 15;

Thence, South 00°58'22" East, a distance of 1635.90 feet along said east line to the south east corner of said Parcel 15;

Thence, South 89°23'14" West, a distance of 3090.85 feet along the south line of said Parcel 15;

Thence, South 89°37'42" West, a distance of 1947.08 feet along said south line;

Thence, North 89°37'40" West, a distance of 1009.49 feet along said south line to the Point of Beginning.

Containing 2150.616 Acres, more or less.

Together with the following described Parcels of land:

Parcels 18 through 20, Area "B", Parcels 24 through 31, Parcels 35 through 37, filed in Book 55 of Parcel Maps, at Page 30 and New Parcel Eighteen filed in Book 20080221, at Page 0781, both Official Records Sacramento County

See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

Excepting therefrom the following described parcels of land:

Exception D

All that property described as "Alpha Area Tank Site No. 803" recorded in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the northwest corner of Parcel 26 as said parcel is shown in Book 55 of Parcel Maps at Page 30 of the Official Records of Sacramento County;

Thence, from the Point of Commencement, North $31^{\circ}28'35''$ West, a distance of 1296.42 feet to the Point of Beginning;

Thence, from the Point of Beginning, North $11^{\circ}48'07''$ West, a distance of 82.96 feet;

Thence, North $78^{\circ}12'53''$ East, a distance of 69.57 feet;

Thence, South $11^{\circ}46'01''$ East, a distance of 82.97 feet;

Thence, South $78^{\circ}13'32''$ West, a distance of 69.52 feet to the Point of Beginning.

Containing 0.132 Acres, more or less.

Exception E

All that property described in a Grant Deed recorded in Book 801215 at Page 499 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the west end of a line described as (N. $89^{\circ}36'00''$ E. 467.64) which is on the east line of said Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 of the Official Records of Sacramento County, thence, North $62^{\circ}26'47''$ West a distance of 2547.29 feet;

Thence, North $89^{\circ}53'58''$ West, a distance of 200.00 feet;

Thence, North $00^{\circ}05'32''$ East, a distance of 200.00 feet;

Thence, South 89°54'15" East, a distance of 199.92 feet;

Thence, South 00°04'05" West, a distance of 200.02 feet to the Point of Beginning.

Containing 0.918 Acres, more or less.

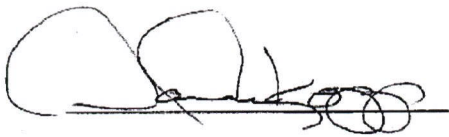
See Exhibits A-1 plats to accompany legal descriptions attached hereto and made a part hereof.

End of Description

Description prepared by:

MACKAY & SOMPS CIVIL ENGINEERS, INC.

1552 Eureka Road, Suite 100, Roseville, CA 95661



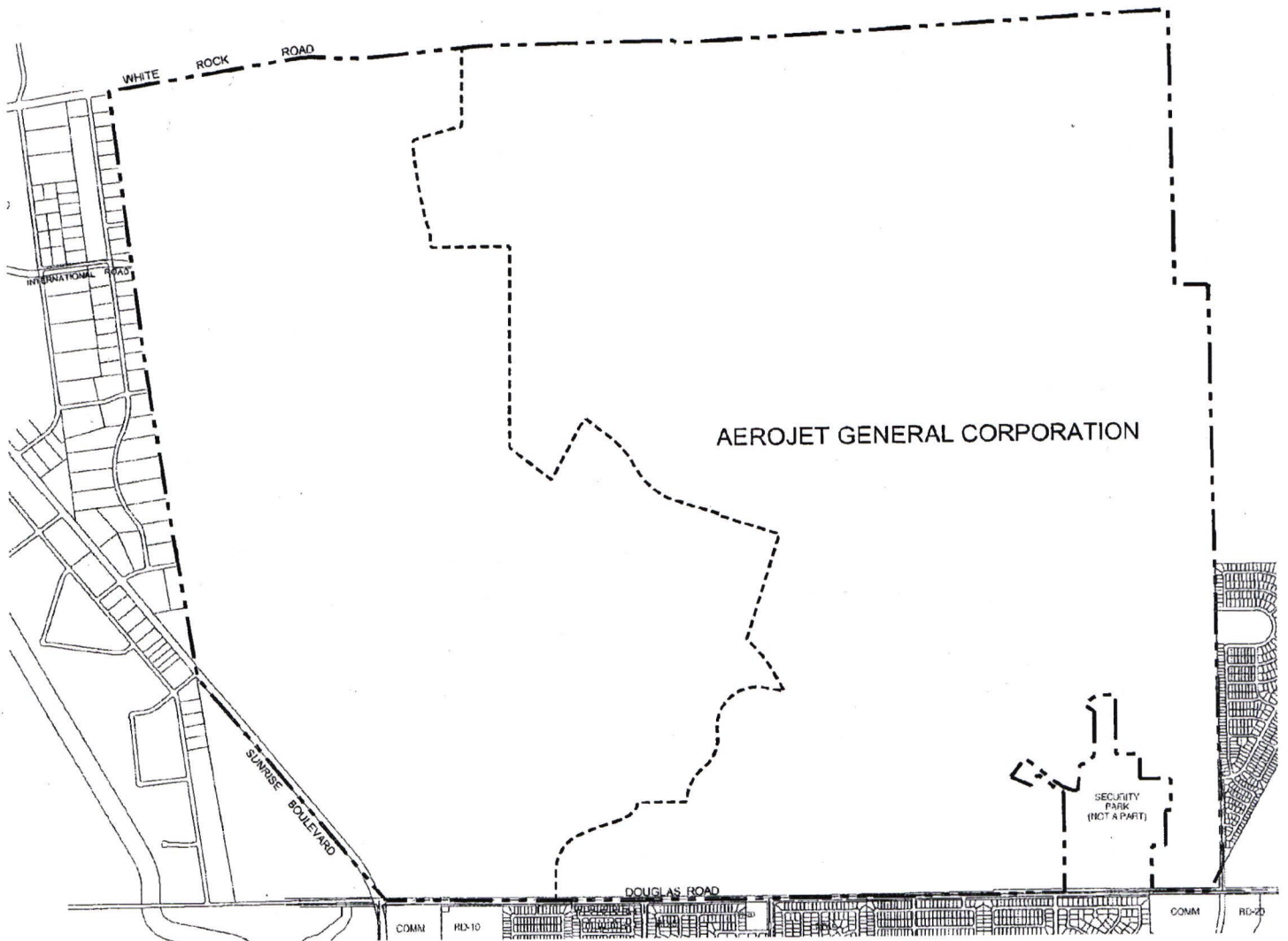
David W Kopp, PLS 4533

License Expiration Date: 12-31-10

Date: 8/17/2010



EXHIBIT A-2
Diagram of the Aerojet Property



RIO DEL ORO SPECIFIC PLAN AREA

LAND USE		ADRES	RELATV ADRES	AREAS CO-FF	PLANT ADRES	PLANT ADRES	PLANT ADRES	% OF TOTAL ADRES
01	SMALL PLANT, RESIDUAL	1,141	21.4-0.0	0.0-0.0	7,280	60%	9.05%	
02	RETAIL, DISCOUNT, SUPERMARKET	206	4.1-1.0	0.0-0.0	2,048	16%	13.9%	
03	RETAIL, DISCOUNT, SUPERMARKET	98	1.9-1.0	0.0-0.0	1,900	17%	5.2%	
04	INDUSTRIAL, COMMERCIAL	26						
05	LOCAL, TOWN CENTER	25						
06	REGIONAL, TOWN CENTER	113						
07	BUSINESS PARK	96						
08	INDUSTRIAL, BULK	203						
09	PLANT, COAL, BULK	7.4						
10	PLANT, STEEL	-						
11	PLANT, PETROLEUM	-						
12	CONTAINER, SCHOOL	-						
13	SP-CD, CIVIL	78						
14	RETAIL, SCHOOL	26						
15	EDUCATION, SCHOOL	54						
16	COMMERCE, PARK	147						
17	RECREATION, PARK	97.2						
18	TRON, WARE, DETENTION	26						
19	WETLAND, WETLAND	51.0						
20	INDUSTRIAL, WETLAND	138						
21	PLANT, INDUSTRIAL	54						
22	INDUSTRIAL, WETLAND	72						
23	INDUSTRIAL, WETLAND	12						
24	INDUSTRIAL, WETLAND	92						
25	INDUSTRIAL, WETLAND	51						
26	INDUSTRIAL, WETLAND	112						
TOTALS:		355.3			11,807	100%		

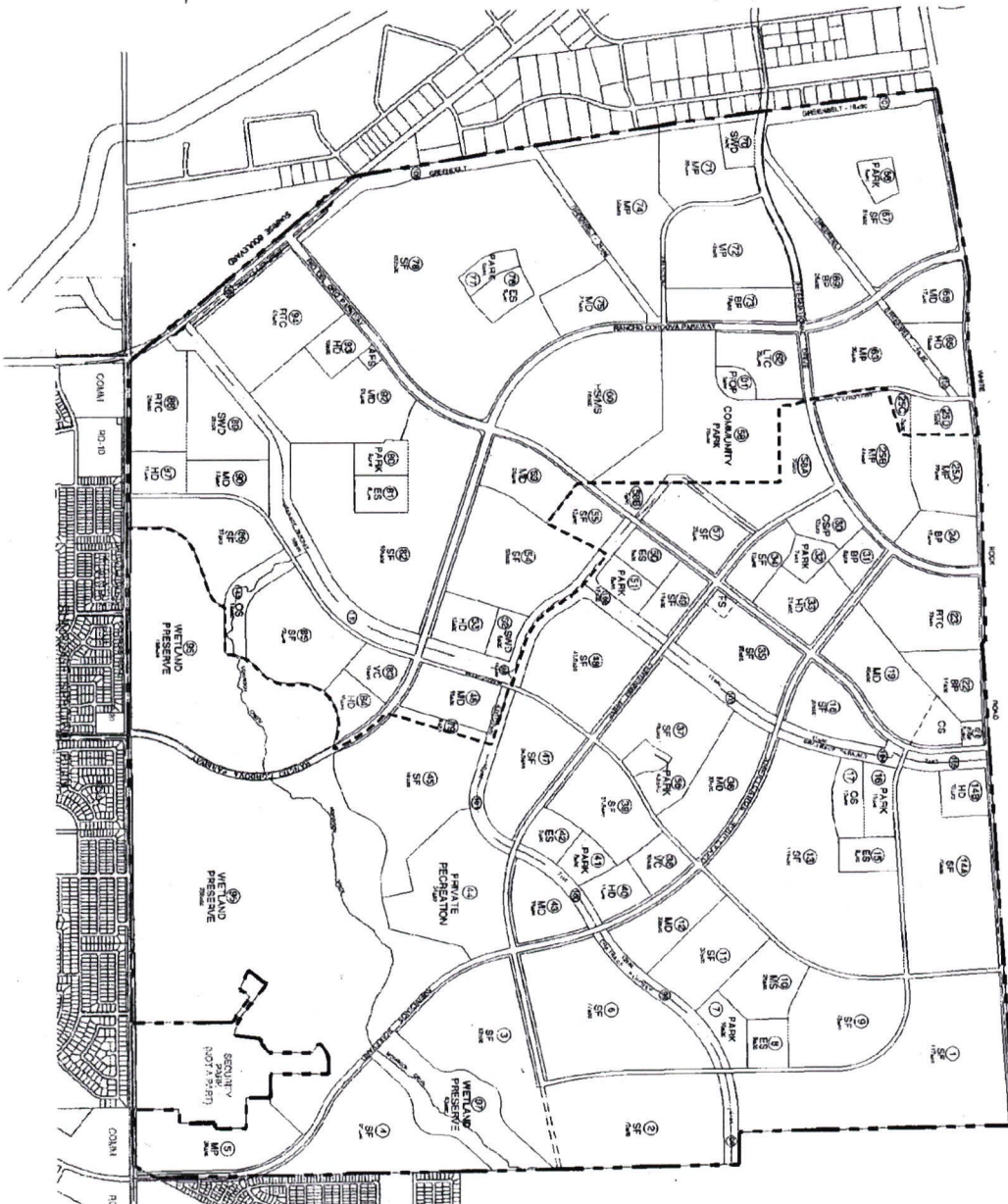


EXHIBIT C-1

Legal Description of the Elliott Homes Property

PARCEL 1:

All that portion of Parcel 15 as said Parcel is shown on that certain Revised Parcel Map of "A Portion of Record of Surveys 12 R.S. 30 and 18 R.S. 4 and also being a Portion of Rancho Rio De Los Americanos" filed in the office of the Recorder, County of Sacramento, State of California in Book 55 of Parcel Maps, Page 29, and being more particularly described as follows:

Beginning at the Northwest corner of said Parcel 15; thence from said point of beginning along the Westerly line of said Parcel the following five (5) courses: (1) South 07°44'05" West 30.44 feet, (2) South 06°36'05" East 3603.85 feet, (3) South 08°08'17" East 2073.42 feet, (4) South 08°47'03" East 2197.91 feet, and (5) South 08°48'24" East 419.75 feet to a point on the Westerly right-of-way line of Sunrise Boulevard, a County Road, as shown on said Parcel Map; thence along said right-of-way line South 39°18'38" East 4093.39 feet; thence South 89°10'03" East 990.37 feet; thence South 89°06'40" East 933.19 feet; thence North 00°53'20" East 2290.81 feet to a point on an existing fence line; thence along said fence line, the following fourteen (14) courses and distances: (1) North 89°32'35" West 367.46 feet, (2) North 89°24'25" West 402.97 feet; (3) North 00°30'05" East 722.15 feet, (4) North 00°34'11" East 608.94 feet, (5) North 87°30'22" West 39.63 feet, (6) North 00°50'49" East 225.19 feet, (7) North 71°12'32" West 459.31 feet, (8) North 18°32'48" East 299.22 feet, (9) North 18°43'33" East 581.68 feet, (10) North 18°52'10" East 260.18 feet, (11) North 87°29'23" East 30.58 feet, (12) North 86°35'54" East 79.74 feet, (13) North 87°23'08" East 104.15 feet, and (14) South 71°22'21" East 494.50 feet; thence North 00°53'20" East 4230.53; thence North 90°00'00" West 1078.83 feet; thence

North 04°03'36" West 192.34 feet; thence North 15°38'51" West 253.09 feet; thence North 10°48'50" West 497.39 feet; thence North 06°52'34" West 292.93 feet; thence North 05°51'41" West 169.64 feet; thence North 00°52'23" West 152.03 feet; thence North 72°06'34" East 146.02 feet; thence North 74°39'41" East 462.88 feet; thence North 85°19'48" East 66.67 feet; thence North 11°27'56" East 102.96 feet; thence North 03°39'36" West 197.73 feet; thence North 02°17'57" East 318.01 feet; thence North 01°15'08" East 494.52 feet; thence South 84°44'15" West 1242.18 feet; thence curving to the right on an arc having a radius of 3000.00 feet, said arc being subtended by a chord bearing South 88°53'53" West 435.31 feet; thence North 86°56'29" West 389.84 feet; thence curving to the left on an arc having a radius of 1500.00 feet, said arc being subtended by a chord bearing south 87°03'12" West 313.85 feet, thence South 81°02'54" West 2579.08 feet to the point of beginning.

EXCEPTING THEREFROM as a mineral interest, and not as a royalty interest, all of the minerals of every kind in, under, or that may be produced from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting as a mineral interest, and not as a royalty interest, all oil, gas, hydrocarbons, and associated substances in, under, or produced and saved from the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; and excepting all water and rights, including, but not limited to, all rights of access, to water lying below the surface of the Real Property as reserved by Aerojet-General Corporation, an Ohio Corporation in deed recorded November 18, 1997, in Book 199711-18, Page 810, Official Records; provided, however, that Grantor, and its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into, or through the surface of the Real Property, or within one hundred (100) feet below, as measured vertically from, the surface of the Real Property.

PARCEL 2:

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Beginning at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Beginning, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, South 89°56'25" West, a distance of 367.46 feet along said common line;

Thence, North 89°55'25" West, a distance of 402.97 feet along said common line;

Thence, North 00°00'55" West, a distance of 722.15 feet along said common line;

Thence, North 00°03'11" East, a distance of 608.94 feet along said common line;

Thence, North 88°01'22" West, a distance of 39.63 feet along said common line;

Thence, North 00°19'49" East, a distance of 225.19 feet along said common line;

Thence, North 71°43'32" West, a distance of 459.31 feet along said common line;

Thence, North 18°01'48" East, a distance of 299.22 feet along said common line;

Thence, North 18°12'33" East, a distance of 581.68 feet along said common line;

Thence, North 18°21'10" East, a distance of 260.18 feet along said common line;

Thence, North 86°58'23" East, a distance of 30.58 feet along said common line;

Thence, North 86°04'54" East, a distance of 79.74 feet along said common line;

Thence, North 86°52'08" East, a distance of 104.15 feet along said common line;

Thence, South 71°53'21" East, a distance of 494.50 feet along said common line;

Thence, North $00^{\circ}22'20''$ East, a distance of 1401.37 feet along said common line;

Thence, South $51^{\circ}45'32''$ East, a distance of 723.29 feet;

Thence, North $27^{\circ}42'33''$ East, a distance of 850.47 feet;

Thence, North $38^{\circ}10'20''$ East, a distance of 125.00 feet;

Thence, South $51^{\circ}49'40''$ East, a distance of 453.85 feet;

Thence, on the arc of a curve to the right a distance of 498.28 feet, said curve has a central angle of $25^{\circ}22'37''$ and a radius of 1125.00 feet;

Thence, on the arc of a curve to the left a distance of 784.77 feet, said curve has a central angle of $46^{\circ}07'00''$ and a radius of 975.00 feet;

Thence, South $72^{\circ}34'03''$ East, a distance of 651.82 feet;

Thence, South $17^{\circ}25'57''$ West, a distance of 25.00 feet;

Thence, South $72^{\circ}34'03''$ East, a distance of 856.47 feet;

Thence, South $17^{\circ}25'57''$ West, a distance of 1542.41 feet to the arc of a non-tangent curve having a radial bearing of South $42^{\circ}47'17''$ West;

Thence, on the arc of said non-tangent curve to the right a distance of 665.31 feet, said curve has a central angle of $19^{\circ}03'35''$ and a radius of 2000.00 feet;

Thence, South $28^{\circ}09'08''$ East, a distance of 236.87 feet;

Thence, North $79^{\circ}02'16''$ West, a distance of 274.71 feet;

Thence, on the arc of a curve to the left a distance of 1060.28 feet, said curve has a central angle of $108^{\circ}28'52''$ and a radius of 560.00 feet;

Thence, on the arc of a curve to the right a distance of 555.35 feet, said curve has a central angle of $58^{\circ}55'26''$ and a radius of 540.00 feet;

Thence, on the arc of a curve to the left a distance of 550.67 feet, said curve has a central angle of $50^{\circ}28'53''$ and a radius of 625.00 feet;

Thence, South $89^{\circ}31'57''$ West, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South $89^{\circ}24'23''$ West;

Thence, on the arc of said non-tangent curve to the right a distance of 135.81 feet, said curve has a central angle of 47°26'53" and a radius of 164.00 feet;

Thence, on the arc of a curve to right a distance of 269.45 feet, said curve has a central angle of 27°49'00" and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 567.31 feet, said curve has a central angle of 08°53'18" and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 614.63 feet, said curve has a central angle of 66°04'15" and a radius of 533.00 feet;

Thence, South 00°17'18" East, a distance of 423.57 feet to the south line of said Parcel 15;

Thence, North 89°37'40" West, a distance of 418.60 feet along said south line to the Point of Beginning.

Containing 401.202 Acres gross, more or less.

Excepting therefrom the following described parcels of land:

Exception A

All that property described as "Beta Area Well Site 'B'-806" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 1075.90 feet along the common line between said properties;

Thence, South 89°37'45" East, a distance of 120.05 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 00°02'10" West, a distance of 79.89 feet;

Thence, South 89°58'18" East, a distance of 78.00 feet;

Thence, South 00°00'36" West, a distance of 79.95 feet;

Thence, North 89°55'38" West, a distance of 77.93 feet to the Point of Beginning.

Containing 0.143 Acres, more or less.

Exception B

All that property described as "Tank Site No. 804" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 18°24'30" West, a distance of 263.84 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 18°10'05" East, a distance of 276.73 feet;

Thence, South 71°48'29" East, a distance of 146.44 feet;

Thence, South 18°10'43" West, a distance of 276.46 feet;

Thence, North 71°55'01" West, a distance of 146.39 feet to the Point of Beginning.

Containing 0.930 Acres, more or less.

Exception C

All that property described as "Beta Area Well Site 'A'-805" in Book 820917 at Page 1513 in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between

Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, North 00°22'20" East, a distance of 2290.81 feet along the common line between said properties;

Thence, North 26°40'21" East, a distance of 268.14 feet to the Point of Beginning;

Thence, from the Point of Beginning, North 00°02'08" East, a distance of 79.98 feet;

Thence, North 89°57'06" East, a distance of 70.00 feet;

Thence, South 00°00'09" East, a distance of 80.01 feet;

Thence, South 89°58'15" West, a distance of 70.05 feet to the Point of Beginning.

Containing 0.129 Acres, more or less.

End of Legal Description

EXHIBIT C-2
Diagram of the Elliott Homes Property

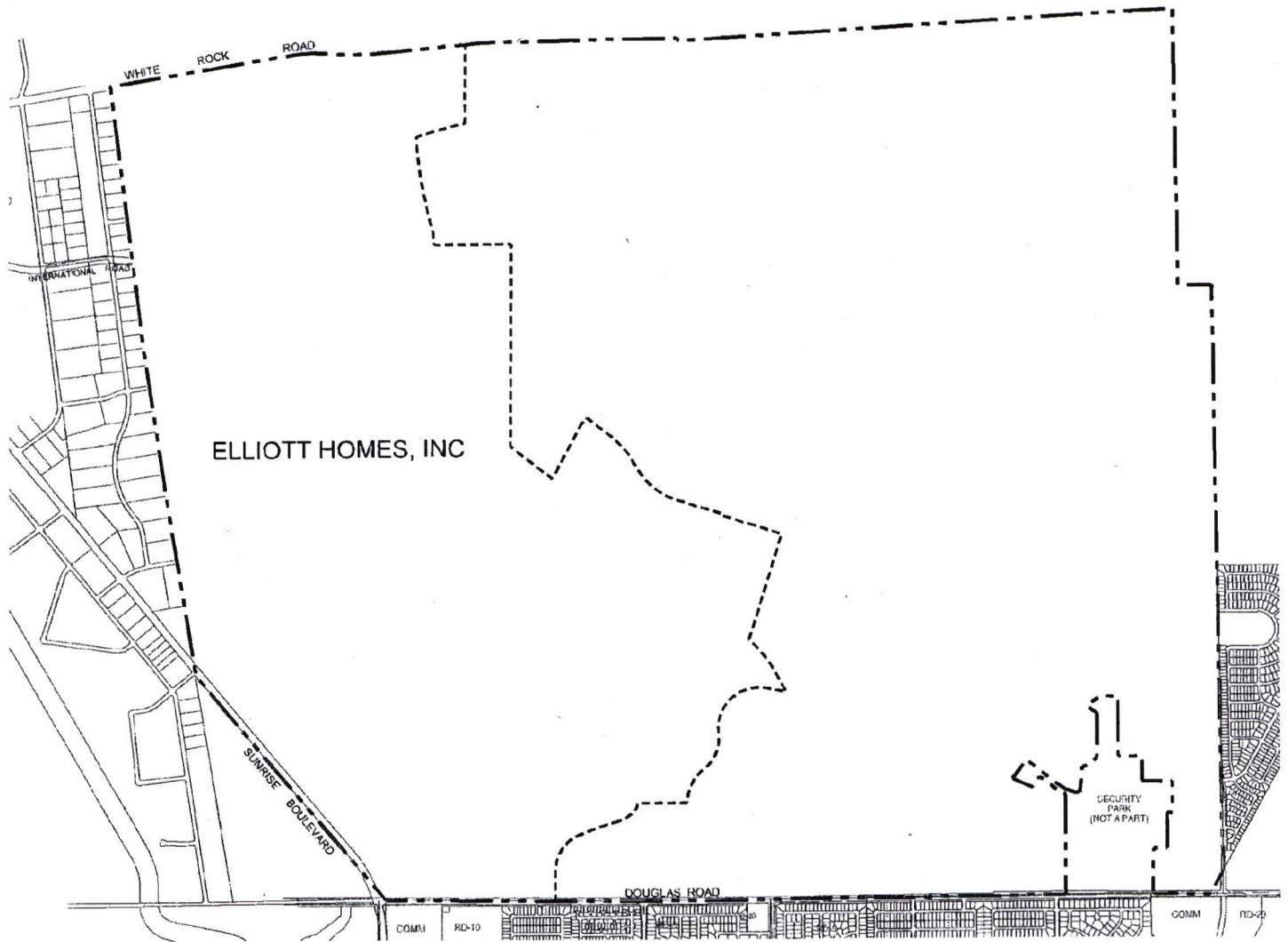


EXHIBIT D

FORM OF ASSIGNMENT

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova

(SPACE ABOVE THIS LINE RESERVED
FOR RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO _____

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the
"Agreement") is entered into this _____ day of _____ 2010, by and
between _____, a _____ (hereinafter "Aerojet"), and
_____, a _____ (hereinafter
"Assignee").

RECITALS

On September 21, 2010, the City of Rancho Cordova and Aerojet
entered into that certain agreement entitled "Tier 1 Development Agreement By
and Between the City of Rancho Cordova and Relative to the Development
Known as Rio Del Oro (hereinafter the "Development Agreement"). Pursuant to
the Development Agreement, Aerojet agreed to develop certain property more
particularly described in the Development Agreement (hereinafter, the "Subject
Property"), subject to certain conditions and obligations as set forth in the
Development Agreement. The Development Agreement was recorded against
the Subject Property in the Official Records of Sacramento County on
_____, 2010, as Instrument No. 2010-_____.

Aerojet intends to convey a portion of the Subject Property to
Assignee, commonly referred to as Parcel _____, and more particularly

identified and described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

Aerojet desires to assign and Assignee desires to assume all of Aerojet's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Aerojet and Assignee hereby agree as follows:

Aerojet hereby assigns, effective as of Aerojet's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Aerojet under the Development Agreement with respect to the Assigned Parcel. Aerojet retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Aerojet.

Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Aerojet under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Aerojet under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Aerojet as the "Aerojet" under the Development Agreement with respect to the Assigned Parcel and Aerojet shall be released of and from any obligations or liabilities under the Development Agreement with respect to the Assigned Parcel.

Assignee understands and acknowledges that pursuant to Section 7 of the Development Agreement, Assignee shall have no right to conduct Development Activity on the Assigned Parcel beyond that which is expressly provided for in Section 7 of the Development Agreement, and that City shall have the discretion to deny approval for any Tier 2 Entitlements for the Assigned Parcel until Aerojet, Assignee and any other owners of record in the Specific Plan area have agreed to substantially comply with the terms of the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval by either (1) amending the respective Tier 1 Development Agreement or (2) entering into a Tier 2 Development Agreement. Substantial compliance shall mean that Aerojet and Assignees achieve the same timing, level of service, infrastructure and functional outcomes described in the Financing Plan, Phasing Master Plan, Affordable Housing Plan and the Master Large Lot Tentative Map Conditions of Approval.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

The Notice Address described in Section 20 of the Development Agreement for the Aerojet with respect to the Assigned Parcel shall be:

Attn: _____

[Signatures follow on next page]

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

AEROJET:

ASSIGNEE:

a

a

By:

By:

Print
Name: _____
Title: _____

Print
Name: _____
Title: _____

1306578.16

EXHIBIT A-1
Legal Description of the Aerojet Property

All that portion of Parcel 15 as said parcel is shown in Book 55 of Parcel Maps at Page 29 and Parcel 23 as shown in Book 55 of Parcel Maps at Page 30 as shown in book 20080325, at Page 1226, all in the Official Records of Sacramento County, being in the City of Rancho Cordova, County of Sacramento, State of California, and more particularly described as follows:

Commencing at the southerly most common corner of the property described in Book 20011130 at Page 1431 and Book 20080221 at Page 779 in the Official Records of Sacramento County, said point also being the southerly most common corner between Lot A and Lot B per the Lot Line Adjustment, Resolution No. 97-BLS-0637 as recorded in Book 19971118 at Page 807 in the Official Records of Sacramento County;

Thence, from the Point of Commencement, South $89^{\circ}37'40''$ East, a distance of 418.60 feet to the Point of Beginning;

Thence from the Point of Beginning, North $00^{\circ}17'18''$ West, a distance of 423.57 feet;

Thence, on the arc of a curve to the right a distance of 614.63 feet, said curve has a central angle of $66^{\circ}04'15''$ and a radius of 533.00 feet;

Thence, on the arc of a curve to the right a distance of 567.31 feet, said curve has a central angle of $08^{\circ}53'18''$ and a radius of 3657.00 feet;

Thence, on the arc of a curve to the left a distance of 269.45 feet, said curve has a central angle of $27^{\circ}49'00''$ and a radius of 555.00 feet;

Thence, on the arc of a curve to the left a distance of 135.81 feet, said curve has a central angle of $47^{\circ}26'53''$ and a radius of 164.00 feet;

Thence, North $89^{\circ}31'57''$ East, a distance of 682.58 feet to the arc of a non-tangent curve having a radial bearing of South $89^{\circ}04'35''$ East;

Thence, on the arc of said non-tangent curve to the right a distance of 550.67 feet, said curve has a central angle of $50^{\circ}28'53''$ and a radius of 625.00 feet;

Thence, on the arc of a curve to the left a distance of 555.35 feet, said curve has a central angle of $58^{\circ}55'26''$ and a radius of 540.00 feet;



DATE: September 7, 2010

TO: Honorable Mayor and Council Members

FROM: Paul Junker, Planning Director
Pam Johns, Project Manager (Specific Plan)
Patrick Angell, Project Manager (EIR)

SUBJECT: RIO DEL ORO GENERAL PLAN CONSISTENCY TABLE

The General Plan consistency table referenced in Ordinance 16-2010 as Exhibit C is the same consistency table provided for Ordinance 14-2010 as Exhibit A of this staff report. The table provides findings and evidence to support this General Plan consistency determination and will be part of the final record adoption of Ordinance 15-2010.

MEMORANDUM



DATE: September 20, 2010

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
David Gassaway, Housing Services Assistant

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT CHANGE ORDER NO. 1 TO CONTRACT NO. 6-2010 WITH DOUBLE B DEMOLITION, INC. FOR URBAN INFILL DEMOLITION OF THE WOODBERRY GARDENS APARTMENTS IN THE AMOUNT OF \$50,269.15

RECOMMENDATION

Adopt Resolution No. 107-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will allow the City Manager to execute Change Order No. 1 approving modification of cost of contract from \$134,246.00 to \$184,515.15.

BACKGROUND

Entitled the Urban Infill Demolition Project, the City recently demolished 4 properties located at 10447 Folsom Boulevard, 2708 & 2700 Woodberry Way, and 10422 Croetto Way. These four properties represented the first two phases of a three phase demolition contract, Contract 06-2010, which was approved by the City Council by Resolution No. 5-2010) on February 16, 2010.

Prior to demolition of the third phase, the Woodberry Gardens Apartments, located at 2728 Woodberry Way, the City was required to permanently relocate the residents of the apartment complex. After all residents were relocated in May of 2010, the City conducted a lead and asbestos survey to determine the level of abatement work required prior to demolition. The results of the lead and asbestos survey showed higher levels of asbestos than were anticipated in the plans and specifications which Double B Demolition bid on. This unforeseen circumstance has resulted in an increase in the cost of asbestos abatement by \$45,600.

In addition to unforeseen levels of asbestos, the demolition contractor has come across additional asphalt not identified in the plans, additional sign post footings not identified in the plans, and unforeseen costs of permanently preparing the site for the rainy season in conformance with the State Water Resources Control Board requirements. These additional items result in an increased cost of \$4,669.15.

FINANCIAL IMPACT

Execution of Contract Change Order Request No. 1 will result in an increased project cost of \$50,269.15. Funding for the increase will come from the Redevelopment Agency's Low and Moderate Income 20% Set Aside Funds and will have no impact on the General Fund.

ATTACHMENT

Resolution 107-2010 including **(Exhibit A)** Contract Change Order Request No. 1.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 107-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT CHANGE ORDER
REQUEST NO. 1 WITH DOUBLE B DEMOLITION INC., CONTRACT NO. 6-2010 FOR
URBAN INFILL DEMOLITION OF THE WOODBERRY GARDENS APARTMENTS**

WHEREAS, pursuant to State law, the City prepared a request for bids for the demolition of the Woodberry Gardens Apartments (Project). The request for bids was publicly advertised in the Sacramento Bee, the Grapevine Independent, and the City of Rancho Cordova Website on November 27, 2009 and December 4, 2009; and

WHEREAS, the bids received by the City for the Project were publicly opened on January 15, 2010 at City Hall located at 2729 Prospect Park Drive, Rancho Cordova, CA 95670; and

WHEREAS, on February 16, 2010, the City awarded a contract for the Project to the lowest responsive bidder, Double B Demolition, Inc., in the amount of \$134,246; and

WHEREAS, unforeseen conditions were encountered during the testing of lead and asbestos and it became necessary to modify the specifications of the demolition contract. Higher than anticipated levels of asbestos has resulted in the need for a change order in order to complete the Project; and

WHEREAS, the contract change order is in the amount of \$50,269.15.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager to execute Contract Change Order Request No. 1 with Double B Demolition, Inc, Contract 06-2010 for Urban Infill Demolition of the Woodberry Gardens Apartments, in a form approved by the City Attorney (**EXHIBIT A**).

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk

Project:
Urban Infill Demolition

CITY OF RANCHO CORDOVA
Contract Change Order No. 1

EXHIBIT A

Sheet 1 of 1
Contract No.
Fed. No. 06-2010

To: Double B Demolition, Inc. You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

Description of work to be done, quantities and prices to be paid. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.

Change requested by: Double B Demolition, Inc.

Item No. SEE ATTACHED CHANGE ORDER REQUEST #1	INCREASE:	\$
1		
Item No.	INCREASE:	\$
2		
Item No.	INCREASE:	\$
3		

INCREASED COST: \$50,269.15

Contract Summation:

Original Contract: **\$134,246** Change Order Totals: **\$50,269.15q** New Contract Cost Total **\$ 184,515.15**

By reason of this order the time of completion will be adjusted as follows: **NO ADDITIONAL WORKING DAYS**

Submitted by: David Gassaway	Housing Services Assistant City of Rancho Cordova	Date: _____
Recommend Approval by: Reed Flory	Housing Services Administrator City of Rancho Cordova	Date: _____
Recommend Approved by: Reed Flory	Housing Services Administrator City of Rancho Cordova	Date: _____
Approved by: Curt Haven	Economic Development Director City of Rancho Cordova	Date: _____

We, the undersigned Contractor, have given careful consideration to the change proposed and all of its impacts, both direct and indirect, and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices and time extensions shown above.

Acceptance Contractor: **Bob Blackwell**
Date: _____

By: _____ Title: **President**

If the Contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

Original to: *Contractor* Copies to: *Auditor's Office*
Copies to: *Housing Division* *City Clerk*
Project Manager *Project Engineer*

City Manager
City of Rancho Cordova

DOUBLE B DEMOLITION, INC.

CONTRACTOR'S LICENSE # 637105

CHANGE ORDER REQUEST # 1

August 11, 2010

City of Rancho Cordova
Job Name: Urban Infill Demolition
Change Order Scope of Work:

Provide additional asbestos abatement services at 2728 Woodberry Way in Rancho Cordova in accordance with the Asbestos Survey by Kelco-Macs dated May 25, 2010.

Item # 1 – Remove and dispose of approx. 7,950 sf of RACM sprayed-on acoustical ceiling material from Apartments #1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 14 and 15.

Item # 2 – Remove and dispose of approx. 450 sf of additional linoleum flooring material (Total of 1,650 sf with 1,200 sf covered in addendum # 3)

Item # 3 – Remove and dispose of approx. 3,000 sf of RACM sheetrock from walls and ceiling of Apartment # 10.

Item # 4 – Remove and dispose of approx. 380 sf of ACM roofing mastic materials from roof. (Total of 400 sf with 20 sf covered in addendum # 3)

Total Items 1-4 - \$45,600.00

Item # 5 – Remove approx. 1100 sf of A/C discovered under landscape area on Folsom Blvd. for the amount of \$550.00.

Item # 6 – Excavate and remove 2 extra sign posts in parking lot on Folsom Blvd. for the amount of \$600.00.

Item # 7 – Hydroseeding of all lots with straw mulch and tackifier for the amount of \$2055.00.

Item # 8 – Total additional bond costs - \$1464.15

Total Change Order Request: \$50,269.15


Robert Blackwell, President

640 Glen Oak Court, Folsom, Ca 95630
916-983-0700 Fax: 916-983-0701 Cell: 916-439-8022

MEMORANDUM



DATE: September 20, 2010

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
Ryan Taylor, Housing Services/Code Enforcement

SUBJECT: RESOLUTION APPROVING OWNER-OCCUPIED RESIDENTIAL
REHABILITATION LOAN PROGRAM (REHAB-O)

RECOMMENDATION

Adopt Resolution No. 103-2010.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize City staff to implement and operate an Owner-Occupied Residential Rehabilitation Loan Program based on policies and guidelines. Loans will be made available to low-to-moderate income homeowners who have exhausted their efforts to obtain a conventional loan for the purpose of rehabilitating their aging homes and bringing them up to health and safety code standards.

BACKGROUND

The Owner-Occupied Residential Rehabilitation Program (REHAB-O) is designed to improve the City's aging housing stock by encouraging low- and moderate-income homeowner(s) to rehabilitate their homes, eliminate health and safety hazards, consider energy conservation measures and bring homes into compliance with the current building codes.

The City has a large proportion of single family homes, within the established redevelopment target area (Attachment 3), that were built prior to 1980. Many single family track style homes built prior to 1980 are considered to be aging past their economic life span, 30+ years of age. This means the City has a large stock of aging homes that are in serious need of health and safety repairs and improvements. The effects of these aging homes frequently results in visually dilapidated neighborhoods that have difficulty in attracting new investment and non-rental homeowners. Additionally, increased amounts of City resources are spent on enforcing health and safety code violations, resources that could otherwise be spent elsewhere.

To combat these effects, the City identified encouragement to improve, rehabilitate, and revitalize/reinvest existing residential neighborhoods as a key policy goal in the City's Housing Element of the General Plan. As such, the REHAB-O program furthers the City's policy to provide neighborhood revitalization in existing areas through housing rehabilitation following Action H.2.2.1 of that document. The action states that the City

will develop housing rehabilitation programs to assist in the improvement of owner- and renter-occupied housing units in the City. By making available funding for loans to rehabilitate owner occupied housing units, the REHAB-O program should spark reinvestment in established neighborhoods. Furthermore, by utilizing only grant funding for the program, the City is able to offer the loans without any impact to the general fund.

To ensure the REHAB-O program policies and guidelines (Attachment 2) were created with both City/community interest in mind as well as in-line with industry best practices, City staff created a series of white papers that looked at all of the issues in detail. Staff also created an Advisory Workgroup, comprised of staff from Economic Development, Building, Finance, Housing, Code Enforcement, and Redevelopment, who reviewed the white papers and met multiple times to discuss and determine the details of the policies and guidelines, based on the options highlighted in the white papers. The current version of the policies and guidelines (Attachment 2) are the result of this effort.

PROGRAM DETAILS

Goals

REHAB-O is designed to provide financial opportunities, that otherwise do not exist, for low- to moderate-income homeowners to rehabilitate their homes. Ultimately, it is the City's hope that through a ripple effect the program will encourage other owners, in neighborhoods which have benefited from the REHAB-O program, to rehabilitate their aging properties and spur positive growth in the older, established areas of the City. The program's long-term goals include the following:

- Reduce the number of substandard housing units within the City;
- Extend the useful life of affordable units;
- Maintain the existing affordable housing stock;
- Reduce lead-based paint hazards for children under 6 years of age;
- Improve quality of life and independence for persons with special needs, including the elderly and the disabled;
- Support the continued rehabilitation of affordable housing using the income from loan repayments; and
- Service loans and administer the program in the most responsive, cost-efficient manner possible.

Program Eligibility

All loan applicants must have legal and/or equitable title to the property they apply for loan funds for rehabilitation. Prospective properties of eligible applicants must be a legal, permanent residential structure located on a parcel zoned for residential use within the City limits. Eligible household incomes shall be at or below eighty (80%) area median income (AMI), and may vary up or down based on stipulations of the funding source.

Underwriting Criteria

Unlike the City's existing Emergency Repair Loan Program all REHAB-O loans must meet underwriting criteria and be approved by a Housing Loan Committee. The five member Housing Loan Committee is comprised of staff from Finance, Economic Development, Housing, Building and Safety, Redevelopment, and/or any other representative(s) as designated by the City Manager. This Committee will meet and review loan applications to approve or deny eligibility based on the underwriting criteria as set forth in the policies and guidelines. To decide whether or not to fund loans the Committee will consider the following underwriting criteria:

- **Loan-to-Value Ratio:** The loan-to-value ratio for the affected property must be no more than 95 percent. This means that the as-improved value of the home must be 5% greater than the total debt held on the property, including REHAB-O loans and any mortgage. This is meant to prevent the REHAB-O program from putting homeowners in negative equity positions on their homes.
- **Housing debt-to-income ratio:** The applicant's housing debt-to-income ratio must be below 38 percent. This means any applicants housing cost, after assumption of REHAB-O loan, is not greater than 38% of their annual income. This percentage ensures that homeowners can continue to afford their homes after loan recordation and that housing debt by itself is within reasonable limits.
- **Debt-to-income:** The total debt ratio within the household must be below 48 percent of the total household income. This measure provides reasonable limits on total household debt and gives evidence of the applicant's ability to satisfy loan repayment requirements.
- **Lien position:** The City will require first or second lien position secured by a Note and Deed of Trust. Third position will be accepted on a per-situation basis as approved by the Loan Committee.
- **Acceptable financing:** An applicant must not hold an interest-only, adjustable rate, or reverse mortgage on the property.
- **Loan of last resort:** The REHAB-O program is meant as a last resort funding source for residents. Applicants seeking a loan from the REHAB-O program must have made a good faith effort, but failed, for whatever reason, to obtain a conventional loan from another source before being eligible.

In any instance where the Housing Loan Committee has denied an applicant for financing on the grounds of insufficiency to meet underwriting criteria, the applicant has a right to appeal the decision. At that time the Appeals Review Committee will review the appeal and make a final decision.

Loan Information

Applicants who are determined to be eligible for a loan are able to receive a maximum loan amount of up to \$60,000. The minimum loan amount for the program will be \$7,500 as this is the maximum eligible loan under the existing Emergency Repair Loan

Program. As it is difficult to attract homeowners, especially those at or below 80% AMI, to the idea of incurring debt on their property, the REHAB-O program offers a below market interest rate (BMIR) loan with a fixed interest rate at 3 percent simple. This interest rate is secured by a Note and Deed of Trust. To further make loans affordable to low- to moderate-income homeowners, the loan may be offered with a deferred payment schedule for the principal balance. This lowers the cost of the loan to the homeowner while still ensuring the City has some revenue (from interest payments) to cover administrative costs of servicing the loans. If a deferred payment loan is made, the balance will be due in full when there is a sale and/or transfer of title, the borrower no longer resides in the dwelling, or the borrower has sufficient income to begin repaying the loan without upsetting the housing debt-to-income ratio.

Regardless of the terms for repayment, all REHAB-O loans will have a 15 year term with an option to extend the term up to an additional 15 years under limited circumstances. In order for the loan term to be granted, an extension the Housing Loan Committee will review a formal request and determine whether the details of the request validate an extension.

FISCAL IMPACT

The REHAB-O program funding may vary from year to year, but is anticipated to be funded by combinations of Community Development Block Grant (CDBG), Federal Department of Housing and Urban Development (HUD) HOME grants, the Community Redevelopment Agency's Low/Mod Tax Increment 20% set aside, Very Low Income Housing Trust fund (VLIHTF), and State of California Department of Housing and Community Development (HCD) CalHome grant funds. As a result of creatively combining these funding sources, the REHAB-O program will have no impact of the City's general fund. In years which no funding is available the City will not provide loans to homeowners through the program.

ONGOING PROGRAM ADMINISTRATION

Once loans are made the City will monitor those loans for compliance with residency and insurance requirements on a regular basis. The City may monitor units as frequently as desired, but generally will monitor them on no less than an annual basis and no more than quarterly. Each year, the homeowner will be required to submit a current utility bill, a statement of continued occupancy as the homeowner's primary residence, and a declaration that other titleholders do not reside on the property. Homeowners must also submit proof of required insurance, showing the City as a loss payee, on an annual basis.

ATTACHMENTS

1. Resolution No. 103-2010 including **(Exhibit A)** Owner-Occupied Residential Rehabilitation Program (REHAB-O) Policies and Guidelines.
2. City of Rancho Cordova Redevelopment Area (Residential History Decade of Construction) Map.
3. REHAB-O supporting documents.
4. REHAB-O Loan Closing Documents.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 103-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ADOPTING THE OWNER-OCCUPIED RESIDENTIAL REHABILITATION LOAN PROGRAM
("REHAB-O")**

WHEREAS, pursuant to goals outlined in the City of Rancho Cordova's adopted Housing Element of the General Plan, and in accordance with policy action items to "Develop housing rehabilitation programs to assist in the improvement of owner- and renter-occupied housing units in the City," staff has developed the Owner-Occupied Residential Rehabilitation Loan Program ("REHAB-O") for the purpose of improving housing units within the City; and

WHEREAS, development of the program resulted in staff creating a set of detailed policies and guidelines that outline the REHAB-O program; and

WHEREAS, the purpose of the REHAB-O program is to make available funding to low- and moderate-income residents for the purpose of rehabilitating their homes and ultimately improving upon the City's aging housing stock; and

WHEREAS, funding made available to homeowners will be in the form of low-interest repayable loans with a term of fifteen (15) years; and

WHEREAS, stringent underwriting criteria, as detailed in the policies and guidelines, have been created to ensure that the City's investment in those loans is secured; and

WHEREAS, pursuant to the policies and guidelines a Housing Loan Committee has been created, comprised of City staff from the Housing, Building and Safety, Finance and Economic Development Departments, which shall oversee the underwriting process and vote to approve or deny loan requests based on criteria outlined in the underwriting policy; and

WHEREAS, funding for the REHAB-O program will be made available from sources outside of the general fund through a combination of federal, state, and other grant funding.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA::

- A. Authorizes the City Manager, and/or his designee, to fully implement the Owner-Occupied Residential Rehabilitation Program ("REHAB-O"); and
- B. Approves the REHAB-O policies and guidelines, attached as **Exhibit A** to this Resolution [or the accompanying staff report] and incorporated herein by reference; and
- C. Authorizes the deposit of any recaptured or repaid loan monies back into the REHAB-O program to provide a revolving fund for future housing rehabilitation; and
- D. Authorizes the City Manager to appoint members of the Housing Loan Committee; and
- E. Authorizes the City Manager's delegation of authority to the Housing Loan Committee to execute the release of loan funds upon acceptance of loan terms and regulatory requirements for any and all loan applications, as approved; and

- F. Authorizes the Housing Loan Committee to modify the REHAB-O policies and guidelines, at their sole discretion with a three fifths (3/5) vote, in order to adapt the program to any changes as necessary by funding source, or for any other reason, upon the advice of the City Attorney that such changes do not materially or substantially increase the City's obligations thereunder.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, City Clerk



**RESIDENTIAL REHABILITATION PROGRAM
(REHAB-O)
POLICIES AND GUIDELINES**

PROGRAM OVERVIEW AND OBJECTIVES

The City of Rancho Cordova supports growing strong neighborhoods and improvement of the City's housing stock. The REHAB-O (REHAB-O) is designed to improve the City's housing stock by encouraging low- and moderate-income homeowners to rehabilitate their homes, eliminate health and safety hazards, and bring homes into compliance with the current building codes.

The REHAB-O program funding may vary from year to year, but is anticipated to be funded by combinations of Community Development Block Grant (CDBG), HOME, Low/Mod Redevelopment Tax Increment, Very Low Income Housing Trust funds (VLIHTF), and CalHome funds.

The program's long-term goals include the following:

- Reduce the number of substandard housing units within the City;
- Extend the useful life of affordable units;
- Maintain the existing affordable housing stock;
- Reduce lead-based paint hazards for children under 6 years of age;
- Improve quality of life and independence for persons with special needs, including the elderly and the disabled
- Support the continued rehabilitation of affordable housing using income from loan repayments; and
- Service loans and administer the program in the most responsive cost-efficient manner possible.

These guidelines focus on rehabilitation of owner-occupied properties (including duplexes with the owner in residence), but the City's long-term goals extend to rental properties affordable to lower-income households. Persons interested in rental rehabilitation should contact the City for information on requirements and available funding.

MARKETING

The City will market the REHAB-O using a directed marketing approach. Marketing efforts will include the following:

- Providing program information and applications on the City's website, at City Hall, in the Cordova Pride Trailer, and at community centers;
- Working with code enforcement, the Rancho Cordova Police Department, and interested non-profits to distribute program information and identify households in need of rehab assistance;
- Providing information to social service agencies and homeowners' associations;

- Displaying signage in the front yards of persons participating in the program; and
- Encouraging local media to highlight completed rehab projects in their products.

Other options may be considered if deemed necessary to the success of the program.

OUTREACH TO UNDERSERVED POPULATIONS

The City will periodically review whether the program's outreach efforts are reaching persons in the targeted areas. The City may identify a need for additional outreach efforts to certain populations (e.g., non-English speakers). Marketing efforts can be targeted by working through local organizations, providing materials in several languages, and providing translation assistance to applicants.

EVALUATION OF MARKETING EFFORTS

On an annual or biannual basis, depending on the volume of funding available for the program, the City will conduct a review of program participants in the prior two years. The purpose of this evaluation will be to determine whether demographic characteristics of the program participants (e.g., race/ethnicity, disability status) are similar to the demographics of Rancho Cordova's homeowners as a whole. If the analysis indicates that there are underserved populations, special efforts will be made to reach out to them through targeted marketing.

TARGET POPULATIONS

Some grant funding sources may identify specific target populations, such as seniors, disabled persons, very low-income households, or persons living in certain neighborhoods. In this event, the City will adjust its marketing strategies to focus on these populations.

PROGRAM AVAILABILITY

The REHAB-O will generally be available to low-income homeowners citywide. However, the City may choose to limit program participation to a certain area in order to spur neighborhood reinvestment or meet the requirements of a funding source. The City also may make the program available on a citywide basis but market it more heavily in certain areas or award rating points to applicants residing in targeted areas.

PROGRAM ELIGIBILITY

Both the applicant and the residential property in question must be eligible for assistance, as set forth below. These eligibility requirements may not be waived.

PROPERTY

- The property must consist of a dwelling unit and the land under the dwelling unit. The property must be a legal, permanent residential structure located on a parcel zoned for residential use.

- Under the REHAB-O program, the property must be a single-family or duplex. Triplex, fourplex, or condominium owner-occupied residential dwelling units that provide complete independent living facilities, including permanent provisions for living, sleeping, cooking, eating, and sanitation will be considered at a later date for funding in an addendum to the current program description or will be considered on an individual basis as funding opportunities become available. The applicant shall have ownership of and sole responsibility for any system or structure repaired or replaced under the program. Recreational vehicles (RVs), trailers, and/or other vehicles, as well as camping facilities or any other temporary structure used for residential purposes, whether legally or not, will not be eligible for assistance under this program.
- Mobile and manufactured homes will not be eligible for assistance under this program. The complexity of loan security, asset valuation, land ownership, the meager availability of subsidy funding for this type of effort along with other considerations make the administration of such a program problematic. Future consideration will be given to the development of a mobile home rehabilitation program. Currently, emergency loans are available primarily to mobile home owners through the City's existing emergency repair loan program.
- The property must be owner-occupied and located within the incorporated limits of the City of Rancho Cordova. The property must be in need of rehabilitation to remedy health and safety hazards and/or to bring the dwelling unit into compliance with current federal, state, and/or local code regulations. Health and safety concerns include, amongst other things, lead-based paint abatement in homes with children under 6 years old and accommodations for disabled persons.
- Necessary repairs to the property must include exterior improvements.

APPLICANT

General

- The applicant shall have legal and/or equitable title to the affected property. All homeowners must be named on the property title and one of the named owners must be in residence throughout the term of the loan. Non-occupant parents and/or children may be on the title in addition to the name of the owner-occupants. All persons listed on the property title must sign the promissory note and deed of trust prior to closing the REHAB-O loan.
 - Legal and/or equitable title does not include a lease with or without an option to purchase or a remainder interest.
 - Applicants with life estates or living trusts are eligible to participate in the program if the beneficiary lives on the affected property, the beneficiary meets all other eligibility criteria, and the beneficiary agrees that the loan is due and payable if the life estate or living trust is terminated (in addition to all regularly applicable situations in which loans become due and payable).

- The applicant must be a U.S. citizen or a “qualified alien,” as defined by the Welfare Reform Act.
- The applicant must permanently reside in the dwelling in need of rehabilitation at the time of application and must agree to reside there for the full term of the loan. Permanent residence shall be considered living in the dwelling 10 or more full months per year.
- The applicant shall have resided in the dwelling in need of rehabilitation no less than two (2) years prior to submitting an application.
- The applicant may not have a title interest in any property other than the affected property.
- The applicant must demonstrate that all other resource opportunities have been exhausted prior to application for the REHAB-O.

Income and Asset Eligibility

- The applicant’s total household income shall be at or below eighty (80) percent of the area median income (AMI), adjusted for household size. If allowed by the funding source, households with incomes up to one hundred twenty (120) percent of the area median income may be eligible.
 - For purposes of this program, a household consists of any resident of the affected property. Non-occupants named on the title may have incomes that exceed the income limit if they certify that they do not intend to live on the property. Income limits are determined by the U.S. Department of Housing and Urban Development, and are updated annually. The City will use the Part 5 method described in *the Technical Guide for Determining Annual Income and Allowances for the HOME Program* to calculate annual income for eligibility purposes. In the event that a funding source has different requirements for calculating annual income, the City will use the applicable calculation methods.
 - Eligible income determinations shall be based on the income limits in effect at the time of application.
- The cash value of all of the applicant’s assets shall not exceed 100 percent of the area median income, adjusted for household size, in effect at the time of application. The City reserves the right to approve exceptions on a case-by-case basis for individuals over 65 and/or individuals with a disability. Total assets do not include the applicant’s home; retirement plan(s); or personal, necessary property, such as clothing, furniture, and a vehicle. If an applicant’s liquid assets exceed the asset limit, the applicant may still be eligible for the program; however, he will be required to use those funds (the amount over the limit) to pay for the rehabilitation work.

Previous Assistance

- The applicant may not have received aid from the Rancho Cordova Emergency Repair Loan Program within the one (1) year preceding the application, unless no REHAB-O funding was available at the time of the Emergency Repair Loan Program loan closing.
- The applicant shall not be eligible for a loan so long as a REHAB-O loan is recorded against the property.

HOUSING LOAN COMMITTEE

The Housing Loan Committee is comprised of five City staff representatives: the Housing Services Administrator, a Building Official, a representative from the Finance Department, the Economic Development Director, the Redevelopment Manager, and/or other representative(s) as designated by the City Manager. The Committee meets to review loan requests and subordination requests, as well as evaluate default proposals, foreclosure proposals, and loan modifications. In deciding to fund a loan, the committee reviews the applicant's income, credit report, debt-to-income ratio, as-improved appraised value, rehabilitation scope of work, and any other information relevant to decreasing the likelihood of foreclosure.

UNDERWRITING CRITERIA

All REHAB-O loans will be underwritten by staff and approved by the Housing Loan Committee. The Committee will consider the underwriting criteria included below, along with other relevant policies, to approve applicants for loans.

- **Income verification.** The applicant (including all individuals on title, regardless of their intent to occupy the unit to be rehabilitated) shall submit three years' income tax statements, Social Security statements, W-2's, and profit/loss statements in the case of self-employment. The applicant shall also submit the most recent three months' pay stubs or other information documenting income.
- **Income stability.** The applicant must have two years of stable income, except in cases where a household member has been a full-time student or child caregiver. Verification of income through an employer is recommended, and profit and loss statements for self-employed persons are required. Income stability may be determined using federal income tax returns, W-2 forms, and recent paychecks. A written explanation must be provided for all periods of unemployment. Exceptions to the income stability requirement may be granted to persons who are unpaid caregivers of elderly or disabled persons and persons who have become disabled in the two years prior to application. The Housing Loan Committee will grant exceptions on a case-by-case basis.
- **Credit.** A copy of the applicant's credit history must be obtained, along with documentation of the past twelve months of mortgage payment history, if not included in the credit report.

The applicant shall have a generally good credit history within the past two years. The minimum average credit score of all persons on title shall be above 600.

- The applicant shall demonstrate a history of on-time payments in the past two years with no reported bankruptcies or foreclosures in the prior three years.
 - Court-ordered judgments must be paid off prior to the close of escrow, unless a payment agreement is in effect and documentation of acceptable payments is made available.
 - When an applicant's credit history is insufficient to draw conclusions, the applicant may submit additional documentation showing a history of on-time payments (e.g., utility or insurance payment records).
- **Loan-to-value ratio.** The total as-improved loan-to-value ratio for the affected property must be no more than 95 percent.
 - **Housing debt-to-income ratio.** The applicant's housing debt ratio must be below 38 percent.
 - **Debt-to-income ratio.** The total debt ratio must be below 48 percent of the household income.
 - **Lien position.** The applicant should not have more than one mortgage recorded on the property at the time of approval. The Housing Loan Committee may consider an exception request and allow two mortgages on the property if the loan-to-value ratio of all loans (including the City's proposed loan) will be less than 85 percent.
 - **Acceptable financing.** The applicant must not hold an interest-only, adjustable-rate, or reverse mortgage.
 - **Loan of Last Resort.** The applicant (including all individuals on title) shall certify to the satisfaction of the loan committee that they have made a good faith effort but failed to receive a conventional loan for the proposed rehab work. For purposes of supporting this requirement (not the income qualification of the owner/resident), the City may require income verification of all owners of record.

LOAN INFORMATION

MINIMUM AND MAXIMUM LOAN AMOUNTS

The loan minimum is \$7,500. The loan maximum is \$60,000 for hard costs, such as materials and labor. The loan amount cannot exceed twenty-five (25) percent of the after-rehabilitation value of the property, which is determined by an appraisal or comparable sales information obtained from the Board of Realtors. Rehabilitation loans may be supplemented with personal financing or other loan or grant programs provided private funds are expended before the rehabilitation loan funds.

The City may allow an activity delivery charge of up to \$15,000 or 17 percent of the loan amount, whichever is less, to implement the program. This cost will not be passed on to the applicant. This cost may include testing to determine the presence of lead-based paint or asbestos.

TYPE OF LOAN

Loans available through the REHAB-O program will be below market interest rate (BMIR) loans and may include deferred payment loans in all cases to be secured by a Note and Deed of Trust. These loans may require no payment until the homeowner sells the dwelling, transfers the property title, no longer resides in the dwelling, or has sufficient income to begin repaying the loan.

INTEREST RATE

Rehabilitation loans are simple interest loans that accrue interest at a fixed rate of three percent (3%) annually.

LOAN TERM

Loans have a fifteen (15) year term, with the option to extend the term for an additional fifteen (15) years under limited circumstances. Term extensions may be granted by the Housing Loan Committee on a case-by-case basis. Loans in deferral continue to accrue interest at the given rate.

LOAN DEFAULT

The loan balance is due and payable immediately in case of any of the following events:

- The homeowner sells the property;
- The homeowner transfers the legal title of the property to another titleholder;
- The homeowner no longer resides in the home, except in the case of a medical emergency;
- The homeowner rents all or part of the home;
- The homeowner fails to make the required insurance premium payments in a timely fashion;
- The homeowner dies and the heir or co-owner is not income-eligible or does not intend to occupy the home as a primary residence;
- The homeowner fails to maintain required property insurance, including fire and flood insurance, if required, or fails to pay property taxes;
- The homeowner refinances any senior loan without prior written approval from the City;
- The homeowner creates a violation of the terms of the City Loan Agreement, Promissory Note or Deed of Trust;
- The homeowner has made misrepresentations or material false or misleading statements in connection with the loan application or disbursements of loan proceeds;

- The homeowner fails to permit timely commencement or completion of construction of the rehabilitation work;
- The homeowner commences or consents to a voluntary or involuntary bankruptcy proceeding or order or the appointment of a trustee or receiver, makes an assignment for the benefit of creditors, or admits in writing inability to pay debts as they become due;
- The homeowner fails to cure an event of default with respect to any senior debt; and
- The homeowner removes any energy-saving appliances purchased with the loan from the house within seven years without notice to the City.

If the homeowner dies, and if the heir to the property lives in the home and has an income at or below eighty (80) percent of the area median income, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current guidelines, subject to Housing Loan Committee approval.

LOAN SECURITY

The loan will be secured through a Deed of Trust, Promissory Note, and related loan documents, signed by all owners listed on the benefiting property's title, whether or not they reside on the property. All legal owners on the title, including a spouse or ex-spouse (whether or not on the title, unless the property is clearly held as sole and separate property), must sign the loan documents. Non-occupant parents, spouse/ex-spouses, and/or children listed on the title must co-sign the loan documents and will be equally liable to repay the loan.

Special Requirements

Hazard insurance shall be secured on the mortgaged property and shall be written on "Special" form for the replacement cost of the property. The City shall be named as mortgagee under such insurance for the term of the loan. The City will be provided with a copy of a policy of such insurance or will be provided an "Evidence of Insurance" document. The City will be provided a 10-day notice in case of policy cancellation.

If the home is in an area designated by the Federal Emergency Management Agency as within a one-hundred year floodplain, flood insurance must be maintained in the manner described for hazard insurance.

All loans that are not in first position on the title will require a Notice of Default to be recorded as part of the REHAB-O loan closing.

LOAN REPAYMENT

Borrowers may make voluntary payments of principal and interest without penalty. All payments will first be applied to accrued interest, and the remaining payment amount is applied to principal. Borrowers may request their payment history and remaining principal balance figure by contacting the Housing Division. The applicant may choose to make payments or pay the loan in full at any time during the loan term.

REQUESTS FOR SUBORDINATION

Requests for subordination of the City's loan will be approved on a case-by-case basis by the Housing Loan Committee. The following documents will be required for review:

- Good faith estimate of closing costs;
- Payoff demand on existing mortgage;
- Appraisal report; and
- Any other document deemed necessary by the City to make a determination.

The City has no obligation to approve a subordination request for any reason.

In general, the City's loans must be in first or second lien position. The City will only accept a third lien position upon an approved exception request by the Housing Loan Committee and will not accept any lower subordination. The overall loan-to-value ratio must be no more than 90 percent of the appraised value of the affected property unless otherwise excepted by the Housing Loan Committee.

Loan subordination requests may be considered for the following reasons:

- Refinancing to obtain a lower interest rate or from an adjustable rate mortgage to a fixed rate mortgage;
- Repair damage to the home resulting from fire or natural catastrophe in excess of insurance proceeds (provided that the minimum insurance coverage required by the City was in effect at the time of the incident); and
- Documented medical need.

Loan subordination requests for the following reasons will not be considered:

- To receive cash out;
- Paying off revolving, automotive, or other consumer debt;
- Paying off loans junior to the City's loan or other debt secured by the property; and
- To pay property taxes, utilities, or assessments.

Refinancing for any reason is allowed when the City's loan will be fully repaid with the proceeds.

ONGOING APPLICANT RESPONSIBILITIES

Applicants who receive REHAB-O loans will have responsibilities throughout the life of the loan. These include the following:

- The applicant must be willing and able to maintain the property in a safe and clean manner until the loan term has ended.
- The applicant must maintain hazard and flood insurance, if applicable.
- The applicant must agree to verify continued income eligibility for the entire life of the loan.
- The applicant must agree to submit to periodic, unannounced inspections of the property to verify continued program compliance. Such compliance includes continued residency in the structure and may include the provision of evidence supporting such continued residency. Inspections will occur no more than once every four months. Inspections requiring internal access to the home will be scheduled in advance.
- The applicant must agree to notify the City of Rancho Cordova of any changes to the property title and applicant residency throughout the life of the loan.

ELIGIBLE REHABILITATION ACTIVITIES

The City's approach in the REHAB-O program is to provide comprehensive rehabilitation work, encompassing all repairs needed to bring a home into compliance with applicable codes.

PROPERTY STANDARDS

Properties must be rehabilitated to City of Rancho Cordova minimum standards. All properties must be rehabilitated to meet the most stringent applicable federal, state, and local standards and guidelines. The Rehabilitation Specialist is responsible for ensuring that all applicable codes are met.

COMMONLY ELIGIBLE ACTIVITIES

Each funding source has slightly different requirements, but most programs have a standard set of eligible activities. The City will implement its program in compliance with the requirements of the funding source.

Commonly eligible activities include the following:

- Accessibility improvements for a disabled household member;
- Replacement of windows and doors to meet energy-efficiency standards;
- Replacement of exterior walls and doors that are deteriorated or defective;
- Replacement of defective roofing material, roof sheathing, and roof rafters;
- Repair of defective foundations;
- Repair of defective kitchen and bath cabinets, sinks, toilets and countertops;
- Repair of interior wall, ceiling, floors and stairs;
- Replacement of defective finish flooring, sub-flooring, and floor joists and girders;
- Painting of exterior and interior when existing paint is deteriorated;
- Repair of exterior siding when deteriorated;
- Repair or replacement of defective electrical service panels, wiring, and fixtures;
- Repair or replacement of defective plumbing fixtures, and waste and vent piping;
- Repair or replacement of defective porches, steps, railing, and walks;
- Replacement of heating and air conditioning systems with high efficiency units;
- Repair of termite damage, dry-rot damage, or mold or fungus damage;
- Lead-based paint and asbestos abatement; and
- Repair or replacement of gutters and downspouts.

Programs may also allow improvement of items not necessarily related to code compliance, but needed to ensure the home is decent and safe for the low-income household. This would include things like room additions in cases of overcrowding.

LIMITED ELIGIBILITY ACTIVITIES

The following items are eligible in combination with the items listed above:

- Purchase of appliances that are a permanent part of the structure (such as stoves or dishwashers) and refrigerators, provided that they will remain in the property for their expected useful life;
- Driveway and sidewalk improvements;
- Drainage improvements;
- Window shutter and/or screen installation or repair; and
- Debris removal.

The City reserves the right to limit the amount spent on these items. Eligibility is limited to repairs completed on the homeowner's property.

INELIGIBLE ACTIVITIES

Ineligible activities include the following:

- Purchase and/or installation of most luxury items, such as spas, barbeques, granite countertops, and landscaping;
- Purchase of appliances that are not a permanent part of the structure (e.g., washers and dryers);
- Room additions when overcrowding is not present;
- Fireplace construction;
- Repair or construction of screened porches, accessory buildings (including garages), swimming pools, and hot tubs; and
- Purchase of equipment, furniture, and window coverings.

REHABILITATION PRIORITIES

Rehabilitation work funded will be subject to the priorities described below. All items in one category must be addressed before any items in the next category are addressed, subject to loan limits and funding availability.

For most households, the priorities are as follows:

- Urgent health and safety hazards (including disability modifications);
- Code compliance issues;

- Lead-based paint abatement (if required by the funding source);
- Weatherization and energy improvements; and
- Cosmetic repairs.

For households with children under six years of age, the priorities are as follows:

- Urgent health and safety hazards (including disability modifications);
- Lead-based paint abatement (regardless of whether or not required by the funding source);
- Code compliance issues;
- Weatherization and energy improvements; and
- Cosmetic repairs.

PROGRAM PROCEDURES

BORROWER AWARENESS

Borrowers must be educated about and acknowledge their understanding of several key aspects of the rehab program. These include:

- **Lead-based paint.** All program applicants shall be made aware of the dangers of lead-based paint. Special emphasis will be placed on persons living in homes built before 1978 or with small children. Lead-based paint informational materials will be provided to all households visited by the Rehabilitation Specialist.
- **Loan terms and conditions.** The City will educate the applicant regarding the loan terms and conditions, including loan amounts and terms, eligible activities, repayment requirements and the conditions triggering repayment, refinancing restrictions, insurance requirements, residency requirements, and any fees associated with loan processing and cost overruns.
- **Contractor responsibilities.** The City will educate the applicant on the contractor's responsibilities, such as what, where, and when work is to be done. Applicants must also acknowledge the contractor's right to determine materials used above the minimum standards set forth by the City. The City will also educate applicants regarding grievance policies, procedures, and the potential fees they might incur should they fail to prove their case under binding arbitration.
- **Monitoring requirements.** The applicant must understand and agree to monitoring requirements. The City will educate applicants regarding the applicant's responsibilities and what monitoring activities will occur, how they will be notified of those activities, and when the monitoring will occur and for how long.

Applicants need to have a general sense of the benefits they can expect to receive as well as the requirements and restrictions of program participation before they commit to submitting an application. The City shall provide a brief discussion of the program in the form of frequently asked questions on the City's website and on the application cover sheet. Loan conditions and terms will be discussed in the program brochure. Once an applicant is selected for funding, the applicant shall be provided specific information regarding loan terms and conditions, contractor responsibilities, timelines, and the monitoring program requirements. If, at this point, the applicant chooses not to pursue the loan, no costs from the City will be incurred. The applicant must sign a statement to the effect that they have been provided information on each of these topics.

APPLICATION

Applications may be downloaded from the City's website, obtained at City Hall, local community centers, or the Cordova Pride Trailer, or requested from City staff. Applications will be reviewed within two weeks of submission, and the applicant will be contacted if additional information is required. Once a complete application is submitted, City staff will coordinate the determination of the applicant's eligibility for the program by verifying income. City staff will coordinate the verification of all income and assets using third-party verification.

After income qualification is completed, the City's Rehabilitation Specialist will coordinate a meeting with the homeowner(s) to provide an overview of the program and complete a site visit to the property for application ranking purposes.

WALK-THROUGH

A "walk-through," or brief property inspection, will be coordinated by the City's Rehabilitation Specialist to determine the need for rehabilitation. The inspection will note any structures or systems which need repair or replacement, and will provide a rough estimate of the cost to complete the rehabilitation. Dwellings that need repairs estimated to exceed the maximum loan amount under the program will be considered ineligible. Dwellings that need repairs estimated to cost less than the minimum loan amount of \$7,500 will also be considered ineligible. Qualifying applicants whose units are deemed ineligible will be directed to other resources whenever possible.

PARTICIPANT SELECTION

Program participants will be chosen from the pool of qualified applicants. Applications will be collected for a period of not less than two (2) months. After each applicant is income-qualified, the City's Rehabilitation Specialist will coordinate an appointment for a site visit.

Applications will be ranked according to the City's priorities. Priorities are subject to change on an annual basis or when a new funding source is received. Factors in ranking may include financial and household statuses (such as very low income or a disabled household member), and the type, location, and condition of the home. Priority funding will be given within the City's Redevelopment Project Area and census tracts with high concentrations of low-income households.

Applicants whose initial rank does not qualify them to receive a loan may be offered one later in the year, as funding allows.

Selected applicants will be reviewed for loans in the order of their rank. Applicants who are chosen for rehabilitation based on their rank must be approved for a loan by the Housing Loan Committee. Non-funded applicants will be directed to other resources whenever possible.

The application and ranking process will be repeated in each funding cycle. Applicants to the program who are not offered a loan must reapply to be considered in future funding rounds.

ENERGY AUDIT

After participant selection, the City will schedule a home energy audit with the Sacramento Municipal Utility District, PG&E, or a licensed third-party professional to identify cost-effective ways to improve the energy efficiency of the home. The energy audit of a home may involve recording various characteristics of the building envelope including the walls, ceilings, floors, doors, windows, and skylights. The audit may also assess the efficiency, physical condition, and programming of mechanical systems such as the heating, ventilation, and air conditioning equipment, as well as the thermostat. The City will require a written report estimating energy use and the impact of any suggested improvements per year. Energy audits may be exempted in the case where rehabilitation activities to address health and safety hazards, code compliance, and lead-based paint are anticipated to exceed the maximum loan amount.

INSPECTION VISIT

Once the Rehabilitation Specialist receives the energy audit report, the Specialist will prepare a comprehensive list of repairs needed and collect information required to develop the work specifications. The Rehabilitation Specialist shall coordinate a visual evaluation of the property to determine if hazardous materials testing (for lead-based paint and/or asbestos) is needed. It will also be determined if a pest inspection is necessary.

HAZARDOUS MATERIALS TESTING

If necessary, the City will require complete lead-based paint testing, asbestos testing, and/or a pest inspection. If concerns are identified, abatement of conditions will be included in the work specifications.

SPECIFICATIONS WRITE-UP

Once a participant has been selected and the results of the energy audit and hazardous materials testing studies are complete, the Rehabilitation Specialist will coordinate the preparation of itemized rehabilitation work specifications and a detailed estimate of costs to complete the repairs. A copy of the specifications write-up and estimate will be furnished to the applicant. The Rehabilitation Specialist will then coordinate a meeting with the applicant to review the work specifications and revise them as necessary.

ENVIRONMENTAL REVIEW

City staff will complete the environmental review required by the funding source and place it in the file. This will include determinations regarding:

- Flood hazards;
- Wetlands;
- Historic status (consult State Historic Preservation Office as necessary);
- Explosive and flammable operations; and
- Toxic substances and radioactive materials.

PROJECT BIDDING

After the work specifications have been approved by the homeowner, the Rehabilitation Specialist will coordinate the explanation of the bidding process to the applicant. Bid packages will be sent to all approved contractors with the appropriate skills, as well as to other contractors of the owner's choosing. A time will be set for contractors to inspect the property and go over the work specifications. Attendance by contractors at this meeting is mandatory. The bid period will be no less than three (3) weeks.

After bids are received from contractors, the bids will be reviewed by the Rehabilitation Specialist and the homeowner. The contract will be awarded to the lowest bidder, unless a compelling reason for selecting another contractor is provided (e.g., the lowest bidder will not be able to begin work within a reasonable time frame). An explanation of the rationale for failing to select the lowest bidder must be included in the homeowner's file.

The Rehabilitation Specialist is responsible for documenting the licensing and debarment status of the contractor and any subcontractors. Unlicensed or debarred contractors or subcontractors will not be allowed to perform work on the project.

In the event that no bids are received, or if no bids are within ten (10) percent of the work cost estimate, the project will be re-bid. The Rehabilitation Specialist will coordinate additional efforts to contact contractors in order to increase competition for the project.

LOAN PROCESS

When the final project amount is known, a summary of the project and loan will be prepared and forwarded to the Housing Loan Committee. All loans must be approved by the Housing Loan Committee. The applicant will be provided written notification of approval or denial, and if applicable, provided the reason for denial.

The City will lend to the borrower an amount stated in the Residential Rehabilitation Loan Agreement and the Truth-in-Lending Loan Disclosure Statement.

The homeowner will provide proof of homeowner's insurance. The homeowner is responsible for paying additional construction cost over runs and financing expenses only if they have assets beyond those allowed by the program and if the total rehabilitation cost exceeds the maximum loan amount for which they were approved. The City may, at its discretion, consider other options for financing cost overruns beyond the negotiated contingency.

Once all necessary construction documents have been received and reviewed by the City, the City or its designee will prepare the necessary loan documents for the homeowner's signature. These will include at least:

- Promissory Note;
- Deed of Trust;
- Privacy Act Notice;
- Fair Housing Lending Notice;
- Truth in Lending Disclosure Statement;
- Notice of Right of Rescission;
- Loan Agreement;
- Loan Closing Instructions;
- Escrow Instructions (if applicable);
- Agreement to provide homeowner's insurance; and
- Understanding of annual owner-occupancy monitoring policy.

Once the loan is recorded and closed, the homeowner may proceed to sign the construction contract. Rehabilitation work may not commence until the City has given Notice to Proceed.

PRE-CONSTRUCTION CONFERENCE

A pre-construction conference will be used as an opportunity for the contractor, homeowner, Rehabilitation Specialist, and other appropriate participants to meet in person to review key aspects of the work, make expectations and roles clear, and raise any concerns. The pre-construction conference will contain a discussion on how the project will be managed, including the project schedule, budget, and expected quality standards.

Topics that will be discussed during the pre-construction conference include the following:

- Work specifications;
- Project schedule;
- Resident protection measures, including worksite restrictions, protecting the residents' belongings;

- Temporary use of utilities, material storage, and contractor parking;
- Progress inspections;
- Change order procedures;
- Lead-based paint hazard reduction items and locations;
- Lead-based paint hazard clearance procedures and coordination with the balance of the rehabilitation work;
- Cleanup procedures;
- Grievance procedures; and
- Payout schedule and approval process.

At the pre-construction conference, the contractor shall provide names and contact information for all subcontractors and the job foreman. The contractor will provide the City and the homeowner with a copy of any final plans/specifications. The Rehabilitation Specialist will also approve a construction schedule during this conference.

Once the loan is closed and recorded, the homeowner may proceed to sign the construction contract. Rehabilitation work may not commence until the City has given Notice to Proceed.

REHABILITATION PROCESS

Contract Signing

Once the loan is closed and recorded, the homeowner may proceed to sign the construction contract. Rehabilitation work may not commence until the City has given Notice to Proceed. The Rehabilitation Specialist will send a copy of the Notice to Proceed to the City's building inspector.

Worksite Management

Proper worksite setup and cleanup helps to contain dust and debris during the rehabilitation and increases safety for both the household's members and the contractor's employees. Steps will be taken to eliminate the risk to homeowners and other occupants of the house by restricting access to the worksite, containing debris and dust during work, using safe work practices, and cleaning the worksite frequently. These practices will apply regardless of whether lead-based paint is found.

Permits

The contractor is responsible for securing all required permits. The Rehabilitation Specialist will work with City departments to estimate the cost of required permits, and this cost must be included in the contractor's bid and the total loan amount. The City shall reimburse the contractor for actual permit fees paid and proven by paid receipt from the loan proceeds. Contractors must apply for permits within two weeks of Notice to Proceed. Construction activities may not begin until all permits are approved.

Inspections

The Rehabilitation Specialist will coordinate interim inspections to assure that the work conforms to the final plans and rehabilitation bid specifications. At least two inspections during the construction process will be performed, scheduled to coincide with progress payment requests from the contractor. Inspections allow for the work to be closely coordinated with the contractor to determine when various work tasks will be completed. Work not performed to specifications will be required to be remedied at no cost increase to the contract. The Rehabilitation Specialist will coordinate all necessary inspections with the City's building department.

The Rehabilitation Specialist, homeowner, contractor, lead-based paint assessor (if applicable), and other appropriate participants together will perform a final inspection to address any outstanding items. During the final inspection, the Rehabilitation Specialist will coordinate the preparation of a punch list of any items requiring attention. If required, the lead-based paint assessor will perform clearance testing at this time. Once all items requiring attention are satisfactorily completed, and all warranties and manuals are provided to the owner, the homeowner and Rehabilitation Specialist will sign a final inspection form. Upon completion of work, there will be a final inspection by the City of Rancho Cordova's building inspector and a Notice of Completion will be filed.

Change Orders

All change orders require the approval of the applicant, the contractor, and the Rehabilitation Specialist. All three parties must sign the change order form prior to commencement of the work proposed by the change. Change orders will contain a description of modifications, changes in contract price and/or completion date, and a description of how additional costs will be covered.

The City is not obligated to increase the rehabilitation loan to cover costs in excess of the approved rehabilitation loan amount, which includes any negotiated contingency. In most cases, if costs associated with a change order exceed the contingency, the homeowner will be responsible for payment of the cost overrun. The Housing Loan Committee must approve change orders that necessitate additional loan funds.

Disbursement

The City of Rancho Cordova has two means of disbursement of rehabilitation project funds: City payments and escrow accounts. The contractor may choose which method of disbursement they prefer for each project. In both cases, the contractor may request payments at certain pre-arranged milestones for the project.

- **City Payment Option.** This process is the most lengthy for payment but carries no other costs to the contractor. The City may take up to thirty (30) days after a contractor submits an invoice to release a payment check, although the City will make its best effort to release checks in a shorter time.
- **Escrow Account Option.** If the contractor chooses this option, the City will set up an escrow account at the beginning of the project containing the loan funds and any contingency funds. In this process, the contractor can be paid directly from the escrow

company, typically within 24 hours. Escrow accounts generally cost \$500-600. These fees must be paid by the contractor, and may not be passed on to the homeowner.

Contractors may request progress payments for work done at certain pre-arranged milestones in the project. Typically, the City will agree to between two and five disbursement points on any given rehabilitation project. To receive a progress payment, the contractor must submit an invoice and schedule an inspection with the Rehabilitation Specialist. The inspection will verify that the work invoiced has been completed acceptably and that the invoiced amount is in line with the percentage of work completed. Funds cannot be released without the signatures of the contractor and Rehabilitation Specialist or other designated City representative. Final payment requires the signatures of the contractor, homeowner, and Housing Services Administrator.

Disbursements will take place in accordance with the payout schedule and procedures provided to the contractor at the pre-construction conference.

The City will withhold no less than ten (10) percent of the total contract amount or fifteen (15) percent if lead-based paint work is required, until all work is determined to be satisfactory and 35 days from the recording of the Notice of Completion have passed.

Work Completion

At the time of the request for the final payment to the contractor, the following items must be provided to City staff: 1) lien releases from all subcontractors, laborers, materials suppliers, and equipment rental; and 2) a copy of a recorded Notice of Completion. At this time, all warranties, manuals, and a copy of any plans required for permits which have significantly changed from the original permitted condition reflecting the “as built” condition must also have been provided to the owner. The final retention amount will be held for thirty-five (35) days after receipt of the recorded Notice of Completion to ensure that all unconditional liens have cleared.

All rehabilitation work must have a one-year warranty, at minimum. The contractor must provide the homeowner with all manufacturers’ warranties upon filing the Notice of Completion. If the contractor is called back to make corrections on work items not covered by warranty, the contractor must cover the costs.

HOMEOWNER FOLLOW-UP

Once all work has been completed, performing homeowner follow-up can provide the City with valuable insight in to the individual program participant’s thoughts, concerns and overall experience in working with a qualified contractor. The Rehabilitation Specialist will personally deliver a paper survey with a self-addressed stamped envelope to the homeowner within thirty (30) days of completion of the rehabilitation project.

CONTRACTOR QUALIFICATION

The City or its designee will establish a list of contractors who are qualified to complete rehabilitation work. The list will be opened once every two years for a minimum of 30 days. The City or its designee will make outreach efforts, including public advertisement, mailings, and

personal solicitation to encourage contractors to apply. Special efforts will be made to solicit minority- and women-owned enterprises. The qualified contractor list may be opened more frequently if fewer than three contractors are consistently bidding on projects. Subcontractors working under a general contractor are not required to be on the qualified contractor list.

CONTRACTOR CRITERIA

All contractors wishing to be added to the approved contractors list will have met the following requirements:

- **Insurance.** Maintain required insurance, including liability and workers compensation, and meet bonding requirements identified by the City. Contractors must provide a copy of their Certificate of Insurance (i.e., top binder page showing policy limits). Insurance limits are as follows:
 - Comprehensive General Liability.....\$1,000,000 combined single limit
 - Automobile Liability.....\$1,000,000 combined single limit
 - Worker's Compensation.....In accordance with State laws
 - Additionally, the City requires the Contractor to agree that the bodily injury liability insurance shall be in effect at all times during the term of the contract.
- **Licensing.** Submit their State of California contractor's license number, and be in good standing. The license will be checked with the State of California Contractor's Licensing Board and against the federal Excluded Parties List System (debarment).
- **Tax identification.** Submit their Employer Identification Number, if applicable, and copies of licenses and permits to lawfully operate a business.
- **Experience.** Contractors must have been licensed at least five (5) years in the same trade. Different license numbers are acceptable with a City-approved explanation.
- **References.** Provide at least three (3) current references for similar work performed.
- **Business license.** Provide a copy of Rancho Cordova business license, if located in Rancho Cordova. Contractors without an office location in Rancho Cordova are not required to submit a business license.
- **Lead-based paint certification.** Commit to utilizing State-certified lead-based paint inspectors, workers, and supervisors, as needed for each project.
- **General requirements.** Agree to adhere to the given Work Specifications, to satisfactorily finish the work by the completion date, and to allow ten (10) percent retention.

All submitted information must be updated as often as necessary, but no less than once every two years. If lead-based paint hazard reduction is part of the bid specifications, the Rehabilitation Specialist will evaluate the need to involve a lead-based paint professional.

CONTRACTOR AGREEMENTS

All contractors providing rehabilitation services funded through the City program must enter into two agreements: one with the City that covers elements of program compliance and one with the homeowner committing to costs, dates, work performed, and other relevant contractual items. Together, both agreements will hold contractors to all City requirements and program policies.

Agreement with the City: All qualified contractors shall enter into a specific services agreement with the City requiring compliance with all program requirements, policies and procedures (including progress payments, prevailing wages, appropriate insurance, etc.) throughout the duration of the program and during each rehabilitation project.

Agreement with the Homeowner: All qualified contractors shall enter into a specific services agreement with the applicant (homeowner) identifying the start and completion dates, description of work, contract amount, and other policies related to performance. The contractor shall be responsible for securing all required permits. The contractor shall also submit a Notice of Completion at the end of the job. The agreement must include an acknowledgement that the homeowner may not order or permit any material changes in the final plans and rehabilitation bid specifications without prior consent of City staff.

OTHER PROGRAM POLICIES AND LIMITATIONS

FAIR HOUSING

The program will be implemented in ways consistent with the City of Rancho Cordova's commitment to fair housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status, physical or mental disability, sexual orientation, or other local, state or federally protected class.

The City will affirmatively further fair housing through its marketing and outreach program by offering marketing materials in English, Spanish, Russian and other major languages, as necessary to meet the demographic needs of the City. The City will also provide translation services when needed.

The City will monitor its program participants on a bi-annual basis to determine whether the participant's race, ethnicity, disability status, etc. are in proportion with the City's total population. Where there is a gap, the City will conduct outreach efforts for under-represented groups.

CONFLICT OF INTEREST

In accordance with Title 24, Section 570.611 of the Code of Federal Regulations, no employee, agent, consultant, officer, or elected official or appointed official of the City of Rancho Cordova shall directly or indirectly be eligible for this program. This ineligibility extends to those with business or immediate family ties to any individual previously described, and shall continue for one (1) year after an individual's relationship with the City ends.

A contractor with a vested interest in the property or who has performed other services such as inspections, drawings, or work write-up is ineligible to bid on the rehabilitation job for the subject property. Contractors with a familial relationship or business partnership with the applicant may not bid on a rehabilitation job. Familial relationship includes parents, siblings, children, aunts/uncles, nieces/nephews, and first cousins, including by marriage on any of the above.

RELOCATION

The REHAB-O program will not permit any activities that will require the property owner to vacate the premises on a permanent basis. In rare cases where a threat to health and safety exists, it may be necessary for the City to provide temporary relocation to a household whose home is undergoing rehabilitation. City staff will work with the contractor to stage the rehabilitation to allow the occupants to safely remain in the household during the rehabilitation whenever possible. When temporary relocation is necessary, the City will allow up to \$500 total to reimburse the homeowner for his/her household's expenses. All relocation expenses will become part of the rehabilitation loan.

Temporary relocation is not required in the following circumstances:

- The work will not disturb lead-based paint or lead-based paint hazards;
- Only exterior work is being conducted and openings to the interior are closed during the work and lead-hazard-free entry to the dwelling is provided;
- The interior work will be completed in eight (8) hours, the work sites are contained to prevent dust release into other areas, and no other health or safety hazards are created;
- Interior work will be completed in five (5) consecutive days, work sites are contained, no other health or safety hazards are created, work sites and areas 10 feet from the containment are cleaned at the end of each work day, and occupants have safe access to sleeping, kitchen and bathroom facilities. Safe access to sleeping areas, and bathroom and kitchen facilities does not require that such facilities be provided in the same unit; or
- All occupants are elderly, so long as complete disclosure of the nature of the work is provided and informed consent of the elderly occupants is obtained before commencement of the work.

SELF-PERFORMED WORK

Homeowners may not receive a loan to perform work on their own homes.

OUTSIDE CONTRACTING

Homeowners may not enter into a separate contract with the selected contractor or another contractor during the rehabilitation process, nor may they request that the contractor perform work not identified in the specifications. Upgrades to materials, systems, and other components installed or repaired during rehabilitation are prohibited.

LEAD-BASED PAINT

Federal regulations require recipients of rehabilitation assistance to abide by a lead-based paint policy, which has varying requirements based on the cost of the repairs. The policy applies only to homes built prior to 1978, and only in cases where a painted surface is disturbed by the repair work. In essence, the policy serves to inform residents of potential lead-based paint hazards, evaluate the degree of lead-based paint hazards, mitigate lead-based paint hazards, and complete clearance testing to ensure that lead-based paint hazards have been mitigated.

Exemptions

Some types of housing are exempt from compliance with lead-based paint mitigation requirements. Most notably, these types of housing include units built after 1978, units which house only elderly or disabled adults, and housing where lead-based paint hazards are found not to exist. Additionally, lead-based paint requirements are not applicable to rehabilitation that does not disturb a painted surface.

Noticing

All applicants whose housing units were constructed prior to 1978 will receive the Lead-Based Paint Hazard Information Pamphlet published by the EPA (Environmental Protection Agency)/HUD/Consumer Safety Commission, entitled "Protect Your Family from Lead in Your Home." The Rehabilitation Specialist or a City designee will be responsible for determining that the homeowner understands all the information contained within the pamphlet. The homeowner will also be required to sign a document stating that he/she has received the pamphlet and understands the information.

If lead-based paint hazards are found through testing or if lead-based paint is presumed to exist due to the age of the housing, a "Notice of Lead Hazard Evaluation or Presumption" will be provided to the loan recipient no later than fifteen (15) days after Notice to Proceed. This notice will include a summary of the evaluation or presumption report, contact information to obtain additional information on lead-based paint in the home, and instructions on how to obtain access to the report.

If lead-based paint hazards are found through testing or if presumption is used, occupants will be notified of any lead hazard evaluation results and of the hazard reduction activities and clearance. Information entitled "Abatement of Lead Hazards Notification" will be provided no later than fifteen (15) days after completion. This notice will include a summary of hazard reduction activities, information on areas that achieved clearance and those that failed clearance testing, and contact information to obtain additional information on the results of the evaluation.

Safe Work Practices

In general, safe work practices minimize the spread of leaded dust, paint chips, soil, and debris. Safe work practices must be observed by all contractors when the area of disturbed paint exceeds twenty (20) square feet on exterior surfaces, two (2) square feet in any one interior room or space, or

ten (10) percent of the total surface area on a type of component with a small surface area (e.g. window sill, baseboard). These levels are considered the de minimis levels.

Safe work practices include the following:

- Using accepted methods of paint removal;
- Observing appropriate occupant protection and worksite preparation methods; and
- Employing specialized cleaning methods.

Clearance

If a painted surface exceeding the de minimis level is disturbed, worksite clearance is required. The clearance examination must be performed by a certified risk assessor or a certified lead-based paint inspector. Clearance examinations must include a visual assessment, dust sampling, submission of samples for analysis for lead, interpretation of sampling results, and preparation of a report.

If clearance is not achieved, all surfaces with a failed clearance sample shall be re-cleaned or treated by hazard reduction and then retested, until the applicable clearance level is met. The final payment to the contractor will not be disbursed until clearance of all worksite areas is achieved. The rehabilitation inspector shall take before and after photographs of the area where lead-based paint work is taking place.

Abatement Procedures

The amount of abatement required depends on the funding source and the amount of the rehabilitation loan. The minimum abatement practice involves repairing surfaces disturbed during rehabilitation, observing safe work practices and obtaining clearance of the work site. More extensive abatement procedures may require a risk assessment of the interior and exterior of the home by a certified risk assessor or a certified lead-based paint inspector and conforming to accepted standards of lead hazard issued by the EPA. If a risk assessment is needed, the results will be provided to the homeowner in the form of a "Notice of Lead Hazard Evaluation or Presumption."

Depending on the results of the risk assessment and the requirements of the funding source, more or less extensive abatement measures may be required. In some cases, abatement will exceed the minimum requirements noted above and require interim control measures. Interim control measures include paint stabilization of deteriorated paint, treatments for friction and impact surfaces, dust control, and lead-contaminated soil control. Interim controls may be performed in combination with, or be replaced by, abatement methods. The person performing the interim controls must have completed a HUD-approved course on lead-based paint abatement or be supervised by a certified lead-based paint abatement supervisor. Interim controls will cover the following:

- Paint stabilization - Any defect in a component (e.g. plaster, siding) will be repaired before paint stabilization controls are carried out. Loose paint and/or loose materials will be removed from the surface and the surface will be prepared using an acceptable method. The surface may then be painted.
- Friction and impact surface - Friction and impact surfaces may include window systems, doors, baseboards, drawers and cabinets, and interior floors. The treatment should stop the surface from being further abraded or impacted (e.g. by installing a doorstop, by re-hanging a door). Painting an impact or friction surface without first removing the lead-based paint is an insufficient interim control.
- Chewable surfaces - Chewable surfaces are required to be treated only if a child under the age of six (6) is known to have chewed the surface, and if lead-based paint is present on the surface.
- Dust-lead hazard control - Methods for dealing with dust-lead hazards are covered extensively in HUD manuals, but include covering rough surfaces with a smooth, easily cleanable surface (e.g., vinyl flooring) and vacuuming carpet with a HEPA vacuum.
- Soil-lead hazards - Soil-lead hazards may be treated by covering the affected surface with an impermanent covering (e.g., gravel), or, if reasonable, by using land use controls which control access to the affected area (e.g., fencing).

There are many cases in which full abatement of the lead hazard will be required. The requirement for full abatement depends on the funding source, the level of funding and the level of lead-based paint hazard. Full abatement measures include permanently removing the sources of lead hazards, permanently encapsulating lead-based paint, replacing components painted with lead-based paint, and removing or permanently covering soil-lead hazards. In the case that full abatement is required, it shall be applied to all interior surfaces disturbed by rehabilitation, and interim controls will only be acceptable on exterior surfaces not disturbed by the rehabilitation. Clearance of all surfaces must be obtained.

APPEAL PROCESS

Any applicant to the REHAB-O loan has the right to appeal if their application is denied. In order to provide an impartial decision on any appeals related to income qualifications of applicants or loan decisions, the City of Rancho Cordova has designated an Appeals Review Committee. This committee is comprised of the City Finance Director, Public Works Director, and the Economic Development Director. The Planning Director will serve as an alternate. The Appeals Review Committee shall have fifteen (15) business days to review the appeal, convene and make a determination on the appeal. The Committee will have an additional five (5) business days to draft and mail an official response.

GRIEVANCE RESOLUTION

During pre-construction, construction, and post-construction periods, the borrower has a right to have any disputes heard and resolved. City housing staff, including the Rehabilitation Specialist and

other City designated participants, is primarily responsible to assure that the program is implemented in compliance with state and federal regulations and in a timely and responsible manner. This includes developing accurate, professional, and organized files, work write-ups, and contract documents.

City housing staff or their designees will attend the meeting between the homeowner and the contractor when the contract documents are signed, and facilitate in the clarification and/or corrections of proposed work so a clear understanding is established between both parties. During construction and following completion, the contractor's work is monitored for code compliance by the City of Rancho Cordova's building inspector and for quality by the Rehabilitation Specialist or a City designee

The contractual obligation for rehabilitation is between the contractor and the homeowner; the City is not a party to the conflict. If a situation occurs where the two parties are in conflict, the following procedure will occur:

Stage 1: Before any intervention occurs, the homeowner or contractor shall communicate perceived problems or complaints directly to the other party. In an attempt to resolve the differences, each will give the other an opportunity to respond or correct the problem.

Stage 2: If the Stage 1 attempt fails, the homeowner or contractor may ask City staff to informally facilitate the dispute. This facilitation might include telephone calls to the contractor or homeowner, meetings at the job site or in the office, or other actions as appropriate, including such things as the establishment of written working guidelines or other post-contractual agreements. It must be recognized that at this point the homeowner may wish to utilize other options, including contacting the Contractor's State Licensing Board and submitting a complaint.

Stage 3: Any controversy between the parties that cannot be settled through the informal intervention process outlined above shall be submitted to the City's Building Boards of Appeals. Decisions of the City's Building Board of Appeals will be binding.

MONITORING

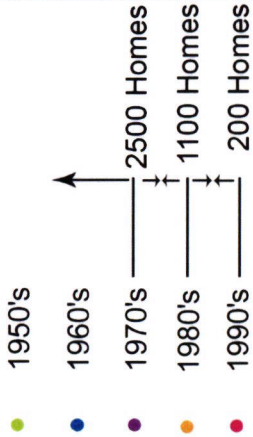
The City shall monitor units for compliance with residency and insurance requirements on a regular basis. The City may monitor units as frequently as desired, but generally will monitor them on no less than an annual basis and no more than quarterly. Each year, the homeowner will be required to submit a current utility bill, a statement of continued occupancy as the homeowner's primary residence, and a declaration that other titleholders do not reside on the property. Homeowners must also submit proof of required insurance, showing the City as a loss payee, on an annual basis.

CITY OF RANCHO CORDOVA REDEVELOPMENT AREA RESIDENTIAL HISTORY DECADE OF CONSTRUCTION

3800 Total Single-Family Residences
in Redevelopment Area

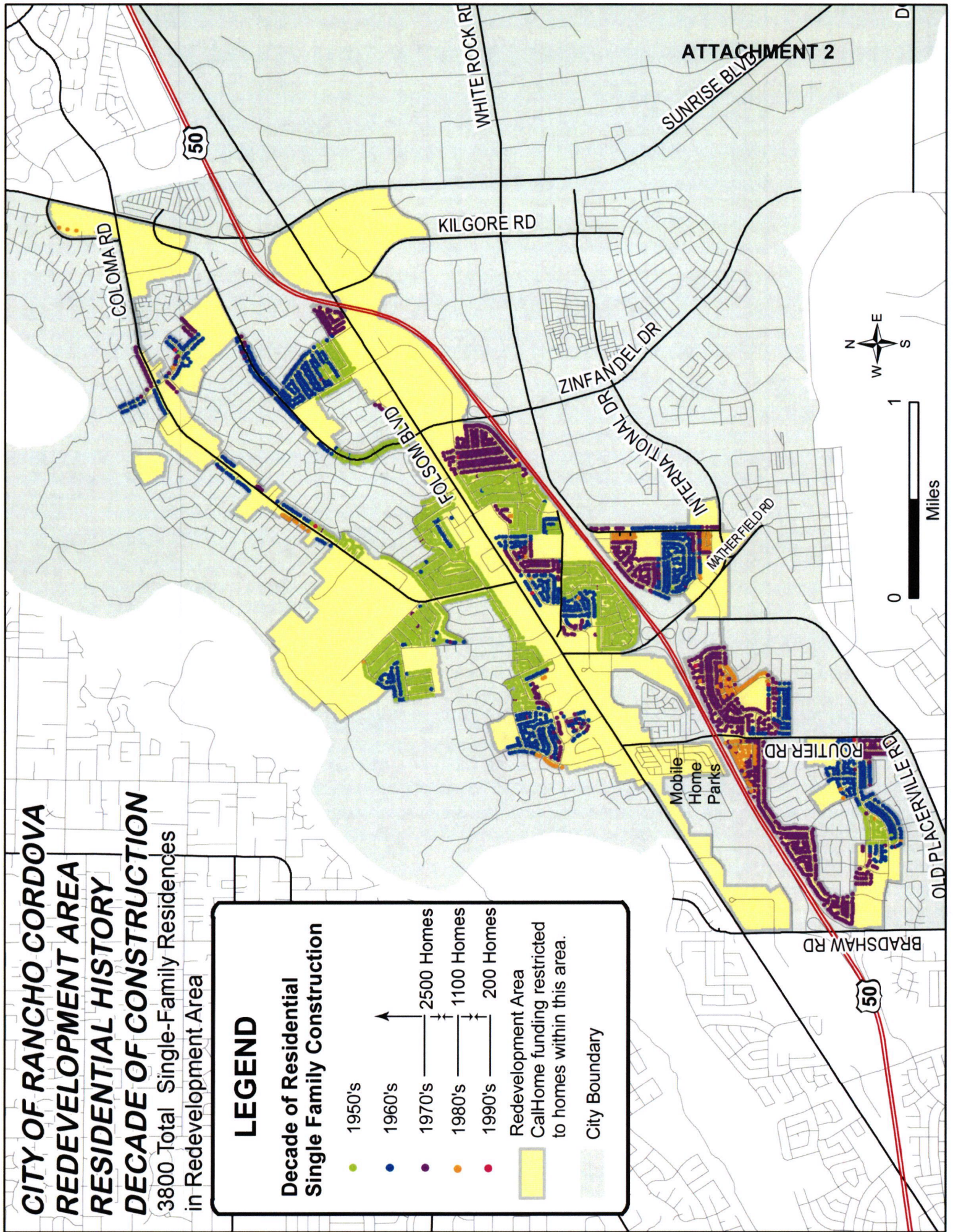
LEGEND

Decade of Residential Single Family Construction



Redevelopment Area
CalHome funding restricted
to homes within this area.

City Boundary



REHAB-O Supporting Documents

FORM 1A

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM INELIGIBILITY LETTER**

Date

Homeowner
Property Address
City, State Zip

RE: APPLICATION TO CITY OF RANCHO CORDOVA'S RESIDENTIAL REHABILITATION LOAN PROGRAM

Dear Homeowner,

After reviewing your application for a Residential Rehabilitation Loan from the City of Rancho Cordova's Residential Rehabilitation Loan Program, we regret to inform you that your household is not eligible to receive assistance from the City of Rancho Cordova.

INSERT REASON, INCLUDING SOURCE OF DISQUALIFYING INFORMATION.

You have the right to appeal this determination. If you wish to submit an appeal, you must do so in writing. Written appeals must be submitted to the City's Residential Rehabilitation Loan Program, 2729 Prospect Park Drive, Rancho Cordova, CA 95670, and must be received within fifteen (15) days of the date of this letter. The decision of the City on your appeal will be final.

Sincerely,

CITY STAFF

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM ELIGIBILITY LETTER**

Date

Homeowner
Property Address
City, State ZIP

RE: APPLICATION TO CITY OF RANCHO CORDOVA'S RESIDENTIAL REHABILITATION LOAN PROGRAM

Dear Homeowner,

After reviewing your application for a Residential Rehabilitation Loan from the City of Rancho Cordova's Residential Rehabilitation Loan Program, we are pleased to inform you that your household is eligible to receive assistance from the City of Rancho Cordova.

The City's Housing Rehabilitation Specialist will soon contact you to conduct a brief inspection. The Rehabilitation Specialist will conduct a brief assessment of your home's needs for repair. Please arrange for complete access to all areas of the home and yard.

It is important to note that not all eligible households will receive loan funding in any given cycle. The City allocates funds based on the amount of funds available, the number of applications and the amount of funding needed. Your application and the rehabilitation needs assessment will be considered by the City's Housing Loan Committee.

The Housing Loan Committee will meet to review all of the loan requests and determine which applications to fund and at what level. If you have any questions, please call the Housing Rehabilitation Specialist _____ at _____.

Sincerely,

CITY STAFF

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM
HOUSING REPAIR NEEDS ASSESSMENT COVER SHEET**

Owner(s) Name(s)		Date and Time of Inspection	
Address			
Phone#		Year Built	

☐ **Occupancy verified – names of all who live here:**

--

☐ **General unit description verified – is property a single-family dwelling?**

Notes:

--

☐ **Reported conditions requiring repair described; does repair meet program guidelines?**

Notes:

--

IN PRE-1978 HOMES ONLY – CHECK FOR LEAD-BASED PAINT

Paint condition at repair site:

☐ intact ☐ chipping ☐ peeling

Notes:

--

Housing Rehabilitation Specialist

Name: _____

Signature: _____

--

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

APPLICATION INSTRUCTIONS

The City of Rancho Cordova Residential Rehabilitation Loan Program provides loans that allow for comprehensive rehabilitation of owner-occupied housing. The loans are available on a to households earning no more than 80 percent of the area median income. In order to be considered eligible, applicants need to have their income verified by the City.

Loans may only be used for eligible repairs. In general, repairs are limited to correcting deficiencies and repairing major systems. Cosmetic and general property improvements are generally not eligible. Please see the City's guidelines for a complete description of eligible and ineligible repairs.

Maximum Income by Household Size

To qualify for the Residential Rehabilitation Loan Program, the household income must be equal to or less than the amount shown below for the number of persons in the household.

MAXIMUM INCOME BY NUMBER OF PERSONS IN HOUSEHOLD							
1	2	3	4	5	6	7	8
\$40,950	\$46,800	\$52,650	\$58,500	\$63,200	\$67,900	\$72,550	\$77,250

Sacramento--Arden-Arcade--Roseville, CA HUD Metro FMR Area, FFY 2010 Low (80%) Income Limits

Loan Amount

The maximum loan amount is \$60,000. Funding is available annually by application. Applications are accepted during an open application period of sixty (60) days each year. Funds are available to certain households with an income less than 80% of the area median income any may be targeted to certain areas or neighborhoods in a given year.

Term and Interest Rate

Loans will be for a term of fifteen (15) years. They are fixed rate at three percent (3%) interest per year. You don't need to make a payment for 15 years if your income stays in the eligible range. If you move, rent, or sell the home, you must repay the loan. You may need to repay the loan if the City determines you have sufficient income to repay the loan in full or make regular payments at the end of the 15-year loan term. The full payment plus interest will be due in 15 years, unless the City agrees to extend the loan for another 15 years upon proof of inability to pay back the loan.

Owner-occupancy Requirement

You must live in the home for at least ten (10) months every year for the life of the loan. The City will check this every year. If you move, rent, or sell the home, you have to repay the loan.

Application Completion

Please complete the attached application (4 pages) with all supporting financial documentation (see the attached checklist) and fax to:

(916) 851-8787- Attn: Residential Rehabilitation Loan Program

Alternatively, you may drop off or mail the application and supporting documentation to the following address:

**City of Rancho Cordova
Residential Rehabilitation Loan Program
Housing Services
2729 Prospect Park Drive
Rancho Cordova, CA 95670**

You will receive a call from the City when your application has been fully evaluated.

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

APPLICATION CHECKLIST

Please include copies of the following information. **Do not send original documents.** The City will not return or be responsible for any original documents received. The City may request additional documentation as necessary to determine your eligibility.

For the home, please provide:

- ☐ Utility bills for the last 2 months.
- ☐ Homeowner insurance policy – declarations page.
- ☐ Annual property tax bill.
- ☐ Deed or title to property.
- ☐ Home Energy Audit.

For **each member** of your household please provide:

- ☐ Most recent three months of pay stubs for all employed adults (persons 18 and older) who live in the household.
- ☐ Current proof of most recent three years of income from any other sources (e.g., Social Security, disability, child support).
- ☐ Most recent banking and investment statements (all accounts) for all adults.
- ☐ Most recent three years of federal income tax returns with W-2s (for all adults in the household).
- ☐ Completed and signed Authorization to Release Information

Please see the Program Guidelines for additional requirements.

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

APPLICATION FORM

APPLICANT INFORMATION				
Last Name:		First Name:		M.I.:
Street Address:			Home Phone:	
Rancho Cordova	NY	ZIP Code:	Work Phone:	
Social Security Number:	Birth Date:		Gender: ☐ M ☐ F	Disabled: ☐ Y ☐ N
C0-APPLICANT INFORMATION				
Last Name:		First Name:		M.I.:
Social Security Number:	Birth Date:		Gender: ☐ M ☐ F	Disabled: ☐ Y ☐ N
PROPERTY INFORMATION				
Year Built: _____		Year Purchased: _____		
Estimated Average Monthly Cost of Utilities:				
Water \$ _____	Sewer \$ _____			
Electricity \$ _____	Gas/Oil \$ _____	Other _____		\$ _____
DESCRIPTION OF REPAIRS NEEDED				

HOUSEHOLD COMPOSITION (List the head of your household and all members who live in your home. Give relationship of each family member to head.)

Full Name	Relationship	Date of Birth
Does anyone in your household have a permanent disability? ☐ Y ☐ N		If so, give name and relationship: _____

INCOME INFORMATION – Include annual income for all adults (18 years or older) in the household

Source	Applicant - Annual	Co-applicant - Annual
Wages	\$	\$
Tips or Commission	\$	\$
Social Security	\$	\$
Retirement	\$	\$
Unemployment Benefits	\$	\$
Workers' Compensation	\$	\$
Alimony, Child Support	\$	\$
Welfare Payments	\$	\$
Other:	\$	\$
Other:	\$	\$
Other:	\$	\$
TOTAL	\$	\$

ACCOUNT INFORMATION – list all checking, savings, retirement or other cash asset accounts		
Institution Name	Type of account (checking, savings, retirement)	Current Balance or Market Value

LIABILITY INFORMATION (list outstanding obligations including auto loans, credit cards, charge accounts, credit union loans, personal loans, real estate loans, etc.)			
Creditor	Type of loan (mortgage, car, credit card)	Monthly Payment	Unpaid Balance

MORTGAGE			
Lender:			
Street Address:			
City, State, ZIP:			
Loan date:	/ /	Monthly Payment (P&I)	\$
Current balance:	\$	Annual property taxes	\$
Original loan amount	\$	Annual property insurance	\$

CERTIFICATION

By signing below I/we certify that the above information is correct and complete to the best of my/our knowledge and that I/we have disclosed all income received from all sources and have disclosed all assets. I/we also consent to the allow the City of Rancho Cordova and/or its authorized agents to contact employers, financial institutions and other agencies as appropriate to verify the information contained in this supplemental application. I/we understand that information regarding my/our credit and employment may be disclosed. I/we understand that should the City of Rancho Cordova determine that any information is false or incomplete I/we may be determined to be ineligible to receive funding through this Program.

Applicant

X _____

Date: / /

Co-applicant

X _____

Date: / /

FORM 5b

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

OWNER-OCCUPIED RESIDENTIAL REHABILITATION LOAN APPLICATION RATING

Name: _____

Phone: _____

Address: _____

Household Information (50 points)

The household is: (select one)

____ (20) Extremely low income (less than 30% AMI)

____ (15) Very low income (30 to 50% AMI)

____ (5) Low income (50 to 80% AMI)

The household contains: (select all that apply)

____ (10) An elderly (65 or older) head of household

____ (5) One or more disabled or handicapped individuals

____ (5) One or more child under the age of 6

____ (5) Six or more individuals *or* four or more children under 18

____ (5) A female head of household

Housing Condition (50 points)

(1=small repairs necessary, 10=major rehabilitation needed)

____ (10) Foundation

____ (10) Electrical

____ (10) Plumbing

____ (10) Roofing

____ (10) Heating and Cooling Systems

Necessary Improvements (15 bonus points)

(1=small modifications necessary, 5=major rehabilitation needed)

____ (5) Accessibility (households with physically disabled individuals only)

____ (5) Lead-based paint abatement (households with children under 6 or developmentally disabled individuals only)

____ (5) Exterior improvements are required

Location and Type of Unit (10 bonus points)

_____ (5) Property is a single family home

_____ (5) Property is located in Redevelopment Project Area or Census Tract with 50% or more low income residents

DISCLAIMER: This form is to be used for City of Rancho Cordova ranking purposes only. It may not accurately reflect housing condition deficiencies.

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

AUTHORIZATION TO RELEASE INFORMATION

The undersigned hereby authorizes the City of Rancho Cordova, its employees and authorized agents to verify all information provided to it in connection with the Application dated ____/____/____ using any source and to obtain credit, employment, and income information, including information of a privileged or confidential nature.

BY ATTACHING THIS RELEASE FORM, OR A COPY OF SAME, to any verification form requiring the undersigned's signature, you are authorized by the undersigned to release the information requested by the City of Rancho Cordova.

I hereby release you, your organization, or others from any liability or damage which might result from furnishing the information requested.

SIGNATURE OF APPLICANT DATE ____/____/____

PRINT NAME: _____

ADDRESS: _____

SSN: _____

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

**ELIGIBLE REPAIRS POLICY AND CONTRACTOR MATERIAL
SELECTION POLICY ACKNOWLEDGEMENT**

I/We fully understand the following policies, and agree to abide by them if offered a rehabilitation loan from the City of Rancho Cordova:

Only certain repairs can be completed with the City's Residential Rehabilitation Loan Program. Under no circumstances will cosmetic upgrades or repairs be approved. Other examples of ineligible rehabilitation activities include room additions, fireplace construction, the repair or construction of screened porches, accessory buildings (including garages), swimming pools and hot tubs and the purchase of equipment, furniture, window coverings, and most appliances.

The contractor selected to complete the rehabilitation work may specify the quality of materials used in the rehabilitation work (subject to minimum standards as set forth by applicable code). In some cases the homeowner may be allowed to choose from a given selection of materials (e.g., colors of paint), but the contractor is not under any obligation to allow the homeowner to choose the materials. The homeowner may not request a material upgrade.

Homeowners may not enter into a separate contract with the selected contractor or another contractor during the rehabilitation process, nor may they request that the contractor perform work not identified in the specifications. Upgrades to materials, systems, and other components installed or repaired during rehabilitation are prohibited. Violation of these provisions may void the contract.

Homeowner

Date

Homeowner

Date

FORM 8

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

LEAD-BASED PAINT HAZARD INFORMATION RECEIPT

I hereby acknowledge that I have received a copy of the U.S. Environmental Protection Agency's pamphlet entitled "Protect Your Family from Lead in Your Home," which informs me of the potential risk of lead hazard exposure from rehabilitation or repair activity to be performed in my dwelling unit. I received this pamphlet before the work began.

Recipient Name(s): _____

Recipient Address: _____

Recipient

Date

Recipient

Date

Date:

[illegible]

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

BID SELECTION BY PROPERTY OWNER(S)

I/we, as the owner-occupants of the property described below situated in the City of Rancho Cordova, County of Sacramento in the State of California, have received bids from general contractors for improvements to our property.

I/we have reviewed these bids and have selected the bid shown below as "Accepted Bid" from the bidder shown below as "Selected Contractor" to perform the work as described in the bid.

I/we understand that the work as described will be funded by the City of Rancho Cordova. Any work will be evidenced by a Residential Rehabilitation Loan Agreement and a Real Property Improvement Agreement. Payment of any sum to the contractor is conditioned on approval of City funding and execution of all documents.

I/we also understand that the Real Property Improvement Agreement provided by the City will be required to be executed between owner(s) and the Selected Contractor. Any claims for payment from the Contractor for work completed prior to execution of this agreement will not be honored by the City, and Homeowner(s) shall be solely responsible for payment of such claims.

I/we also understand that the decision to accept the bid shown below and select the Contractor shown below to perform the work as described is mine/ours alone. The City of Rancho Cordova does not warrant or guarantee the value or quality of the workmanship of the Contractor or sub-contractors, or of the materials used in the performance of the work.

Property Address: _____

Accepted Bid: \$ _____

Selected Contractor: _____

HOMEOWNER:

Name: _____

Date: _____

HOMEOWNER:

Name: _____

Date: _____

The Homeowner's (s') Accepted Bid and Selected Contractor have been reviewed and found to be acceptable.

REHABILITATION SPECIALIST

Date

FORM 11

CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM

PROJECT COST ESTIMATE

Owner:

Property Address:

Loan #:

PROJECT FUNDING SUMMARY

Date	Source of Funds	Notes	Amount	Total Funds
	City loan		0.00	
	Homeowner contribution		0.00	
Total amount of loan funding				0.00

PROJECT COSTS SUMMARY

Selected Contractor	
Rehab Contract Amount	0.00
Total Contractor Payments	0.00
Balance Due to Selected Contractor	0.00

Other project related costs	Vendor	Cost
Title/Escrow Fees		0.00
Termite Inspection Report		0.00
Courier Fees		0.00
Other:		0.00
Total project related costs		0.00
Total rehabilitation project cost		0.00

Net Project Funds Balance

0.00

PROJECT SUMMARY

Rehabilitation Contract	-
Plus Other fees, credits	-
Minus Applicant contribution	0
Final Loan Amount	\$0

This table shall serve as an estimate to determine the amount of funding necessary to complete the project. Applicant is aware that if the repairs needed (contract an exceed the loan amount available from the City, it is his/her responsibility to cover the difference.

Applicant Signature: _____

Co-Applicant Signature: _____

FORM 11

CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM

PROJECT COST ESTIMATE

nount)

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

CHANGE ORDER REQUEST NO. _____

Owner(s): _____

Address: _____

To (Contractor): _____

In accordance with the Real Property Improvement Agreement, dated _____

The undersigned owner(s) hereby directs the above-named Contractor to make the following changes in the Scope of Work:

This Change Order must be signed by the Rehabilitation Specialist, the Property Owner(s), the City of Rancho Cordova and the Contractor before the Contractor begins these repairs.

The undersigned Contractor hereby agrees to perform the above-described work for the sum of:
\$_____.

The above changes also require an extension to the completion date specified in the Real Property Improvement Agreement referred to above. Therefore, we agree to extend the completion date to _____.

Property Owner Signature(s)

Date

City of Rancho Cordova Signature

Date

Contractor's Signature

Date

Rehabilitation Specialist Signature

Date

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

NOTICE TO PROCEED

(TO BE PRESENTED TO HOMEOWNER(S) BY REHABILITATION SPECIALIST; SIGNED COPIES GO TO
CONTRACTOR, HOMEOWNER CITY OF RANCHO CORDOVA)

Contractor: _____

Owner(s): _____

Pursuant to the provisions of the Real Property Improvement Agreement dated _____, the Contractor is hereby given by Owner(s) "Notice To Proceed" with the rehabilitation of the following described property:

(Property address): _____

YOU ARE HEREBY REMINDED THAT:

1. Rehabilitation work is to be started within _____ days of the date of receipt of this notice.
2. Your construction completion deadline is _____.
3. Substituting materials, methods, brands or otherwise altering specifications without written approval may result in the need to replace same, at no additional charge to Owner(s) or City.

Signed:

Owner

Owner

Date delivered

Received by: _____

(Contractor)

Date: _____

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

CONTRACTOR PROGRESS PAYMENT REQUEST

Property Owner: _____

Request Date: ____/____/____

Address: _____

Contract Amount: \$ _____

Contractor: _____

Address: _____

Contractor:

I hereby request progress payment # _____ in the amount of \$ _____.

I certify that as of ____/____/____ I have completed work sufficient to justify this request. I further certify that all amounts owed to subcontractors, suppliers, tradesmen, laborers or others related to the work claimed as completed on all prior requests have been paid.

Contractor Signature: _____ Date: ____/____/____

Homeowner(s):

I/We hereby certify that the work stated by the Contractor as having been completed has been completed. I/We hereby approve payment to the Contractor in accordance with the Real Property Improvement Agreement. I/We understand that payment to the Contractor will be based on an inspection of the work and verification of completion of the claimed work.

Property Owner Signature: _____ Date: ____/____/____

Property Owner Signature: _____ Date: ____/____/____

Rehabilitation Specialist:

I hereby certify that all work is completed as indicated above. I hereby recommend release of payment to Contractor in the amount of \$ _____ (10% or \$____ is to be withheld as retainage until completion of work)

Rehabilitation Specialist Signature: _____ Date: ____/____/____

City of Rancho Cordova

We hereby approve the payment to Contractor in the amount of \$ _____ as recommended by:

City Representative Name and Title_____
Date

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

PUNCH LIST

Date: _____ **Address of Site:** _____

Owner(s): _____

Contractor: _____

The following is a list of items to be completed prior to final payment:

Item No.	Description	Date Resolved

It is agreed that when the above list of items are completed, approval for final payment will be authorized. Any defective work or omitted items will be covered by the one-year warranty period.

Owner

Owner

Contractor

Rehabilitation Specialist

FORM 16

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

FILE CHECKLIST

APPLICANT INFORMATION (FOR EACH APPLICANT)			
Last Name:	First Name:		M.I.:
Street Address:			Home Phone:
Rancho Cordova	CA	ZIP Code:	Work Phone:
PROPERTY INFORMATION			
Year Built: _____		Year Purchased: _____	

INTAKE	DATE SENT/ STARTED	DATE RECEIVED/ COMPLETED	INITIALS
Interest Form			
Ineligibility Letter – Form 1a			
Eligibility Letter – Form 1b			
INITIAL SITE VISIT			
City Building Inspector Checklist – Form 2			
Energy Audit Received			
Lead Based Paint and/or Hazardous Materials Testing			
APPLICATION			
Completed application – Forms 5, 5a and 5b			
<i>Utility bills</i>			
<i>Homeowner insurance</i>			
<i>Property tax bill</i>			
<i>Deed or title to property</i>			
<i>Pay stubs</i>			
<i>Proof of other income</i>			
<i>Bank statements</i>			
<i>Tax returns</i>			
Authorization to Release Information – Form 6			

CITY OF RANCHO CORDOVA - RESIDENTIAL REHABILITATION LOAN PROGRAM - FILE CHECKLIST - P.2

ELIGIBILITY			
Income eligibility documentation			
<i>Credit report</i>			
Property eligibility documentation			
<i>Title Report</i>			
<i>Appraisal</i>			
ENVIRONMENTAL REVIEW			
"Appendix A"			
Letter to SHPO			
SHPO Concurrence Letter			
SCOPE OF WORK			
Lead Hazard Assessment			
Eligible Repairs Policy and Contractor Material Selection Policy Acknowledgment – Form 9			
Lead Based Paint Hazard Information Receipt – Form 10			
Work Specification Write Up and Cost Estimate – Residential Property Improvement Agreement, Attachment ____			
BIDDING			
Bid Packet			
Bidders notice			
Pre-bid Conference Sign-in Sheet – Form 11			
Bids received			
Bid Evaluation Summary			
Bid Selection – Form 12			
FUNDING			
Real Property Improvement Agreement			

CITY OF RANCHO CORDOVA - RESIDENTIAL REHABILITATION LOAN PROGRAM - FILE CHECKLIST - P.3

Contractor Verifications:			
<i>State license</i>			
<i>Debarred List</i>			
<i>Contractors Insurance (Real Property Improvement Agreement Attachment __)</i>			
<i>Workers Compensation Insurance</i>			
<i>Lead Safety Certification</i>			
<i>Bonding</i>			
CONSTRUCTION			
Change orders – Form 15			
Building permit			
Planning permits/approvals			
Public works permits/approvals			
Notice to Proceed – Form 16			
Progress Payment Requests – Form 17			
Punch List – Form 18			
Lien releases – Form 19			
Notice of Completion			

[illegible]

CONTRACTOR AGREEMENT
RESIDENTIAL REHABILITATION LOAN PROGRAM

THIS CONTRACTOR AGREEMENT ("Agreement"), made this [day] day of [month], [year] by and between the City of Rancho Cordova ("City"), and [Contractor's name] ("Contractor"), is with reference to the following facts:

1. This Agreement is made for the purpose of providing construction services in conjunction with funds provided through the Residential Rehabilitation Program (hereinafter referred to as "Program"). The Program is designed to improve the City's housing stock by encouraging low- and moderate-income homeowners to rehabilitate their homes, eliminate health and safety hazards, and bring homes into compliance with the current building codes.
2. The Program funding may vary from year to year, but is anticipated to be funded by combinations of Community Development Block Grant (CDBG), HOME, Low/Mod Redevelopment Tax Increment, Very Low Income Housing Trust funds (VLIHTF), and CalHome funds.
3. This Agreement is entered into by and between Contractor and the City for the purpose of allowing the City to establish and maintain a continuing contractor participation list. The City will use such contractor participation list to solicit bids for continuing projects funded by the Program.
4. Contractor wishes to participate and receive invitations to bid on projects within the Program.
5. By bidding, the Contractor certifies he or she is ready, willing and able to perform the work required and represents that he or she is qualified to carry out and complete the desired improvements. Contractor further represents that he or she is currently and validly licensed by the State of California under Contractor's License No. [license number], expiring on [expiration date], is not on the HUD contractor debarment list, and that he or she shall promptly provide to City and to the Owner satisfactory evidence of insurance coverage for bodily injury, property damage, and Workers Compensation.
6. Contractor represents, agrees and warrants that it has a current and valid surety bond in compliance with requirements of the California Contractor's State License Board and will maintain such valid bond, a copy of which is attached hereto and incorporated by reference, in good standing for the term of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

1. Insurance. Contractor agrees to maintain the following insurance coverage and provide evidence thereof to Owner or to City upon request:
 - a. Comprehensive General Liability.....\$1,000,000 combined single limit
 - b. Automobile Liability.....\$1,000,000 combined single limit
 - c. Additionally, the City requires the Contractor to agree that the bodily injury liability insurance shall be in effect at all times during the term of the contract.



- d. Workers' compensation coverage for Contractor's employees as required by the Labor Code of the State of California.
 - e. Contractor shall pass down the insurance obligations contained herein to all tiers of sub-contractors working under this Agreement.
 - f. In addition, Contractor shall comply with all requirements set forth in the attached Exhibit ____, "Contractor Insurance Requirements."
2. Requirements for Competitive Bid. In the administration of the Program, the City will solicit a minimum of three (3) bids per project. City will utilize contractors from the established participation contractor list. The City will review each bid and select the bid which is the most responsive, qualified and lowest cost of all bids submitted for each solicitation. Execution of this Agreement does not guarantee any amount of work or any number of bid solicitations.
3. Contractor Assurances. Contractor represents that it has the skill and expertise and the necessary personnel and equipment in order to perform the Work and that it will perform all of such Work in accordance with the terms hereof and in accordance with the highest standards of competency.
- a) Upon successful bid, the Contractor agrees to do, perform, and complete all of the work ("Work") approved by the City specifically set forth in the Request for Bid's Work Specifications Write-Up ("Specifications"), and shall furnish all supervision, technical information, labor, materials, tools, equipment, transportation, and all services necessary to do so.
 - b) Contractor agrees to do the Work in conformity with the specifications for the work duly signed by the parties to this agreement and retained and kept in the Economic Development Department, City of Rancho Cordova, California.
 - c) No part of the Work to be performed by Contractor pursuant to a successful bid under the Program shall be assigned or subcontracted without the prior written consent of City. The consent of City shall in no way relieve the Contractor of its responsibility for the quality and performance of the Work. Contractor shall include in any such subcontract all of the terms and conditions of this Agreement and make subcontractor subject thereto.
 - d) Any work done by the Contractor or his/her agents that is not in conformity with the plans or specifications or applicable building codes shall be immediately repaired by Contractor at his/her expense, including the cost of labor, materials, and supplies, prior to final payment.
4. Contractor Responsibilities. Contractor shall be responsible for:
- a) Performance of all Work in accordance with the instructions issued by City, and the terms and provisions of this Agreement.
 - b) The professional quality, technical accuracy and coordination of all Work and, without additional compensation, the correction of any errors or deficiencies in the Work.
 - c) Requiring any subcontractors to maintain all records pertaining to costs incurred and making such records available for inspection by City at all reasonable times during the



performance of the Work and for a period of one year from the date of final payment. Copies of any such records shall be furnished to City, if requested by City.

5. Adoption by Reference. The parties intend that this Agreement, the specifications, and the Contractor's work description, invoice, or other properly executed documents pertaining to the work shall operate so that any work specified or required in any one but not mentioned in another, or vice versa, is to be performed the same as if mentioned in all said documents; provided however, that no part of the Specifications conflicting with any part of this Agreement or which are not actually descriptive of the work contemplated hereunder or of the manner of its execution shall be considered as any part of this Agreement. In the event of conflict between documents so that the performance of one necessarily excludes performance of the other, the Specifications shall prevail over any document other than this Agreement.
6. Severability. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be deemed severable. In such event, this Agreement shall be enforced as if such invalid or unenforceable provision had never formed a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision.
7. Changes to the Agreement. The City may make changes to this Agreement, provided that no changes shall be made to the scope of services, time of performance, compensation or any provision which may affect the cost of the Work, without a written amendment to this Agreement executed by both parties.
8. Requests for Information. Upon reasonable request by Contractor, City will provide to Contractor such relevant information of record as is available to City. It is understood that City has no responsibility for the accuracy of any such information provided.
9. Form of Documents. The documents to be prepared by Contractor shall be on forms provided by the City. The City will determine whether the drawings and documents to be furnished are in compliance with the requirements of this Agreement and will decide all questions which may arise concerning the proper performance of this Agreement. The City's decision in these respects shall be final and conclusive.
10. Performance Requirements.
 - a) Contractor agrees to perform and complete all of the work in the manner specified and within the timelines set in the Real Property Improvement Agreement between Contractor and Owner.
 - b) Contractor shall obtain at his or her own expense all permits and licenses required to do and complete the work, including but not limited to, building permits, encroachment permits, sewer and utility connection charges, and development fees.
 - c) Contractor agrees that the work shall be completed free from any and all liens and claims of artisans, materials, suppliers, subcontractors, laborers and any other party.
 - d) Contractor hereby agrees that he/she and his/her subcontractors, if any, in the performance of the work described and designated in the Specifications described above, shall comply with all federal, state and local laws, rules, regulations and industry customs which may be



applicable to the work, whether now in existence or hereafter adopted, including but not limited to, federal and state tax withholding and licensing and permit requirements.

11. Surety. The parties agree that no duly executed change shall release or exonerate any surety or guarantor under any guaranty, bond or other security instrument given in connection of this Agreement.

12. Defaults, Remedies and Termination.

a) Default

i. Subject to the notice and cure provisions identified below and the expiration of the cure period set forth therein, the following events shall be a material default by Contractor:

1. Failure of Contractor to perform or observe any material provisions or condition of this Agreement;
2. Failure of Contractor to diligently pursue completion of the project scope;
3. Failure of Contractor to complete all work in a manner consistent with high industry standards for the construction field in the State of California;
4. Failure of Contractor to validly provide and respond to the warranties and guarantees required within this Agreement;

b) Notice of Right to Cure

- i. Prior to pursuing any remedy for an alleged default of Contractor, City will provide notice of default to Contractor. Each notice of default shall specify the alleged event of default and the intended remedy.
- ii. Contractor shall have fifteen (15) days to cure the alleged default.
- iii. Contractor shall have five (5) days to cure the alleged default if such default constitutes an immediate health and safety hazard.

c) Remedies

- i. In the event of material default by Contractor continues uncured for a period of fifteen (15) days, or five (5) days if an immediate health and safety hazard exists, in addition to the rights and remedies provided by law or equity, City may, at its election:
 1. Terminate this Agreement by giving Contractor written notice of termination;
 2. Engage an alternate contractor to cure the event of default and thereafter, bill and collect from Contractor the amounts expended by City to cure the event of default.

d) Termination



- i. Contractor may terminate this Agreement, without cause, at any time by giving City written notice of termination, subject to required satisfactory completion of all work pending in any and all validly outstanding City purchase order as may have been amended by any validly authorized change order.
- ii. City may terminate this Agreement, upon written notice, as identified above, without cause or upon completion of the Program.

13. Compliance with Program Fund Source Requirements.

a) Applicable Regulations

- i. Contractor acknowledges that the Program shall be funded with CDBG funds as authorized by the Housing and Community Development Act of 1974. This activity meets a National Objective by serving limited clientele as defined by 24 CFR 570.208(a)(2)(i) which must benefit persons who are of low and moderate income. By executing this Agreement, the Contractor agrees to comply with the following as they may be applicable:

1. The Housing and Community Development Act of 1974, as amended;
2. Section 3 of the Housing and Urban Development Act of 1968, as amended.
 - a. To the greatest extent feasible, opportunities for training and employment arising from Program funds will be provided to low-income persons residing in the program service area.
 - b. To the greatest extent feasible, contracts for work to be performed in connection with Program funds will be awarded to business concerns that are located in or owned by persons residing in the County of Riverside.
3. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and implementing regulations at 41 CFR Chapter 60;
4. Executive Order 11063, as amended by Executive Order 12259, and implementing regulations at 24 CFR Part 107;
5. Section 504 of the Rehabilitation Act of 1973 (PL 93-112), as amended, and implementing regulations;
6. The Age Discrimination Act of 1975 (PL 94-135), as amended, and implementing regulations;
7. The labor standard requirements as set forth in 24 CFR Part 570, Subpart K and HUD regulations issued to implement such requirements;
8. The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (PL 93-234);



9. The regulations, policies, guidelines and requirements of 24 CFR Part 85 "Common Rule," OMB Circular Nos. A-87, A-21, A-110, A-122 and A-133 as they relate to the acceptance and use of federal funds under the federally-assigned program;
10. Title VI of the Civil Rights Act of 1964 (PL 88-352) and implementing regulations issued at 24 CFR Part 1;
11. Title VIII of the Civil Rights Act of 1968 (PL 90-284) as amended;
12. The lead-based paint requirements of 24 CFR Part 35 issued pursuant to the Lead-based Paint Poisoning Prevention Act (42 USC 4801, et seq.);
13. Uniform Administration Requirements pursuant to 24 CFR 570.502.
14. Contractor shall carry out its activity pursuant to this Agreement in compliance with all federal laws and regulations described in Subpart K of Title 24 of the Code of Federal Regulations, except that:
 - a. Contractor does not assume the City's environmental responsibilities described at §570.604; and
 - b. Contractor does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

b) Prohibition Against Discrimination

- i. Contractor shall ensure against any form of discrimination in employment and contracting on the grounds of race, color, national origin, or sex.
- ii. Contractor shall ensure that no person on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits or, or be subjected to discrimination under any program or activity funded in whole or in part by any of the Program.

c) Prohibition Against Conflict of Interest

- i. Contractor and its assigns, employees, agents, consultants, officers and elected and appointed officials shall become familiar with and shall comply with the CDBG regulations prohibiting conflicts of interest contained in 24 CFR 570.611, attached hereto and by this reference incorporated herein.
- ii. Contractor understands and agrees that no waiver or exception can be granted to the prohibition against conflict of interest except upon written approval of HUD pursuant to 24 CFR 570.611(d). Any request by Contractor for an exception shall first be reviewed by City to determine whether such request is appropriate for submission to HUD. In determining whether such request is appropriate for submission to HUD, City will consider the factors listed in 24 CFR 570.611(e).



14. Independent Contractor. Contractor and its agents, servants and employees shall act at all times in an independent capacity during the term of this Agreement, and shall not act as, shall not be, nor shall they in any manner be construed to be agents, officers or employees of City.
15. Governing Law; Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The parties agree that any legal action related to the interpretation or performance of this Agreement shall be filed in the Superior Court for the State of California located in Riverside, California.
16. City Liability. The parties acknowledge that the City of Rancho Cordova is a grantee of certain funds disbursed by HUD, and is tasked with proper administration of HUD funds in the Residential Rehabilitation Loan Program. In that regard, nothing contained in this Agreement shall be construed or considered by either party to bind the City of Rancho Cordova to any act, responsibility or obligation; and Contractor agrees that City shall not be held so liable or accountable. The parties understand that the City of Rancho Cordova may from time to time act as technical and/or financial advisor in its administration of HUD funds; however the parties further understand that the City cannot and shall not act as an attorney for any party or as supervising architect with regard to the work hereunder. The City cannot and does not assume the responsibility for mistakes or failure to perform on the part of Owner, general Contractor, subcontractor, or any other party involved with the work hereunder.
17. Indemnification. Contractor agrees to indemnify, defend, and hold free and harmless the City of Rancho Cordova and its officers, employees, agents and volunteers from all liability of every kind on account of injury or damages sustained by any party by reason of any act or omission of Owner, Contractor, Contractor's principals, employees, agents, subcontractors, and volunteers in the performance of work hereunder or by, or in consequence of, any negligence in safeguarding the same.
18. Notice. Any notice required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be effective upon personal delivery or three (3) days after deposit in the United States Postal Service, postage prepaid and addressed as follows:

To City: [City Name]
[City Address]
[City Address]

To Contractor: [Contractor Name]
[Contractor Address]
[Contractor Address]

By initialing below, Contractor and City Housing Rehabilitation Specialist hereby acknowledge that they have read this Agreement and further acknowledge that time has been allowed for them to consult an attorney of their choosing. City and Contractor acknowledge that this Agreement affects their legal rights and that they have read and understand its provisions.

Contractor

City

19. Effective Date. This Agreement shall become effective immediately upon the execution of same by the duly authorized representatives of the City and Contractor.



IN WITNESS WHEREOF, Contractor and City have caused this Agreement to be duly executed on the date first herein above stated.

CONTRACTOR	
Signature:	
Printed Name:	
Business Name:	
California Contractor License No.:	
License Expiration Date:	
Telephone Number:	
Telephone Number:	
Fax Number:	

CITY REPRESENTATIVES	
Signature:	Signature:
Printed Name:	Printed Name:
Title:	Title:
Address:	Address:
Telephone :	Telephone :



REHAB-O Loan Closing Documents

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

AGREEMENT TO PROVIDE HOMEOWNERS INSURANCE

The City of Rancho Cordova Residential Rehabilitation Loan Program requires that you carry a sufficient amount of homeowner's insurance on your property.

- Insurance will be secured on the mortgaged property and will be written on "Special" form for the replacement cost of the property.
- If the home is in an area designated by the Federal Emergency Management Agency as within a one-hundred year floodplain, flood insurance must be maintained.
- The City will be named as an "Additional Insured" under such insurances for the term of the loan.
- At the completion of the repairs and annually thereafter, so long as the loan has not been fully repaid, the City will be provided with a copy of a policy of such insurances or will be provided an "Evidence of Insurance" document acceptable to the City.
- The City will be provided a 30-day notice in case of policy cancellation.

The City of Rancho Cordova should be listed as follows:

City of Rancho Cordova
Attention: Housing Services
2729 Prospect Park Drive
Rancho Cordova, CA 95670

I, (We) are in agreement with the above terms, and agree to the conditions as set forth.

Signature

Printed Name

Signature

Printed Name

Date

Real Property Improvement Agreement Attachment 1
CONTRACTOR INSURANCE REQUIREMENTS

Contractor shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Agreement all policies of insurance specified in the Agreement. . Such insurance must have the approval of the City as to limit, form, and amount, and shall be placed with insurers with a current A.M. Best's rating of no less than A: VII.

Contractor Is to Provide Endorsements and Policies

To be eligible to work, and prior to commencement of any work, Contractor shall furnish City with original endorsements affecting coverage for all required policies. A person authorized by the insurer to bind coverage on its behalf shall sign the endorsements. The endorsements are to be on forms provided by the City. As an alternative to City's forms, the Contractor insurer may, subject to the approval of City, provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by this Agreement. Contractor agrees to furnish one copy of each required policy to City, and additional copies as requested in writing, certified by an authorized representative of the insurer. Approval of the insurance by City shall not relieve or decrease any liability of Contractor.

No Suspension of Insurance

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled, terminated by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to City.

Required Limits

Contractor shall, at Contractor's own expense, maintain in effect so long as the provisions of this Agreement may apply, not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policy satisfactory to the City. The maintenance by Contractor of the following coverage and limits of insurance is a material element of this Agreement

Workers' Compensation

Insurance as required by the California Labor Code and other applicable laws to protect Contractor and subcontractors from all claims under Workers' Compensation and Employer's Liability Acts, including Longshoremen's and Harbor Worker's Act ("Acts"), if applicable. Such coverage shall be maintained, in type and amount, in strict compliance with all applicable State and Federal statutes and regulations.

Comprehensive General

The insurance shall include, but not be limited to, protection against claims arising from death, bodily or personal injury, or damage to property resulting from actions, failures to act, or operations of the insured, or by its employees or agents, or by anyone directly or indirectly employed by the insured. The amount of insurance coverage shall not be less than One Million Dollars (\$1,000,000) per occurrence.

Automobile

The insurance shall include, but not be limited to, protection against claims arising from death, bodily or personal injury, or damage to property resulting from actions, failures to act, or operations of the insured, or by its employees or agents, or by anyone directly or indirectly employed by the insured. The amount of insurance coverage shall not be less than One Million Dollars (\$1,000,000) per occurrence.

NO FEE FOR RECORDING
Government Code U7383

Recording requested by and when
recorded return to:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Escrow No. _____

CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM

DEED OF TRUST

**NOTICE TO BORROWER THIS DEED OF TRUST CONTAINS PROVISIONS RESTRICTING
ASSUMPTIONS**

Loan No. _____

This Deed of Trust is made on _____ 2010, by _____
(collectively, the "Borrower") and _____, (the "Trustee"), whose business address is
_____, in favor of the City of Rancho Cordova ("Lender") or Assignee, whose
address is 2729 Prospect Park Drive, Rancho Cordova, CA 95670.

1. BORROWER, IN CONSIDERATION OF THE INDEBTEDNESS HEREIN RECITED AND THE TRUST
HEREIN CREATED, HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee in trust,
with power of sale and right of entry and possession, all of Borrower's right, title and interest now
held or hereafter acquired in and to the following: (a) all of that certain real property (the "Property")
located at _____, in the County of Sacramento, and the State of
California, which is more particularly described in Exhibit A (attached) and incorporated herein by
this reference; and (b) all buildings, improvements and fixtures now or hereafter erected thereon,
and all appurtenances, easements, and articles of property now or hereafter affixed to, placed upon
or used in connection with the Property, together with all additions to, substitutions for, changes in or
replacements of the whole or any part of said articles of property; all of which are hereby pledged
and assigned, transferred, and set over onto Trustee, and for purposes of this Deed of Trust declared
to be part of the realty; provided, however, that furniture and other personal property of Borrower
now or hereafter situated on said real property are not intended to be included as part of the
Property.

2. FOR THE PURPOSE OF SECURING:

- 2.1. Repayment of the indebtedness evidenced by that certain Promissory Note of the Borrower dated
_____, _____ 2010, and entitled the City of Rancho Cordova Residential
Rehabilitation Loan Program Promissory Note (the "Note") of the Borrower in the principal
amount of _____ (\$ _____), together with simple interest on
such indebtedness according to the terms of the Note, and any and all amendments,
modifications, extensions or renewals of the Note. The Note and this Deed of Trust are subject
to the terms, conditions, and restrictions of the City of Rancho Cordova Residential

Rehabilitation Program Policies and Guidelines and implementing guidelines or regulations adopted by the California Department of Housing and Community Development or the US Department of Housing and Urban Development, all of which are hereby incorporated by reference.

2.2. Payment of such additional sums, with interest thereon:

- 2.2.1. As may hereafter be borrowed from Lender by the then-record owner of the Property and evidenced by a promissory note or notes reciting that it or they are so secured and all modifications, extensions, or renewals of the Note; and
- 2.2.2. As may be incurred, paid, or advanced by Lender, or as may otherwise be due to Trustee or Lender, under any provision of this Deed of Trust and any modification, extension, or renewal of this Deed of Trust; and
- 2.2.3. As may otherwise be paid or advanced by Lender to protect the security or priority of this Deed of Trust.

2.3. Performance of each obligation, covenant, and agreement of Borrower contained in this Deed of Trust, the Note, or any other document executed by Borrower in connection with the loan(s) secured by this Deed of Trust, and all amendments to these documents whether set forth in this Deed of Trust or incorporated in this Deed of Trust by reference.

3. BORROWER COVENANTS:

Borrower hereby covenants to maintain and protect the security of this Deed of Trust, to secure the full and timely performance by Borrower of each and every obligation, covenant, and agreement of Borrower under the Note and this Deed of Trust, and as additional consideration for the obligation(s) evidenced by the Note, Borrower covenants as follows:

- 3.1. Title. That Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title of the Property against all claims and demands subject to any declarations, easements, or restrictions listed in the schedule of exemptions to coverage in any title insurance policy insuring Lender's interest in the Property.
- 3.2. Payment of Principal and Interest. That Borrower shall promptly pay, when due, the principal and interest on the Note, and such other charges as are provided in the Note, and such other amounts as are provided under this Deed of Trust.
- 3.3. Maintenance of the Property. (a) To keep the Property in a decent, safe, sanitary, tenantable condition and repair and permit no waste thereof; (b) not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable; (c) not to remove, demolish or structurally alter any buildings and improvements now or hereinafter located on the Property without Lender's prior written consent, except 1.1.1 when permitted by this Deed of Trust; or 1.1.2 when incident to the replacement of fixtures, equipment, machinery or appliances with items of like kind; (d) to repair, restore or rebuild promptly any buildings or improvements on the Property that may become damaged or be destroyed while subject to the lien of this Deed of Trust; (e) to comply with all applicable laws, ordinances and governmental regulations affecting the Property or requiring any alteration or improvement thereof, and not to suffer or permit any violations of any such law, ordinance or governmental regulation, nor of any covenant, condition or restriction affecting the Property; (f) not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the Lender's prior written consent; and (g) not to alter the use of all or any part of the Property without the prior written consent of the Lender.

- 3.4. Appear and Defend. Borrower shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Lender or Trustee; and shall pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which the Lender or Trustee may appear, and in any suit brought by the Lender to foreclose this deed.
- 3.5. Payment of Taxes and Utility Charges. Borrower shall pay, at least ten (10) days before delinquency: i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; ii) when due, all encumbrances, charges and liens, fines and impositions attributable to the Property, leasehold payments or ground rents, if any, and any interest on the Property or any part thereof; and iii) all costs, fees and expenses of this trust. Borrower shall make such payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph and Borrower shall promptly furnish to Lender receipts evidencing all such payments made.
- 3.6. Insurance. To keep the Property insured with loss payable to the Lender, against loss or damage by fire and such other hazards, casualties and contingencies and by such companies and on such forms as are satisfactory to Lender, and in the amount of the replacement cost of the Property, and to deliver the original of all such policies to the Lender, together with receipts satisfactory to the Lender evidencing payment of the premiums. Lender shall accept as satisfying the requirements of this Section 3.6 any insurance policy in the amount of the replacement cost of improvements located on said Property if such policy is satisfactory to the holder of any deed of trust with priority over this Deed of Trust. Notwithstanding the foregoing, all such policies shall provide that the Lender shall be given thirty (30) days advance written notice of the cancellation, expiration or termination of any such policy or any material change in the coverage afforded by it. Renewal policies and any replacement policies, together with premium receipts satisfactory to the Lender, shall be delivered to the Lender at least thirty (30) days prior to the expiration of existing policies. Neither Trustee nor the Lender shall by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance, or solvency of any insurer for payment of losses. In the event of a loss, the amount collected, under any policy of insurance on said Property may, at the sole option of the Lender 1.1.2.1 except to the extent expressly limited or prohibited by statutory or case law in effect as of the date of this Deed of Trust, be applied by Lender upon any indebtedness and/or obligation secured hereby whether the same be then matured or unmatured, and in such order as Lender may determine; 1.1.2.2 be used in replacing or restoring the improvements partially or totally destroyed to a condition satisfactory to said Lender; 1.1.2.3 be used by the Lender to fulfill any of the covenants contained herein as the Lender may determine; or 1.1.2.4 be released to the Borrower. In any of the foregoing events neither the Trustee nor the Lender shall be obligated to see to the proper application thereof, nor shall the amount so released or used under clauses (2), (3), or (4) above be deemed a payment on any indebtedness secured hereby. Such application, use and/or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Subject to the rights of the holder of a deed of trust with priority over this Deed of Trust, the Borrower hereby appoints the Lender attorney irrevocable of the Borrower to assign each such policy in the event of the foreclosure of this Deed of Trust or other transfer of the title to the granted Property in extinguishment, in whole or in part, of the debt secured hereby. No insurance shall be required hereunder in excess of that allowed by Civil Code Section 2955.5.
- 3.7. Payments and Discharge of Liens. Borrower will pay, when due, all claims of every kind and nature which might or could become a lien on the Property or any part thereof; provided, however, that the following are excepted from this prohibition: (a) liens for taxes and assessments which are not delinquent although by law are given the status of a lien, and (b)

such of the above claims as are, and only during the time they are, being contested by Borrower in good faith and by appropriate legal proceedings, and Borrower shall post security for the payment of these contested claims as may be requested by the Lender. Borrower shall not default in the payment or performance of any obligation secured by a lien, mortgage or deed of trust which is superior to this Deed of Trust.

4. IT IS MUTUALLY AGREED THAT:

- 4.1. Future Advances. Upon request by Borrower, Lender, at Lender's option, may make future advances to Borrower. All such future advances, with interest thereon, shall be added to and become a part of the indebtedness secured by this Deed of Trust when evidenced by promissory note(s) reciting that such note(s) are secured by this Deed of Trust.
- 4.2. Disbursements to Protect Lender's Security. All sums disbursed by Lender to protect and preserve the Property, this Deed of Trust, or Lender's security for the performance of Borrower's obligations under the Note shall be and be deemed to be an indebtedness of Borrower secured by this Deed of Trust.
- 4.3. Protection of Lender's Security. Borrower will give Lender immediate written notice of any action or judicial proceeding (including, with limitation, any judicial or non-judicial proceeding to foreclose the lien of a junior or senior mortgage or deed of trust) affecting or purporting to affect the Property, this Deed of Trust, Lender's security for the performance of Borrower's obligations under the Note, or the rights or powers of Lender or Trustee under the Note or this Deed of Trust. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or decedent, foreclosure of any mortgage secured by the Property or sale of the Property under a power of sale of any instrument secured by the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Section 4.3, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the highest rate permissible under applicable law. Nothing contained in this Section 4.3 shall require Lender to incur any expense or take any action hereunder.
- 4.4. Inspection. Lender or its agent may make or cause to be made reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any such inspection specifying reasonable cause for the inspection.
- 4.5. Awards and Damages in Condemnation. All judgments, awards of damages, settlements and compensation made in connection with or in lieu of taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain are hereby assigned to and shall be paid to the Lender. The Lender is authorized and empowered (but not required) to collect and receive any such sums and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Lender shall determine at its option. All or any part of the amounts so collected and recovered by the Lender may be released to Borrower upon such conditions as the Lender may impose for its disposition. Application of all or any part of the amounts collected and received by the Lender or the release thereof shall not cure or waive any default under this Deed of Trust. If the Property is

abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sum secured by this Deed of Trust.

- 4.6. Prohibition on Transfers of Interest. With the exception of the transfers permitted in Section 4.10 below, Borrower shall not, without the prior written consent of Lender, which consent may be given or withheld by Lender in its sole discretion, sell, convey, or transfer the herein described Property, or any part of it, or any interest in it, by the operation of law or otherwise.
- 4.7. Sale or Forebearance. No sale of the Property, forbearances on the part of the Lender or extension of the time for payment of the indebtedness hereby secured shall operate to release, discharge, waive, modify, change or affect the liability of Borrower either in whole or in part.
- 4.8. The Lender's Rights to Release. Without affecting the liability of any person for payment of any indebtedness hereby secured (other than any person released pursuant hereto), including without limitation any one or more endorsers or guarantors, and without affecting the lien hereof upon any of the Property not released pursuant hereto, at any time and from time to time without notice: (a) The Lender may, at its sole discretion, (I) release any person now or hereafter liable for payment of any or all such indebtedness. (II) extend the time for or agree to alter the terms of payment of any or all of such indebtedness, and (III) release or accept additional security for such indebtedness, or subordinate the lien or charge hereof; and (b) Trustee, acting pursuant to the written request of the Lender, may reconvey all or any part of the Property, consent to the making of any map or plot thereof, join in granting any assessment thereon, or join in any such agreement of extension or subordination.
- 4.9. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing indebtedness secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in the reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.
- 4.10. Requirement of Owner-occupancy and Permitted Transfers. Borrower shall occupy the Property as Borrower's principal place of residence during the term of the Note. Notwithstanding any other provision of the Note or this Deed of Trust, the following transfers shall not be deemed to be a default under the Note or this Deed of Trust:
- a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
 - b) A transfer of the Property where the spouse becomes an owner of the property;
 - c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
 - d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.
- 4.11. Environmental Covenants and Indemnification. Borrower shall not cause, permit or suffer any hazardous material (as that term is defined in any applicable federal, state, or local law) to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Property or any portion thereof by Borrower, its agents, employees, contractors, invitees, tenants, or any other person, except to

the extent commonly used in the day to day operation of the Property and then only so long as in compliance with all applicable federal, state and local laws.

5. EVENTS OF DEFAULT

5.1. Events of Default. Any one or more of the following events shall constitute a default under this Deed of Trust: (a) failure of the Borrower to pay the indebtedness secured hereby or any installment thereof, whether principal, interest or otherwise, when and as the same become due and payable, whether at maturity or by acceleration or otherwise; or (b) failure of Borrower to observe or to perform any covenant condition or agreement to be observed or performed by Borrower pursuant to the Note or this Deed of Trust including but not limited to the occupancy of property by Borrower provision; or (c) the occurrence of any event which, under the terms of the Note, shall entitle the Lender to exercise the rights or remedies thereunder; or (d) the occurrence of any event which, under the terms of any other deed of trust recorded against the Property shall entitle the Lender under said deed of trust to exercise the rights or remedies thereunder.

5.2. Acceleration and Sale.

- a) Acceleration. Except as provided in Section 4.6, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, upon Borrower's failure to make any payment or to perform any of its obligations, covenants and agreements pursuant to the Note, Lender shall mail notice to Borrower as provided in Section 6.9 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, no less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect from the Borrower, or sale proceeds, if any, all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney's fees.
- b) Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower will have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Property pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of the judgment enforcing this Deed of Trust if: (1) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note, had no acceleration occurred; (2) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, remedies including, but not limited to, reasonable attorneys' fees; and (3) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.
- c) Sale. After delivery to Trustee of a Notice of Default and Demand for Sale and after the

expiration of such time and the giving of such notice of default and sale as may then be required by law, and without demand on Borrower Trustee shall sell the Property at the time and place of sale fixed by it in said notice of sale, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement. Any person, including Borrower, Trustee or the Lender, may purchase at such sale. Upon such sale by Trustee it shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of their truthfulness. Upon sale by Trustee and after deducting all costs, expenses and fees of Trustee and of this Deed of Trust, Trustee shall apply the proceeds of sale to the payment of the principal indebtedness hereby secured, whether evidenced by the Note or otherwise, or representing advances made or costs or expenses paid or incurred by the Lender under this Deed of Trust, or the secured obligations or any other instrument evidencing or securing any indebtedness hereby secured and to the payment of all other sums then secured thereby, including interest as provided in this Deed of Trust, the secured obligations or any other such instrument, in such order as the Lender shall direct; and then the remainder, if any, shall be paid to the person or persons legally entitled thereto.

- d) Assignment of Rents; Appointment of Receiver; Lender in Possession. Upon acceleration under paragraph (a) of Section 5.2 hereof or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property (if any) including those past due. All rents collected by Lender or the Receiver shall be applied first to payment of the costs of management of the Property and collection of rents including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument. Lender and the receiver shall be liable to account only for those rents actually received. The provisions of this paragraph and paragraph (a) of Section 5.2 shall operate subject to the claims of prior lien holders.

- 5.3. Exercise of Remedies Delay. No exercise of any right or remedy by the Lender or Trustee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law, and no delay by the Lender or Trustee in exercising any such right or remedy hereunder shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder.
- 5.4. Trustee Substitution. The irrevocable power to appoint a substitute trustee or trustees hereunder is hereby expressly granted to the Lender, to be exercised at any time hereafter, without specifying any reason therefore by filing for record in the office where this Deed of Trust is recorded a deed of appointment, and said power of appointment of successor trustee or trustees may be exercised as often as and whenever the Lender deems advisable. The exercise of said power of appointment, no matter how often, shall not be deemed an exhaustion thereof, and upon recording of such deed or deeds of appointment, the trustee or trustees so appointed shall thereupon, without further act or deed of conveyance, succeed to and become fully vested with identically the same title and estate in and to the Property hereby conveyed and with all the rights, powers, trusts and duties of the predecessor in the trust hereunder, with the like effect as if originally named as trustee or as one of the trustees.
- 5.5. Right of Entry. The Lender is authorized by itself, its agents or workmen, to enter at any time upon any part of said Property and the improvements thereon situated for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to

perform under the terms of this Deed of Trust. Lender shall reimburse Borrower for the cost of repair of any physical injury to the Property caused by Lender's gross negligence or willful misconduct during the entry, inspection and acting on the Property pursuant to this paragraph.

5.6. Remedies Cumulative. No remedy herein contained or conferred upon the Lender or Trustee is intended to be exclusive of any other remedy or remedies afforded by law or by the terms hereof to the Lender or Trustee but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

5.7. Fixture Filing. This Deed of Trust is intended to be and constitutes a fixture filing pursuant to the provisions of the Uniform Commercial Code ("UCC") with respect to all of the Property constituting fixtures, is being recorded as a fixture financing statement and filing under the UCC, and covers property, goods and equipment which are or are to become fixtures related to the Land and the Improvements. Trustor covenants and agrees that this Deed of Trust is to be filed in the real estate records of Sacramento County and shall also operate from the date of such filing as a fixture filing in accordance with Section 9502 and other applicable provisions of the UCC. This Deed of Trust shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to the UCC, as amended. Trustor shall be deemed to be the "debtor" and Beneficiary shall be deemed to be the "secured party" for all purposes under the UCC. The full name of Trustor and the mailing address of Trustor are:

Trustor: _____

6. MISCELLANEOUS PROVISIONS

6.1. Successors, Assigns, Gender, Number. The covenants and agreements contained in this Deed or Trust shall bind, and the benefit and advantages under it shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties. Wherever used, the singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

6.2. Headings. The headings are inserted only for convenience of reference and in no way define, limit, or describe the scope or intent of this Deed of Trust, or of any particular provision thereof, or the proper construction thereof.

6.3. Actions on Behalf of the Lender. Except as otherwise specifically provided herein, whenever any approval, notice, direction, consent, request or other action by the Lender is required or permitted under this Deed of Trust, such action shall be in writing.

6.4. Terms. The words "the Lender" means the present Lender, or any future owner or holder, including pledgee of the indebtedness secured hereby.

6.5. Obligations of Borrower. If more than one person has executed this Deed of Trust as "Borrower," the obligations of all such persons hereunder shall be joint and several.

6.6. Incorporation by References. The provisions of the CDBG Program security instruments and the documents relating to that program are incorporated by reference as though set out verbatim.

6.7. Severability. If any provision of this Deed of Trust shall be invalid, illegal or

unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

- 6.8. Indemnification. Borrower will indemnify and hold the Lender, its officers and agents harmless against any and all losses, claims, demands, penalties and liabilities which the Lender, its officers or agents may sustain or suffer by reason of anything done or omitted in good faith pursuant to or in connection with this Deed of Trust and not assert any claim against the Lender, its officers or agents by reason of any action so taken or omitted. Borrower shall, at Borrower's expense, defend, indemnify, save and hold the Lender, its officers and agents harmless from any and all claims, demands, losses, expenses, damages (general, punitive or otherwise), causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation or other entity arising out of this Deed of Trust and Borrower shall pay the Lender upon demand all claims, judgments, damages, losses or expenses (including reasonable legal expense) incurred by the Lender as a result of any legal action arising out of this Deed of Trust.
- 6.9. Notice. Except for any notice required under applicable law to be given in another manner
- (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail directed to the Property Address or any other address Borrower designates by notice to Lender as provided herein; and,
 - (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's mailing address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall deem to have been given to Borrower or Lender when given in the manner designated herein.
- 6.10. Statement of Obligation. Lender may collect a fee not to exceed \$15 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.
- 6.11. Use of Property. Borrower shall not permit or suffer the use of any of the Property for any purpose other than as a single family residential dwelling.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust on the day and year set forth above. By signing below, Borrower agrees to the terms and conditions as set forth above.

SIGNATURE OF BORROWER(s):

**THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977
FAIR LENDING NOTICE**

Application Number: _____

Property Address: _____

The Fair Housing Act declares that it is a national policy to provide fair housing throughout the U.S. and prohibits eight specific kinds of discriminatory acts based on race, color, religion, sex, handicap, familial status or national origin.

1. Refusal to sell or rent or otherwise deal with a person.
2. Discriminating in the conditions or terms of sale, rental, or occupancy.
3. Falsely denying availability of housing.
4. Discriminatory advertising.
5. "Blockbusting" - causing person(s) to sell or rent by telling them, that members of a minority group are moving into the area.
6. Housing financing discrimination by a bank, savings and loan association, or other business.
7. Denial of membership or participation in brokerage, multiple listing, or other real estate services.
8. Interference, coercion, threats, or intimidation to keep a person from obtaining the full benefits of the federal Fair Housing Law and/or filing a complaint.

The first three acts listed above do not apply (1) to my single family house where the owner, in certain circumstances, does not seek to rent or sell the dwelling through the use of a broker or through discriminatory advertising, nor (2) dwellings in buildings of two to four units if the owner lives in one of the dwelling units.

Familial status protection applies to families in which one or more children under the age of 18 live with:

1. a parent;
2. a person who has legal custody of the child or children;
3. the designee of the parent or legal custodian, with the parent or custodian's written permission;
4. pregnant women;
5. or anyone securing legal custody of a child under 18.

Handicapped status protection applies to those who have or who live with someone who has:

1. a physical or mental disability (including hearing, mobility, visual impairments, chronic alcoholism, chronic mental illness;
2. AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities;

3. have a record of such a disability, or
4. are regarded as having such a disability.

Under the prohibition against handicapped discrimination, landlords may not refuse to:

1. let you make modifications to your dwelling or common use area, at your expense, Or
2. make reasonable accommodations in rules, policies, practices, or services if necessary for the handicapped person to use the housing.

If you believe you have been, or are about to be discriminated against or otherwise harmed by the kinds of discriminatory acts which are prohibited by law, you have a right, within 1 year after the discrimination occurred, to complain to the Secretary of HUD by filing a complaint form by mail or in person and/or go directly to court. For further information or assistance in filing a complaint write to:

HUD - Fair Housing and Equal Opportunity (FHEO)
450 Golden Gate Ave
San Francisco, California 94102-3448

Or call the HUD Hotline at 1-800-424-8590. For TDD call 1-800-543-8294. Interpreters, tapes, and braille materials are available.

OWNER CERTIFICATION

I have read this document and I agree to comply with the provisions of the Fair Housing Act. Furthermore, a copy of this document has been given to each of the tenants who live in dwelling units which will be rehabilitated as a result of this program.

Owner

Date

Owner

Date

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

FINANCIAL PRIVACY ACT NOTICE

This notice is required by the Rights to Financial Privacy Act of 1978 and the Gramm-Leach-Bliley Act of 1999 to inform you of the types of financial records that are kept on file by the City of Rancho Cordova and which agencies or organizations have access to that information.

1. Purpose of Financial Record Keeping
Financial records are kept on file by the City of Rancho Cordova for the purpose of documenting eligibility for the Residential Rehabilitation Loan Program administered by the Economic Development Department.
2. Financial Records Kept on File:
Loan Applications, Income Certifications, Federal Tax Returns, Income Verification of Employment, Verification of Benefits, Personal Credit Reports, Verification of Assets, Loan Payment Records and other such information relating to loan or housing program applications, eligibility determinations and/or loan servicing.
3. Agencies and Organizations with Right of Access to Financial Information Without Further Notice
 - A. Federal and State Agencies
U.S. Department of Housing and Urban Development
State Department of Housing and Community Development
 - B. Law Enforcement Agencies
 - C. Other Agencies or Organizations as required or permitted by law, or court order
4. Right of Access with Express Written Consent
Except as described above, your financial records may not be shared or released to private individuals, private businesses, or other entities without your express written consent.
5. Acknowledgement receipt of a copy of this Notice.

I/We acknowledge receipt of a copy of this Notice.

Applicant Signature

Date

Applicant Signature

Date



Date

To:

Re: Lender's Escrow **Instructions** for Escrow # _____

Dear _____:

Enclosed herewith are documents relating to the above-referenced escrow account. You are directed to follow these instructions in full, at which time you may record necessary documents and close this escrow.

1. We have enclosed the following documents:

- Residential Rehabilitation Loan Program Promissory Note
- Residential Rehabilitation Loan Program Deed of Trust
- Loan Disclosure Statement (Truth in Lending Statement)
- Rehabilitation Loan Agreement
- Rescission Provision-Right to Cancel
- Lead Based Paint Notice, Fair Lending Notice and Privacy Act Notice

2. Please prepare the following:

- Borrower's escrow instructions and closing statement.
- Request for Notice of Default for item #___ on the Preliminary Title Report dated _____.

3. Prior to closing you must:

- Obtain signatures/notary on all documents where necessary.
- The City of Rancho Cordova will fund \$_____ (\$_____ **loan**) upon receipt of loan documents signed by the borrower. Please forward them to_____.
- From the funds the City deposits, please pay _____ \$_____ for a credit report. (See attached invoice).
- Obtain title insurance in the form of an ALTA Extended Lender's Policy (with 100, 116 and 8.1 endorsements) in the amount of \$_____ showing on corrected/vested title. The City of Rancho Cordova is to be insured in _____ (____) position.
- Per the Preliminary Title Report Exceptions. _____:
 - Item #1 — Please verify that property taxes are paid and current. If not current, applicant must pay property taxes out of pocket.
 - Items #2 through #___ — Are _____.
- Please send the original and one copy of the policy of title insurance to the City of Rancho Cordova.
- Obtain evidence of current "Guaranteed Replacement Cost" Fire and Hazard Insurance in

the amount of no less than \$_____ showing the City of Rancho Cordova as the Lender's Loss Payee. The Lender's Loss Payee should appear as follows:

The City of Rancho Cordova
c/o Economic Development Department, Housing Services Division
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Please contact the borrower, _____, at _____ to schedule an appointment as soon as possible.

With the exception of title, escrow, and the other fees mentioned above, please do not disburse any funds from the escrow account unless you receive an authorized disbursement certificate with signatures of the borrower(s) and an agent from the City of Rancho Cordova. _____. _____ may withdraw its payment for escrow fees from the account.

Please forward all executed loan documents, certified copies of escrow instructions and recorded documents to _____. If you are unable to comply with these instructions for any reason, please contact the undersigned at _____.

Sincerely,

Rehabilitation Loan Specialist

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

LOAN CLOSING INSTRUCTIONS

TITLE COMPANY:

ESCROW OFFICER:

ESCROW NUMBER:

TELEPHONE:

BORROWER:

PROPERTY ADDRESS:

TOTAL LOAN AMOUNT: \$ _____

Enclosed are documents pertaining to Escrow Number _____. You are directed to follow these instructions in full, record the necessary documents and close escrow. There is no interest rate lock-in date and the loan documents do not expire.

All City documents are to be recorded at no charge pursuant to California Government Code Section 27383, and if a recording fee is charged by the County of Sacramento you are to pay the recording fee.

The City will issue a check in the amount of \$ _____.

GENERAL INSTRUCTIONS

1. Borrowers must sign all documents where there is a blank line provided for their signature(s). Where a witness is indicated, you must have the documents witnessed. If an acknowledgement is provided, the acknowledgement must be executed by a person authorized to take acknowledgements in the State of California;
2. The City has reviewed and approved the Preliminary Title Report provided by _____, dated _____, 20____. **The City agrees to be in _____ Position behind a \$_____ Lien with _____ (pg.____, item #____ of the Preliminary Title Report);**
3. A certified standard HUD-1 Settlement Statement must be used and signed by Borrowers;

Initials

Date

4. You are responsible for recording the Deed of Trust or other security documents, or addenda;

5. The property address and legal description must be identical on all documents and the title policy. Title Company shall be responsible for any re-recording fees due to discrepancies in the property address and legal description;
6. **Funds must be deposited in an interest bearing account in favor of the City of Rancho Cordova.** Remit interest to City of Rancho Cordova - Economic Development Department, 2729 Prospect Park Drive, Rancho Cordova, CA 95670;
7. The Escrow Officer shall initial and date pages 1 and 2 of these instructions and sign and date page 3. Return the signed copies to the Economic Development Department prior to recordation of any documents in connection with this escrow.

TITLE POLICY

8. All loans must have a standard ALTA Extended Lenders Policy containing 100, 116 and 8.1 endorsements. The following exceptions are the only ones approved for this property:

To be determined upon review of Preliminary Title Report

9. The binder/commitment for the title policy must include photocopies of all recorded easements, rights of way, restrictions, agreements, and any recorded documents, which are listed exceptions. Any reference in the binder/commitment for the title policy to easements, rights of way, restrictions, and agreements must state that they will not interfere with the use and occupancy of such premises and indicate the favored municipality, authority, utility or grantee.

TAXES AND ASSESSMENTS

10. It is the responsibility of the Title Company to ensure that taxes and assessments, if any, are paid.
Taxes due within 60 days of close are to be paid from escrow.

HAZARD INSURANCE

11. Borrower must provide at closing, a hazard insurance policy or binder for an amount equal to the total of the primary and subordinated financing or guaranteed replacement cost. The policy must list the City of Rancho Cordova as Loss Payee for the full amount of the loan and contain the following information for forwarding notices and insurance policies: **City of Rancho Cordova - Economic Development Department, 2729 Prospect Park Drive, Rancho Cordova, CA 95670.**

DOCUMENT EXECUTION AND RECORDING

12. Enclosed are the following documents executed by the Borrower(s) signature: Deed of Trust and Request for Copy of Notice of Default.

Initials

Date

13. You are directed to record the executed Deed of Trust, and Request for Copy of Notice of Default upon receipt of funding in the amount of \$_____.

DISBURSEMENT OF FUNDS

14. This escrow shall fund as one lump sum amount. Funding shall be disbursed upon written authorization of Rehabilitation Specialist, Economic Development Department or designee. Fax or e-mailed copies shall be considered sufficient for disbursements. The balance of funds remaining in escrow including accrued interest shall be disbursed to the City. An account statement shall be forwarded to the City itemizing all financial transactions.

FINAL DOCUMENTS INSTRUCTIONS

15. All conformed copies of recorded documents and the final HUD-1 are to be forwarded to the City of Rancho Cordova within 5 business days of the date of recording.
16. All recorded documents, final title policies and the final HUD-1 are to be forwarded to the City of Rancho Cordova within 30 days from closing date.
17. Please send all correspondence to: **City of Rancho Cordova - Economic Development Department, 2729 Prospect Park Drive, Rancho Cordova, CA 95670.**

ACKNOWLEDGEMENT OF INSTRUCTIONS

18. I have read and understand the Instructions set forth herein and will comply with the same.

Signature

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

DISCLOSURE

Notice To Applicants: PLEASE READ CAREFULLY

This notice is intended to provide basic information about the City of Rancho Cordova Residential Rehabilitation Program. This is not a commitment for a loan. The loan program is intended to provide financial assistance to correct health and safety hazards in deteriorated housing and extend the useful life of affordable housing units. A full copy of the adopted program guidelines (Program Guidelines) is available upon request. Funds for this program are made available to the City through the State Department of Housing and Community Development's Community Development Block Grant (CDBG) funds.

GENERAL INFORMATION:

In applying for a City loan, as with any loan, you will be asked to sign loan documents. When you have signed those documents and the loan is made, you will be bound by the terms of those loan documents, particularly the Promissory Note, Deed of Trust and Rehabilitation Loan Agreement. You should read these documents carefully before signing them and become familiar with and understand the provisions of the loan. A brief description of loan terms is given in this notice.

BASIC ELIGIBILITY CRITERIA:

To be eligible for a City loan, the following conditions must be met:

Property Eligibility

- The property is in the city limits of the City of Rancho Cordova.
- The applicant has ownership of the subject property.
- The property is owner occupied.
- There is sufficient equity in the subject property to secure the loan.
- The combined gross income of all persons occupying the residence, age 18 years and over, does not exceed 80% of the Sacramento County median income adjusted for household size (as published annually by the U.S. Department of Housing and Urban Development).

BASIC LOAN TERMS AND CRITERIA:

Loan Amount

The maximum loan amount is \$60,000 per dwelling unit.

Collateral for Loan

The loan advanced to you will be secured by a Deed of Trust recorded against your property and will remain until such time AS ALL SUMS DUE ARE PAID IN FULL.

Loan Terms - Owner-Occupants Loans

Rehabilitation costs will be financed as a 3% simple interest deferred loan for fifteen (15) years with an option to extend another 15 years upon proof of inability to pay back loan.

Loan Security

The total amount of all loans on the property cannot exceed ninety-five (95%) of the property's after-rehabilitated value.

Loan Repayments

There are several monthly payment options, depending on current household expenses. You will not be asked to pay more than 30% of the total monthly income of all people in the household toward housing expenses. You will have to repay the loan in full immediately:

- 1.
2. when the borrower transfers title to the property to someone who is not assuming the loan,
3. if the borrower vacates the property for the purpose of renting the unit,
4. if there is a cash out refinance or other refinancing not approved by the City,
5. if the borrower creates a violation of the terms of the deed of trust, promissory note, and loan agreement and the violation is not timely cured,
6. if the loan term matures, provided that the term is not extended by the City, or
7. if the borrower fails to maintain required insurance or fails to pay property taxes, and such failure is not timely cured. The Rehabilitation Loan Agreement, Promissory Note and Deed of Trust may describe additional events requiring immediate repayment of the loan in full.

The City will accept voluntary loan payments or prepayment of the loan at any time without penalty. Please send payments to:

**City of Rancho Cordova
Attention: Finance Department**

2729 Prospect Park Drive
Rancho Cordova, CA 95670

Loan Assumability and Refinancing

1. If an owner-occupied property assisted with CDBG dollars is sold to another owner-occupant income-eligible household, the loan may be assumed, subject to the review and approval of the City.
2. If an owner-occupied property assisted with CDBG dollars is sold to a non-income eligible household, the loan is due and payable in full.
3. Inter-spousal transfers as a result of death or divorce are not considered a change in title by the City.
4. Refinancing is permitted to reduce the interest rate paid on the loan, but money may not be pulled out, for example, to repay private loans or credit card debt.

This notice is intended for information purposes only. Important information relating specifically to your loan will be contained in the loan documents.

I/We acknowledge that I/we have read the above information concerning the City of Rancho Cordova Housing Rehabilitation Program loans and that I/we have received a copy of this Notice to Applicants. [Note: All applicants must sign.]

Applicant

Date

Applicant

Date

NOTICE OF RIGHT TO CANCEL – RESCISSION PROVISION

YOUR RIGHT TO CANCEL

You are entering into a transaction which will result in a deed of trust or similar lien on your home. You have a legal right under federal law to cancel this transaction, without cost, within **three (3) business days** from whichever of the following events occurs last:

- 1) the date of the transaction, which is _____, or;
- 2) the date you received your Truth in Lending Disclosure; or
- 3) the date you received this notice of your right to cancel.

If you cancel the transaction, the deed of trust or similar lien is also cancelled. Within twenty (20) calendar days after we receive your notice we must take the steps necessary to reflect the fact that the deed of trust or similar lien on your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to our address shown in the next column under "How to Cancel". If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

HOW TO CANCEL

If you decide to cancel this transaction you may do so by notifying us in writing at:

City of Rancho Cordova
Residential Rehabilitation Loan Program
Housing Services
2729 Prospect Park Drive
Rancho Cordova, CA 95670

You may use any written instruments which is signed and dated by you and which states your intention to cancel, or you may use this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of:

(date)

(or midnight of the third (3rd) business day following the latest of the three (3) events listed above). If you send or deliver written notice to cancel in some other way, the notice must be delivered to the above address no later than that time.

I WISH TO CANCEL

Owner's Signature

Date

Each signer below acknowledges receipt of two (2) copies to the above notice.

Owner's Signature

Date

Owner's Signature

Date

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

PROMISSORY NOTE

NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS RESTRICTING ASSUMPTIONS AND IS SECURED BY A DEED OF TRUST ON RESIDENTIAL PROPERTY

Loan Number: _____ Loan Amount \$ _____ Date: _____

FOR VALUE RECEIVED, the undersigned, _____ (collectively, the "Borrower") hereby promises to pay to the order of the City of Rancho Cordova ("Lender") at the following address: 2729 Prospect Park Drive, Rancho Cordova, CA 95670 or at such other place as the Lender may from time to time designate by written notice to Borrower, in lawful money of the United States, the principal sum of _____ (\$ _____) with simple interest at the rate of three percent (3%) per annum on the unpaid principal balance from the date of this Promissory Note (the "Note"), until paid. This Note is made in connection with the loan described in, and is expressly made subject to, the terms and conditions set forth in that certain "City of Rancho Cordova Residential Rehabilitation Loan Program Loan Agreement" of even date herewith (the "Loan Agreement"). The obligation of the Borrower with respect to this Note is secured by that certain Deed of Trust (the "Deed of Trust"), and executed by the Borrower concurrently herewith.

1. **Borrower's Obligation.** This Note evidences the obligation of the Borrower to the Lender for the repayment of funds loaned (the "Loan") to finance the rehabilitation of that certain real property (the "Property"), which has the address of _____ and is more fully described in Exhibit A to the Deed of Trust.
2. **Borrower's Acknowledgement.** The Loan is subject to the terms, conditions, and restrictions of federal HOME Program regulations at 42 USC 12741 et seq. and 24 CFR Part 92; California Health and Safety Section 50896; CCR Sections 8200 through 8220; and implementing guidelines or regulations adopted by the California Department of Housing and Community Development and by the Lender, all of which are hereby incorporated by reference.
3. **Repayment of Loan Principal and Interest.** No periodic payments are required hereunder. Borrower agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under this Note upon the earlier of:
 - a) Fifteen (15) years from the date of this Note; or
 - b) Upon refinancing of any debt that is secured by a lien on the Property, if prior written approval of the refinancing is not provided by the City; or
 - c) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Section 4; or
 - d) Upon repayment of any debt that is secured by a lien on the Property that is senior to the Deed of Trust prior to the debt's maturity date; or
 - e) Upon Borrower's failure to occupy the Property as Borrower's principal place of residence; or
 - f) Upon the Lender's acceleration of the Note pursuant to Section 5.

4. Permitted Transfers.

The Loan is not assumable except under the following limited circumstances:

- a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
- b) A transfer of the Property where the spouse becomes an owner of the Property.
- c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

5. Acceleration of Payment. The principal amount of the Loan, together with any then outstanding accrued interest thereon shall become immediately due and payable, at the option of the Lender and without demand or notice, upon the occurrence of any of the following events, unless cured to Lender's satisfaction pursuant to the terms of the Loan Agreement:

- a) The Borrower sells the Property;
- b) The Borrower transfers legal title to the Property to another titleholder;
- c) The Borrower no longer resides in the home, except in the case of a medical emergency;
- d) The Borrower rents all or part of the home;
- e) The Borrower fails to maintain required insurance, including fire and flood insurance if required, or fails to pay property taxes in a timely fashion;
- f) The Borrower dies and the heir or co-owner is not income-eligible or does not intend to occupy the home as a primary residence.
- g) The Borrower refinances any senior loan without prior written approval from the Lender;
- h) The Borrower violates the terms of the Loan Agreement, this Note or the Deed of Trust;
- i) The Borrower has made misrepresentations or material false or misleading statements in connection with the Loan application or disbursements of Loan proceeds;
- j) The Borrower fails to complete the rehabilitation work within the time period specified in the Loan Agreement, or such other period of time authorized in writing by the Lender according the Loan Agreement;
- k) The Borrower fails to provide the Lender with reasonable access for inspections, as provided in the Loan Agreement;
- l) The Borrower fails to perform or observe any term or provision of this Note not previously listed in this Section 5 of this Note;
- m) The appointment of a receiver, whether voluntary or involuntary, for Borrower of any part of the property of Borrower;
- n) The filing of a petition by or against Borrower under the provisions of any state insolvency laws or under the provisions of the Bankruptcy Act of 1898 as amended;
- o) The making by Borrower of an assignment for the benefit of Borrower(s)' creditors, unless such assignment is approved in writing in advance by Lender;
- p) The Borrower admits in writing inability to pay debts as they become due;

- q) The Borrower fails to cure an event of default with respect to any senior debt;
- r) The substantial destruction of the Property; and
- s) The Borrower removes any energy-saving appliances purchased with the Loan from Borrower's house within seven (7) years, without notice to the City.

If the homeowner dies, and if the heir to the property lives in the home and has an income at or below eighty (80) percent of the area median income, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current guidelines, subject to Housing Loan Approval Committee.

In the event of a default under the terms of this Note or the Deed of Trust, all covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Note.

6. **Effect of Lender's Election Not to Accelerate.** Failure of the Lender to exercise the option to accelerate payment as, provided in Section 5 of this Note will not constitute waiver of the right to exercise this option in the event of subsequent cause for acceleration.
7. **Place and Manner of Payment.** All amounts due and payable under this Note are payable at the principal office of the Lender set forth above to the attention of the Finance Department, or at such other place or places as the Lender may designate to the Borrower in writing from time-to-time.
8. **Application of Payments.** All payments received on account of this Note shall be first applied to accrued interest, if any, and the remainder shall be applied to the reduction of principal.
9. **Attorneys' Fees.** The Borrower hereby agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the Lender in the enforcement of this Note.
10. **Default Interest.** The Borrower agrees that the unpaid balance of the then principal amount of this Note, together with all accrued interest thereon and charges owing, shall become immediately due and payable, and thereafter until paid bear interest at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate of interest provided by law.
11. **Notices.** Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and must be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mails in accordance with this provision.
12. **Prepayment Policy:** Borrower may prepay this Note at any time without penalty.
13. **Governing Law.** This Note shall be interpreted under and governed by the laws of the State of California, except for those provisions preempted by federal law. However, the laws of the State of California shall not be applied to the extent that they would require or allow the court to use the laws of another state or jurisdiction. Borrower agrees that all actions or proceedings arising in connection with the Loan Documents shall be tried and litigated only in the state and federal courts located in the State of California, except that Lender, in its sole

discretion, may elect that all such actions or proceedings be tried and litigated in the County of Sacramento or the United States District Court for the Eastern District of California.

14. **Severability.** If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
15. **No Waiver by the Lender.** No waiver of any breach, default or failure of condition under the terms of the Note or Deed of Trust shall thereby be implied from any failure of the Lender to take, or any delay by the Lender in taking action with respect to such breach, default or failure or from any previous waiver of any similar or unrelated breach, default or failure; and a waiver of any term of the Note, Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.
16. **Successors and Assigns.** The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties.

Executed as of the date set forth above at Rancho Cordova, California

Borrower

Mailing Address for Notices:

City of Rancho Cordova
Economic Development Department, Housing Division
2729 Prospect Park Drive
Rancho Cordova, CA 95670

**REAL PROPERTY IMPROVEMENT AGREEMENT
RESIDENTIAL REHABILITATION LOAN PROGRAM**

THIS REAL PROPERTY IMPROVEMENT AGREEMENT ("Agreement") is made this day of [date], [year] ("Effective Date") by and between [owner(s)' names] (collectively, "Owner"), and [Contractor's name] ("Contractor"), (Owner and Contractor being referred to herein collectively as the "Parties"), with reference to the following facts:

A. Owner is presently vested in title to that certain real property described as Lot(s) [lot number(s)] of Block [block number] in the City of Rancho Cordova, Sacramento County Assessor's Parcel(s) numbered [parcel numbers], commonly identified as [street address] ("Property"). B. Owner has applied to the City of Rancho Cordova ("City") for financial assistance from funding provided by the US Department of Housing and Urban Development ("HUD") through the Community Development Block Grant ("CDBG") Program administered by the California Department of Housing and Community Development, to carry out certain health, safety, accessibility, code compliance, energy efficiency and City-approved improvements to the Property ("Work").

C. Owner desires that the Work be performed by Contractor.

D. Contractor is ready, willing and able to perform the work required and represents that Contractor is qualified to carry out and complete the Work. Contractor further represents that Contractor is currently and validly licensed by the State of California under Contractor's License No. [license number], expiring on [expiration date], is not on the HUD contractor debarment list, and that Contractor shall promptly provide to City and to the Owner satisfactory evidence of insurance coverage as provided herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties agree as follows:

1. The Parties specifically acknowledge and agree that approval and funding of CDBG funds to the City is a condition precedent to any performance under this Agreement.
2. Contractor agrees to do, perform, and complete all of the Work approved by the City, specifically as set forth in the Specifications Write-Up ("Specifications") attached hereto as Exhibit ____ and by this reference incorporated herein as if fully set forth, and shall furnish all supervision, technical information, labor, materials, tools, equipment, transportation, and all services necessary to do so.
3. Contractor agrees to do, perform, and complete all of the Work approved by the City, within the Project Budget ("Budget") attached hereto as Exhibit ____ and by this reference incorporated herein as if fully set forth.
4. Contractor agrees to perform the Work in conformity with the Specifications for the Work, duly signed by the Parties and retained in the Economic Development Department, City of Rancho Cordova, California. City agrees to retain the Specifications and to make them available during the City's business hours, for the inspection and review of the Parties.
5. Any work done by the Contractor or Contractor's agents that is not in conformity with the Specifications, plans or building codes applicable to the Work shall be immediately repaired by



Contractor at Contractor's expense, including the cost of labor, materials, and supplies, prior to final payment.

6. The Parties intend that this Agreement, the Specifications, and the Work Specifications Write-Up, invoices, or other properly executed documents pertaining to the Work (collectively, "Work Documents") shall operate so that any work specified or required in any one document is to be performed the same as if mentioned in all said documents; provided however, that no part of the Specifications conflicting with any part of this Agreement, or which is not actually descriptive of the Work contemplated hereunder or of the manner of its execution, shall be considered as any part of this Agreement. In the event of a conflict between any of the Work Documents so that the performance under one necessarily excludes performance under the other, the Specifications shall prevail over any document other than this Agreement.
7. Contractor agrees to perform and complete all of the Work hereunder and to provide the materials for the Work in a good and workmanlike manner at the price specified, under the direction of and to the satisfaction of Owner. Contractor warrants that all materials, fixtures and equipment furnished by the Contractor and subcontractors shall be of good quality, meeting or exceeding Uniform Building Code standards.
8. Contractor warrants that the Work performed, both in workmanship and the materials or equipment installed, shall fully comply with the standards set forth in the applicable City of Rancho Cordova and the State of California codes. For the period of one (1) year after the date of final acceptance of all the work required by this Agreement, Contractor shall promptly remedy any defects in the work, and shall pay for all damage to other work resulting there from, which may appear within a period of two (2) years from the date of final acceptance of work (as evidenced by City's issuance of a Certificate of Completion), unless a longer period is specified in writing. Owner will give prompt written notice to Contractor of observed defects, damages, or other departure from Specifications. Owner shall promptly provide a copy of said notice to City's Housing Rehabilitation Specialist or another identified City staff member.
9. Contractor shall provide Owner with all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under the Agreement.
10. Owner agrees to give a prompt written Notice to Proceed, in the form attached hereto as Exhibit ____, to Contractor, and shall at the same time provide a copy thereof to City's Housing Rehabilitation Specialist or other identified City staff member. If Owner has not given a Notice to Proceed to Contractor within [number of days] days after the Effective Date of this Agreement, this Agreement shall automatically terminate, and all of the rights and duties of the Parties hereunder and shall be null and void and of no further effect. The Parties agree that the estimated starting date for the Work under this Agreement is [estimated start date].
11. Contractor agrees to substantially commence the Work not later than [number of days] days after the estimated starting date in Section 9.
12. Contractor agrees that the Work shall be completed and ready for occupancy and use not later than [date for occupancy and use] _____ () days after Contractor's receipt of the Notice to Proceed. The Parties agree that the completion date may be extended, by mutual written agreement signed by the Parties and consented to in writing by City, for good cause. Any extensions shall be in writing, shall reference this Agreement, and shall be signed and dated by the Parties, and a copy shall be provided immediately to the City by Owner. No extension without the City's written concurrence shall be effective. Contractor will not be held responsible



for failure to complete said work within the specified time if delay is due to strikes, conscription of property, governmental priority regulations, acts of God, capricious or unreasonable acts or omissions of Owner, or any other causes beyond his/her control, provided that a written extension of time is obtained from the City. If Owner has been temporarily relocated due to the extent of the Work, then in the event that the Work extends beyond the agreed upon completion date, Contractor shall be responsible for Owner's costs for temporary lodging until completion of the Work permits Owner to re-occupy the Property.

13. Contractor shall obtain at Contractor's expense all permits and licenses and pay all fees required to perform and complete the Work, including but not limited to, building permits, encroachment permits, sewer and utility connection charges, and development fees. Owner agrees to promptly reimburse Contractor for the advanced permit costs.
14. Contractor agrees that the Work shall be completed free from any and all liens and claims of artisans, materials, suppliers, subcontractors, laborers and any other party.
15. City agrees to disburse to Contractor, the total sum of **[\$[total contract sum]** (including permit fees) at the times and in the manner set forth below, except that the total contract sum of **[\$[total contract sum]** shall be reduced by a sum equivalent to ten percent (10 %), i.e., **[\$[ten percent of total contract sum] ("Retention")**. Said Retention shall be held by City for disbursement in accordance with Section 14B below:

First Payment		
Final Payment		

The final payment shall be made upon total completion of all items, including change order requirements, termite clearance, and issuance of a Certificate of Completion or Notice of Completion signed by the Parties and the City; provided, however, as follows:

- a. As each payment or installment becomes due, and at the final completion of the Work, Contractor shall furnish to Owner a statement in writing showing that the necessary type and amount of work has been done and materials furnished so as to entitle Contractor to such payment. Payment of the final installment is conditioned upon inspection and approval of the Work by the Owner and City, acting through its Economic Development Department; provided, however that payment of installments shall not alone constitute absolute acceptance of the work to the time of installment payment. Retention shall be disbursed to Contractor thirty-five (35) days after a Notice of Completion of the work has been recorded in the Official Records of Sacramento County, or ninety-five (95) days after substantial completion of the work if no Notice of Completion is recorded. These waiting periods may be waived if Contractor furnishes



to Owner proof, satisfactory to the City in its sole discretion that Contractor has completed the Work free from liens or claims of any kind whatsoever affecting Owner or the Property.

16. The Parties hereby acknowledge and agree that the foregoing Retention provisions are intended solely for the benefit of Owner, and do not require City to determine or adjust any claims or disputes between claimants or to withhold any monies for the protection of any party. The failure or refusal of the City to withhold any monies from Contractor shall not in any way impair the obligations of any surety or sureties under any guaranty or other instrument securing performance of this Agreement.
17. Should Owner, at any time during progress of the Work, desire alterations or additions to, or deviations or omissions from the Specifications, the Parties may execute a written change order in the form attached hereto as Exhibit __ ("Change Order"), for such modification. The Parties shall make a fair and reasonable appraisal of the costs of the desired changes. The character and valuation of the desired changes shall be agreed upon (subject to City's approval for program eligibility) and set forth in writing signed by the Party. The Work contract price and completion date shall then be adjusted accordingly, if necessary; however in no case shall the new contract amount exceed the loan maximum of Sixty Thousand Dollars (\$60,000) or represent an additional cost greater than Five Thousand Dollars (\$5,000). The Work shall be considered completed when the Work has been fully performed in accordance with the Specifications, as amended by any Change Orders.
18. The Parties agree that no duly executed Change Order shall release or exonerate any surety or guarantor under any guaranty, bond or other security instrument given in connection with this Agreement.
19. Contractor hereby agrees that Contractor and all subcontractors, if any, shall comply with all federal, state and local laws, rules, regulations and industry customs which may be applicable to the Work hereunder, whether now in existence or hereafter adopted, including but not limited to, federal and state tax withholding and licensing and permit requirements, in the performance of the Work and the Specifications.
20. The Parties acknowledge that the City of Rancho Cordova is a grantee of CDBG funds and is tasked with proper administration thereof in connection with the City's Residential Rehabilitation Loan Program. The Parties understand that the City may from time to time act as a technical and/or financial advisor in its administration of the CDBG funds. The Parties further understand, however, that the City cannot and shall not act as an attorney for any Party or as supervising architect with regard to the Work. The City cannot and does not assume any responsibility for mistakes or failure to perform on the part of Owner, Contractor, subcontractors, employees, agents or others in connection with the Work.
21. To the maximum extent permitted by law, including, without limitation, California Civil Code Sections 2782 and 2782.8 as they may be deemed applicable to this Agreement, Owner and Contractor, and each of them, agree, at their own expense, to indemnify, defend (with counsel reasonably acceptable to the City), and hold harmless the City of Rancho Cordova and its officers, officials, employees, agents and volunteers (collectively, "Indemnitees") from and against any and all liability, loss, damage, claims, suits, actions, arbitration proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, claims expenses, attorneys' fees and costs and fees of litigation (collectively, "Liability") of every kind and nature, whether actual, alleged or threatened, arising out of or in connection with the Work or failure to comply with any of the terms of this Agreement, on account of injury or



damages sustained by any party by reason of any act or omission of Owner, Contractor, Contractor's principals, employees, agents, subcontractors, and volunteers in the performance of the Work hereunder or by, or in consequence of, any negligence in safe-guarding the same.

22. Contractor agrees to maintain the following insurance coverage and provide evidence thereof to Owner or to City upon request:
 - a. Comprehensive General Liability.....\$1,000,000 combined single limit
 - b. Automobile Liability.....\$1,000,000 combined single limit
 - c. Additionally, the City requires the Contractor to agree that the bodily injury liability insurance shall be in effect at all times during the term of the contract.
 - d. Workers' compensation coverage for Contractor's employees as required by the Labor Code of the State of California.
 - e. In addition, Contractor shall comply with all requirements set forth in the attached Exhibit ____, "Contractor Insurance Requirements,"
23. If the Work should, before completion, be wholly or partially destroyed by fire, defective soil, earthquake, or other act of God, which Contractor could not have reasonably foreseen and provided against, then the loss so occasioned shall be sustained by the Owner; provided, however, that any damage or destruction to Owner's real or personal property caused by Contractor or Contractor's agents during performance of the Work shall be repaired and/or paid for by Contractor prior to final payment.
24. In the event of whole or partial destruction of the Work or the Property, Owner shall have the right to determine whether the Work shall be completed. In the event that Owner elects not to have the Work completed, Owner shall promptly provide Contractor with a "Notice to Cease Work," signed and dated, and at the same time provide a copy thereof to City. In that event Owner shall pay Contractor for all work performed pursuant to this Agreement, up to the date of the Notice to Cease Work.
25. Contractor acknowledges that neither Owner nor City assumes any responsibility for theft, fire, malicious mischief, damage to, or destruction of any of Contractor's materials, supplies, vehicles, or equipment on the Property, including but not limited to the Work site(s).
26. Should the Contractor, at any time during performance of the Work, refuse or neglect, without fault of the Owner, to supply sufficient materials or workers to complete the work hereunder within the time specified (due allowance being made for the contingencies provided for), within five (5) days of Contractor's receipt of Owner's written notice to furnish the same, Owner may elect to substitute and provide the materials or laborers to finish the said work, and the reasonable expenses thereof shall be deducted from the total contract price.
27. Contractor hereby certifies that all paints, primers, enamels, and related painting materials used in performance of the Work contain no more than 0.06 percent lead by weight in the total non-volatile content of Liquid Paint. Contractor further agrees to fully comply with construction industry standards with regard to lead, if any, upon the Property.



In compliance with Part 35, 2003 CFR Title 24, Volume 1 (Lead-Based Paint Poisoning Prevention in Certain Residential Structures), Contractor agrees to observe the following techniques when abating lead-based paint or defective paint surfaces (a paint surface that is cracking, scaling, chipping, flaking, peeling or loose), if any:

Covering may be accomplished by adding a layer of wallboard to the wall surface. Depending on the wall's condition, wall coverings which are permanently attached may be used. Covering or replacing trim surfaces is also permitted. Paint removal may be accomplished by such methods as scraping, heat treatment (infra-red or coil-type heat guns) or chemicals. Machine sanding and use of propane or gasoline torches (open-flame methods) are not permitted. Washing and repainting without thorough removal or covering does not constitute adequate treatment. In case of defective paint spots, scraping and repainting the defective area is considered adequate treatment.

28. Contractor acknowledges that the property **will be occupied** during the Work. Contractor shall keep the Property clean and orderly during the course of the Work. The Parties agree that Contractor may use such utilities at the Property as are reasonable and necessary in carrying out the Work unless the Parties make a different arrangement. Salvage items requested by Owner in writing shall be disposed of as requested, provided such disposition does not increase Contractor's expenses. Contractor shall immediately remove all debris from the Property upon final completion of the work. If Contractor fails to clean up the Property, Owner may do so or cause the Property to be cleaned, and the cost thereof shall be deducted from the contract price.
29. Upon Contractor's notification that the Work has been completed, the entire work of improvement is subject to inspection by, and approval of, Owner and City. However, without assuming liability therefore, Owner agrees to exercise reasonable diligence to inspect, during the course of the progress of the Work, materials and labor and promptly to report any unsatisfactory materials and labor to Contractor so that Contractor may avoid unnecessary work and cost upon completion of the Work.
30. Contractor shall not assign this Agreement to any party without the prior written consent of Owner. Written requests for assignment shall first be submitted to the City for approval by the Housing Rehabilitation Specialist or other designated City staff member, and no purported assignment shall be effective without City's prior written consent.
31. If any dispute arises relating to the quality or quantity of materials, workmanship, or any matter pertaining to the Work, the Parties shall attempt to settle the dispute between themselves. If such resolution is unsuccessful, the Parties agree that the dispute will be promptly submitted to City staff for informal intervention. Should City staff be unable to resolve the dispute informally, the Parties shall submit to the City's Building Boards of Appeals. Decisions of the City's Building Board of Appeals will be binding.
32. Any notice required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be effective upon personal delivery or three (3) days after deposit in the United States Postal Service, postage prepaid and addressed as follows:

To Owner: [Owner Name]
 [Owner Address]
 [Owner Address]



To Contractor: [Contractor Name]
[Contractor Address]
[Contractor Address]

To City:

32. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless the rights and obligations of the Parties would be materially altered or abridged thereby.

33. This Agreement, including Exhibits _____ attached hereto and incorporated herein by this reference, contains the entire Agreement between the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements, if any, between the Parties with respect to the subject matter thereto.

34. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.



IN WITNESS WHEREOF, Contractor and Owner have caused this Agreement to be duly executed on the date first herein above stated.

CONTRACTOR	
Signature:	
Printed Name:	
Business Name:	
California Contractor License No.:	
License Expiration Date:	
Telephone Number:	
Telephone Number:	
Fax Number:	

OWNER (S)	
Signature:	Signature:
Printed Name:	Printed Name:
Address:	Address:
Telephone :	Telephone :



This Agreement has been reviewed and approved by the Housing Rehabilitation Specialist.

Housing Rehabilitation Specialist

Date



[Append All Exhibits:]

Exhibit A – Work Write-Up (and/or Specifications)

Exhibit B – Form of Notice to Proceed

Exhibit C – Form of Change Order

Exhibit D – Contractor Insurance Requirements

Other forms? (re payment, notice to cease work, lien release, etc.)



**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

REHABILITATION LOAN AGREEMENT

THIS REHABILITATION LOAN AGREEMENT ("Agreement") is made this _____ day of 20__, (the "Effective Date"), by and between the City of Rancho Cordova, a California municipal corporation ("City" or "Lender"), and _____, [show how title is held] (collectively, "Borrower") (Lender and Borrower collectively referred to as the "Parties"), and is subject to the following:

A. Lender maintains and funds a "Residential Rehabilitation Loan Program" (the "Program") and has promulgated Program Guidelines pursuant thereto..

B. Lender has determined that a portion of these funds should be utilized to assist qualified owners of real property within Lender's jurisdiction who desire to make necessary repairs to their property.

C. Borrower is the owner of certain real property located within the City of Rancho Cordova at _____ (the "Property"). A legal description of the Property is attached hereto as Exhibit A.

D. Borrower has applied for and is eligible to participate in the Program, and agree(s) to use the loan funds provided through the Program to accomplish the rehabilitation/reconstruction of the Property as provided for herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DESCRIPTION OF LOAN

A. Loan. Lender agrees to provide to Borrower a rehabilitation loan (the "Loan"), which Loan will be evidenced by a Promissory Note (the "Note") and secured by a Deed of Trust (the "Deed of Trust") recorded against the Property. The Note and the Deed of Trust shall be substantially in the form attached hereto as Exhibits B and C and are incorporated herein by this reference. This Agreement, the Note, and the Deed of Trust are sometimes referred to hereafter as the "Loan Documents".

B. Amount of Loan. Subject to the terms and conditions of the Loan Documents, Lender agrees to make and Borrower(s) agree(s) to accept a Loan in the amount of _____ (\$ _____) evidenced by the Note in this amount.

C. Interest. The Note shall bear simple interest at the rate of three percent (3%) per annum on the principal amount outstanding commencing on the Effective Date, under the terms and conditions set forth in the Note. In an Event of Default, as described in the Loan Documents, interest on the Loan shall begin to accrue as of the date of default and continuing until such times as the Loan funds are repaid in full or the default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate of interest provided by law.

D. Deferral of Payments. Repayment of principal and interest on the Loan shall be

deferred for a period of fifteen (15) years. Payment of principal and accrued interest will be due in full following the end of the deferment period.

E. Disbursement of Loan Proceeds. Borrower agrees that the proceeds of the Loan shall remain in an escrow account subject to withdrawal by written authorization of Borrower and Lender in accordance with the terms of the Loan Documents as necessary to carry out the purpose of the Loan; provided that all proceeds not so withdrawn shall be returned to Lender by the escrow company and applied by Lender to reduce the outstanding and unpaid principal amount of the Loan, any accrued interest, and any additional amounts secured by the Deed of Trust. The disbursement of funds from the escrow account shall be preceded by Borrower and Lender approval of the invoice(s) submitted by the Contractor that the payment is an eligible expense. Lender may, at its discretion, authorize the disbursement of funds from the Borrower's escrow account without Borrower's authorization should Lender find, after inspection of the rehabilitation work, that said work has been satisfactorily completed according to the terms of this Agreement, the conditions of any building permits required for the work, and requirements of the Program. Lender also reserves the right to remove any funds remaining in the Borrower's escrow account should Borrower fail to complete the rehabilitation project within the time period contained in this Agreement.

2. CANCELLATION OF LOAN

At its option, Lender reserves the right to cancel and terminate the Loan prior to disbursement by sending written notice of cancellation to Borrower at Borrower's mailing address as set forth in Borrower's Loan Application if, within thirty (30) days from the date of the execution of the Note, Borrower has not entered into a Real Property Improvement Agreement (or other form of agreement acceptable to City) with Contractor for the rehabilitation work covered by the Contractor's estimate in accordance with the terms of the Loan Documents.

3. ACCOMPLISHMENT OF WORK

Borrower agrees to enter into an agreement for the rehabilitation of the Property with a contractor acceptable to the Lender (the "Contractor"), substantially in the form of the Real Property Improvement Agreement attached hereto as Exhibit D and incorporated herein by this reference. Contractor shall be selected on the basis of negotiation between Borrower and eligible contractors having a State of California contractor's license. Prior to entering into such an agreement, Lender or its designee shall review and approve the contractual instrument. Borrower agrees to complete all rehabilitation work within ninety (90) days after entering into an agreement with Contractor for the rehabilitation work specified in such agreement, unless Lender approves a longer period of time in writing for the completion of the rehabilitation work. Failure to timely commence or complete the work within the period specified above or by Lender in writing, shall be a violation of this Agreement and grounds for the Loan to be immediately due and payable. Borrower agrees to promptly notify Lender of any disputes between Borrower and Contractor.

4. INSPECTION OF WORK

Borrower hereby acknowledges and agrees that Borrower is responsible for the complete supervision, inspection, compliance with building permits, and acceptance of the construction work, materials and processes involved in Borrower's rehabilitation project, and that Contractor's work is in accordance with the approved Bid/Work Write-up and Real Property Improvement Agreement. Borrower further acknowledges and agrees that Lender is not responsible, nor shall Borrower be liable for, any failure of Contractor to fulfill the work specified in the approved Bid/Work Write-up and the Real Property Improvement Agreement.

Borrower hereby acknowledges and agrees that Borrower's signature on the Release of Funds certificate signifies Borrower's acceptance of the work described for the requested payment; that the

work or material has been completed or installed properly; that building permit requirements, if any, have been met; that Borrower holds Lender harmless for the authorized work; and that Borrower gives complete permission for the requested amount of funds to be withdrawn from Borrower's Loan escrow account and to be paid to the designated "Payee" on the Disbursement Certificate.

Lender, or its authorized designee, shall have the right but not the duty to inspect all rehabilitation work financed, in whole or in part, with the proceeds of the Loan. Borrower shall take all steps necessary to assure that Lender or its designee is permitted to examine and inspect the rehabilitation work and all contracts, materials, equipment, payrolls and conditions of employment pertaining to such work, including all relevant data and records. Failure of Lender or its designee to inspect the work or documents shall not release the Borrower from the obligation to supervise, inspect and accept the described work and/or materials. Failure of the Borrower to provide Lender with reasonable access for inspections is a violation of this Agreement and an Event of Default.

5. INSURANCE

On or before the Effective Date of this Agreement, Borrower shall procure, and shall maintain at all times during the Loan term, a policy of insurance insuring the Property in an amount equal to its full replacement value, including without limitation coverage for fire and flood damage, naming Borrower and Lender as co-insureds. Said insurance policy shall contain a statement of obligation by the insurance carrier to notify Lender of any material change in, cancellation of or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation or termination. On or before execution of this Agreement, and annually thereafter for the term of the Loan, Borrower shall transmit a copy of such certificate of insurance to City pursuant to Section 10 E hereof. If Borrower does not maintain insurance on the Property as required pursuant to this Agreement, Lender, at its option, may:

A. Purchase insurance for Borrower(s) to cover Lender's risk, listing Lender as the sole payee (in which case insurance rates may be higher), and pay for such insurance from undisbursed Loan proceeds; or

B. Terminate the Loan and/or exercise any other remedy available at law or in equity.

6. INDEMNIFICATION

To the maximum extent permitted by law, Borrower shall indemnify, defend (with counsel reasonably acceptable to Lender), and hold City, its officers, officials, employees, agents and volunteers (collectively, "Indemnitees") harmless from and against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorneys' fees) (collectively, "Liability") arising directly or indirectly from or in any manner in connection with (a) the making of this Loan to Borrower; (b) Borrower's performance of or failure to perform any obligations as and when required by the Loan Documents; (c) any act or omission by Borrower or any of Borrower's contractors, subcontractors, architects, engineers or suppliers with respect to the rehabilitation work or the Property; the Indemnitees; or (e) failure of Borrower's contractors or subcontractors to comply with the covenants, conditions, and restrictions contained in this Agreement or the Real Property Improvement Agreement, or to comply with all other laws, rules, regulations, and restrictions related to the use of Loan funds, except if the Liability is caused by the gross negligence or willful misconduct of Indemnitees. Borrower's duty to indemnify Lender shall survive the term of this Loan and the reconveyance of the Deed of Trust. Lender's acceptance of insurance policies as required by this Agreement shall not constitute a waiver of any rights Lender has against Borrower by reason of this indemnity and hold harmless agreement.

As first used above, the term "Lender" means the City of Rancho Cordova, its officers, officials,

agents, employees and volunteers.

7. CONFLICT OF INTEREST

No member of the governing body of the City of Rancho Cordova shall exercise any functions or responsibilities in connection with the administration of the Program, and no other officer or employee of the City who exercises such functions or responsibilities, shall have any interest, direct or indirect, in the proceeds of this Loan, or any contract entered into by Borrower for the performance of work financed in whole or in part with the proceeds of this Loan.

No member, official, director, employee, or agent of Lender shall be personally liable to Borrower for any obligation created under the terms of these Loan Documents.

8. DEFAULT AND REMEDIES

A. Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default ("Event of Default") hereunder, provided that same is not cured within the applicable cure period. In the event of default, Lender shall provide Borrower with a written notice of default. Unless a shorter period is specified herein, Borrower shall have thirty (30) days to cure the default, or, if the default cannot reasonably be cured within thirty (30) days, Borrower shall commence to cure within thirty (30) days and thereafter shall diligently complete such cure to Lender's satisfaction.

- 1) Borrower sells the Property;
- 2) Borrower transfers legal title to the Property to another titleholder;
- 3) Borrower no longer resides in the home, except in the case of a medical emergency;
- 4) Borrower rents all or part of the home;
- 5) Borrower fails to maintain required insurance, including fire and flood insurance if required, or fails to pay property taxes in a timely fashion;
- 6) Borrower dies and the heir or co-owner is not income-eligible or does not intend to occupy the home as a primary residence.
- 7) Borrower refinances any senior loan without prior written approval from the Lender;
- 8) Borrower violates the terms of this Loan Agreement, the Note or the Deed of Trust;
- 9) Borrower has made misrepresentations or material false or misleading statements in connection with the Loan application or disbursements of Loan proceeds;
- 10) Borrower fails to complete the rehabilitation work within the time period specified in the Loan Agreement, or such other period of time authorized in writing by the Lender according to the Loan Agreement;
- 11) Borrower fails to provide the Lender with reasonable access for inspections, as provided in the Loan Agreement;
- 12) Borrower fails to perform or observe any term or provision of this Loan Agreement not previously listed in this Section 9;
- 13) The appointment of a receiver, whether voluntary or involuntary, for Borrower of any part of the property of Borrower;

- 14) The filing of a petition by or against Borrower under the provisions of any state insolvency laws or under the provisions of the Bankruptcy Act of 1898 as amended;
- 15) The making by Borrower of an assignment for the benefit of Borrower(s)' creditors, unless such assignment is approved in writing in advance by Lender;
- 16) Borrower admits in writing inability to pay debts as they become due;
- 17) Borrower fails to cure an event of default with respect to any senior debt;
- 18) The substantial destruction of the Property; and
- 19) Borrower removes any energy-saving appliances purchased with the Loan from Borrower's house within seven (7) years, without notice to the City.

Note: If the homeowner dies, and if the heir to the property lives in the home and has an income at or below eighty (80) percent of the area median income, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current guidelines, subject to Housing Loan Approval Committee.

In the event of a default under the terms of this Loan Agreement, the Note or the Deed of Trust all covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of this Loan Agreement.

B. Remedies.

If Borrower does not cure the default within the applicable cure period, Lender shall have all remedies available to it under law or equity, including but not limited to the following:

- 1) Accelerate and declare the balance of the Note immediately due and payable;
- 2) Seek specific performance to enforce the terms of this Loan Agreement , enjoin any violation of this Loan Agreement, or otherwise correct Borrower's non-compliance;
- 3) Foreclose on the Property pursuant to the Deed of Trust.

C. Remedies Cumulative. Each of the remedies provided for herein is cumulative and not exclusive of each other, and shall not preclude any other remedy provided herein. Lender may exercise from time to time any rights and remedies available to it under applicable law, in addition to, and not in lieu of, any rights and remedies expressly granted in this Loan Agreement and the Loan Documents.

9. GENERAL PROVISIONS

A. **GOVERNING LAW; ELECTION OF VENUE.** The Loan Documents shall be interpreted under and governed by the laws of the State of California, except for those provisions preempted by federal law, without regard to principles of conflicts of laws. All actions or proceedings arising in connection with the Loan Documents shall be tried and litigated only in the state (County of Sacramento) and federal (United States District Court for the Eastern District of California) courts.

B. **ATTORNEYS' FEES AND COSTS.** In the event any legal or administrative action is brought to interpret or enforce the terms of the Loan Documents, the prevailing party shall be entitled

to recover all reasonable attorneys' fees and costs incurred in such action.

C. TIME. Time is of the essence in these Loan Documents.

D. CONSENTS AND APPROVALS. Any consent or approval required under this Agreement shall not be unreasonably withheld.

E. NOTICES, DEMANDS AND COMMUNICATIONS. Formal notices, demands and communications between Borrower and Lender shall be given by registered or certified mail, postage prepaid, return receipt requested, or shall be delivered personally, to the principal offices of Borrower and Lender as follows, or if any such office is relocated, to the new address specified by the relocated party:

LENDER: City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attention:

BORROWER:

F. RELATIONSHIP OF PARTIES. The relationship of Borrower and Lender is and shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Lender neither undertakes nor assumes any responsibility or duty to Borrower (except as provided for herein) or any third party with respect to the rehabilitation work hereunder, the Property, or the Loan. Except as Lender may specify in writing, Borrower shall have no authority to act as an agent of Lender or to bind Lender to any obligation.

G. WAIVER. Any waiver by Lender of an obligation in the Loan Documents must be in writing. No waiver will be implied from any delay or failure by Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under the Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation under the Loan Documents shall not operate as a waiver or release from any of its obligations under Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be a consent to any other act or omission or to waive the requirement for Lender's written consent to future waivers.

H. INTEGRATION. The Loan Documents, including Exhibits _____ attached hereto and incorporated herein by this reference, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede any and all prior or contemporaneous oral or written agreements and negotiations between the Parties with respect thereto.

I. OTHER AGREEMENTS. Borrower represents that Borrower has not entered into any agreements that are inconsistent with the terms of the Loan Documents. Borrower shall not enter into any agreements that are inconsistent with the terms of the Loan Documents without an express waiver in writing by Lender.

J. AMENDMENTS AND MODIFICATION. Any amendments or modifications to the Loan Documents must be in writing, and shall be effective only if executed by Borrower and Lender.

K. SEVERABILITY. Every provision of this Agreement is intended to be severable. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction,

the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

IN WITNESS WHEREOF, the Parties hereby have executed this Agreement as of the date first above written.

BORROWER(S)	LENDER
	By:
Borrower	

Attn:
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

**CITY OF RANCHO CORDOVA
RESIDENTIAL REHABILITATION LOAN PROGRAM**

RELEASE OF FUNDS

Date _____

On _____, the City of Rancho Cordova Loan Committee approved the following loan amount:

<u>NAME OF RECIPIENT</u>	<u>AMOUNT</u>	<u>FUNDING SOURCE ESCROW ACCOUNT</u>
--------------------------	---------------	--------------------------------------

Pay to the order of

Please call the staff at _____ to arrange pick up of the check. If you have any questions regarding this transaction, please do not hesitate to contact me.

If you have any questions regarding these transactions, please do not hesitate to contact me at _____.

Sincerely,

Rehabilitation Loan Specialist

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

NAME **City of Rancho Cordova**
 Economic Development Department
ADDRESS **2729 Prospect Park Drive**

CITY **Rancho Cordova**
STATE & ZIP **CA 95670**

ESCROW OR LOAN NO. _____

TITLE ORDER NO. _____

APN NO. _____

REQUEST FOR NOTICE OF DEFAULT

UNDER SECTION 2924b CIVIL CODE

In accordance with section 2924B, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, _____, in the Official Records of Sacramento County, e California, and describing land therein AS DESCRIBED IN SAID DEED OF TRUST.

Executed by _____, as Trustor,

in which _____ City of Rancho Cordova _____ is named as Beneficiary, and _____, as

Trustee be mailed to: City of Rancho Cordova, Economic Development Department

at _____ 2729 Prospect Park Drive _____

Number and Street

Rancho Cordova, CA 95670 _____

City and State

NOTICE: A copy of any notice of default and of any notice of sale will be sent to the address contained in this recorded request. If your address changes, a new request must be recorded.

Signature: _____

Dated: _____

**TRUTH IN LENDING LOAN DISCLOSURE STATEMENT
OWNER-OCCUPANT UNIT**

NAME OF BORROWER(S): _____

MAILING ADDRESS: _____

City of Rancho Cordova, herein after called Lender, will lend to the Borrower(s) the amount stated below for the purpose of specified residential rehabilitation for the dwelling located at: _____ (the "Property"). Lender's security interest in this transaction is a Deed of Trust on the Property, which is more completely described in the Rehabilitation Loan Agreement. The Deed of Trust is the security for a Promissory Note executed by the Borrower(s).

Total cost for this project is: \$

Project Cost Breakdown:

Construction Bid	\$	
Construction Contingency	\$	
Credit Report	\$	
Title & Escrow Fees	\$	
+	\$	
Total Project Cost		\$

\$
\$

Loan Breakdown

Total Project Cost	\$	
-	\$0.00	
Total Loan Amount		\$

Amount Financed \$
Total CDBG Loan Amount

Annual Percentage Rate: **3.0% (Three Percent)**
The cost of your loan as a yearly rate.

Finance Charge Per Annum: \$
The dollar amount (interest) the credit will cost you per year.

Monthly Payment: **\$0.00 for fifteen years**

Loan Terms. No periodic payments are required hereunder. Borrower(s) agrees to pay the unpaid principal balance, unpaid accrued interest, and any other amounts due under the Promissory Note upon the earlier of:

- a) Fifteen (15) years from the date of the Promissory Note; or
- b) Upon refinancing of any debt that is secured by a lien on the Property; or
- c) Upon sale, transfer, lease, or encumbrance of all or any interest in the Property without Lender's prior written consent, except for a transfer permitted in Section 4 of the Promissory Note; or
- d) Upon repayment of any debt that is secured by a lien on the Property that is senior to the Deed of Trust prior to the debt's maturity date; or
- e) Upon Borrower's failure to occupy the Property as Borrower's principal place of residence; or
- f) Upon the Lender's acceleration of the Promissory Note pursuant to Section 5 of the Promissory Note.

Permitted Transfers.

- a) The Loan is not assumable except under the following limited circumstances:
- b) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant.
- c) A transfer of the Property where the spouse becomes an owner of the property;
- d) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property.
- e) A transfer to an inter vivos trust in which the Borrower(s) is and remains the beneficiary and occupant of the property.

Acceleration of Payment. The principal amount of this Loan, together with any then outstanding accrued interest thereon, shall become immediately due and payable, at the option of the Lender and without demand or notice, upon the occurrence of any of the following events:

- a) The appointment of a receiver, whether voluntary or involuntary, for Borrower(s) of any part of the property of Borrower(s);
- b) The filing of a petition by or against Borrower(s) under the provisions of any state insolvency laws or under the provisions of the Bankruptcy Act of 1898 as amended;
- c) The making by Borrower(s) of an assignment for the benefit of Borrower(s)' creditors, unless such assignment is approved in writing in advance by Lender;
- d) The substantial destruction of the improvements on such property by any means; and,
- e) The Borrower(s)'s death or legal incapacity to act, prior to the completion of the rehabilitation work if the Lender determines that the purposes of the Loan have been rendered impracticable of fulfillment.
- f) Failure to complete the rehabilitation work within the time period specified in the Rehabilitation Loan Agreement, or such other period of time authorized in writing by the Lender according to the Rehabilitation Loan Agreement.
- g) Failure to provide the Lender with reasonable access for inspections, as provided in the Rehabilitation Loan Agreement.
- h) Failure to maintain insurance according to the provisions of Rehabilitation Loan Agreement or the Deed of Trust.

In the event that Borrower fails to perform or observe any term or provision of the Promissory Note not previously listed in Section 3 of the Promissory Note;

In the event of a default under the terms of the Promissory Note or the Deed of Trust all covenants, conditions and agreements contained in the Deed of Trust are hereby made a part of the Promissory Note.

Review the Rehabilitation Loan Agreement, the Promissory Note, and the Deed of Trust for additional information about nonpayment, default and any required repayment in full before the scheduled time.

I acknowledge receipt of a completed copy of this Statement.

Owner

Date

MEMORANDUM



DATE: September 20, 2010

TO: Honorable Mayor and Council Members

FROM: Reed Flory, Housing Services Administrator
David Gassaway, Housing Services Assistant

SUBJECT: **RESOLUTION ADOPTING THE 2009-2010 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)**

RECOMMENDATION

Adopt Resolution No. 108-2010.

This is a time-sensitive item on which the City Council must take action at the meeting presented in order to avoid financial or other repercussions. The Council must adopt and submit the CAPER no later than September 30, 2009.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will allow City staff to submit the CAPER to the US Department of Housing and Urban Development (HUD) in accordance with HUD requirements and timelines.

BACKGROUND

The City receives an annual entitlement allocation of the Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD), which for FY 2009-2010 totaled \$692,016. The grant allows the City to carry out a number of housing and community development programs that are targeted primarily to low- and moderate-income households and individuals, including housing rehabilitation, neighborhood infrastructure improvements, and public services.

The Department of Housing and Urban Development (HUD) requires an annual evaluation of their grant programs, also known as "Consolidated Annual Performance and Evaluation Report" or CAPER. The 2009-2010 CAPER describes the City's accomplishments in the implementation of programs and activities under the Community Development Block Grant (CDBG) program. It also reports the progress of the City in meeting overall five-year goals and priorities, as well as identifying areas for improvement as a result of this annual review.

CDBG regulations require that the public be given a 15-day period in which to review the CAPER and provide comments prior to approval by the City Council. A public notice announcing the availability of the CAPER was published in the Grapevine Independent

on August 27, 2010 and copies of the CAPER were made available for public review at designated locations, and on the City's website. Any written comments or questions are responded to in writing by staff, and are included in the CAPER when it is submitted to HUD. The public comment period on the CAPER concluded September 20, 2010.

ANALYSIS

The 2009-10 program year was the City's fourth year as an entitlement jurisdiction for CDBG funds. Staff continued to work on refining guidelines and procedures, and worked with service providers to provide technical assistance in administering CDBG funds.

Recognizing weaknesses in performance, as outlined in the City's five-year Consolidated Plan goals, the City increased efforts to make improvements to the infrastructure and physical environment in the City's CDBG target-income areas. These efforts resulted in Americans with Disability Act (ADA) accessibility improvements made to Horn Road as well as planning for improvements to be made to the White Rock Neighborhood Pathway in program year 2010-2011.

ATTACHMENT

Resolution No. 108-2010 including **(Exhibit A)** City of Rancho Cordova 2009-2010 Consolidated Annual Performance and Evaluation Report (CAPER).

CITY OF RANCHO CORDOVA

RESOLUTION NO. 108-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING THE FISCAL YEAR 2009-2010 CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT (CAPER) FOR THE COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG)**

WHEREAS, the City of Rancho Cordova has applied for and received Community Development Block Grant (CDBG) funds as an entitlement jurisdiction from the Government of the United States under Title I of the Housing and Community Development Act of 1974; and

WHEREAS, the Department of Housing and Urban Development (HUD) is the federal agency that promulgates regulations and oversees the administration of the CDBG program; and

WHEREAS, HUD requires that entitlement jurisdictions complete an annual evaluation of their grants programs through a report known as the Consolidated Annual Performance and Evaluation Report (CAPER); and

WHEREAS, staff has completed the 2009-2010 CAPER; and

WHEREAS, a public notice announcing the availability of the CAPER and a 15-day public comment period for the report was published in the Grapevine Independent on August 27, 2009; and

WHEREAS, the 15-day public comment period has closed and the CAPER has been considered by the Rancho Cordova City Council.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the City Council:

1. Approves the 2009-2010 Consolidated Annual Performance and Evaluation Report (CAPER);
2. Authorizes the City Manager, or his designee, to submit the CAPER to the Department of Housing and Urban Development; and
3. Authorizes staff to make technical modifications to the CAPER as required by HUD.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, City Clerk

2009-2010 CAPER

I. INTRODUCTION

As an entitlement grantee for the United States Department of Housing and Urban Development (HUD) formula Community Development Block Grant (CDBG) program, the City of Rancho Cordova is required to prepare a Consolidated Annual Performance and Evaluation Report (CAPER) to analyze and summarize program accomplishments during the preceding program year. This CAPER assesses the City of Rancho Cordova's progress in completing activities identified in the 2009-2010 Action Plan, which covers the period July 1, 2009 through June 30, 2010. The CAPER also reports the progress in meeting overall five-year Consolidated Plan goals and priorities, and identifies areas for improvement as a result of annual self-evaluations and HUD performance reviews.

The 2009-10 program year was the City of Rancho Cordova's fourth year as an entitlement recipient of Community Development Block Grant (CDBG) funds. The City of Rancho Cordova Housing Division, within the Economic and Neighborhood Development Department, serves as the lead agency for the administration of CDBG funds. Questions regarding this report should be directed to the staff within this division at:

David Gassaway
Housing Services Assistant
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
916-851-8896

This report was made available for public review during a 15-day public comment period from September 2, 2010 to September 20, 2010. A public notice announcing its availability was published in the *Grapevine Independent* on August 27, 2010. A public hearing on the report was held on September 20, 2010 at the Rancho Cordova City Council meeting.

II. GENERAL NARRATIVE

In the 2009-2010 program year, the City funded numerous public service activities, including those serving the elderly, youth, large families, and the homeless. The City of Rancho Cordova is also leveraging several resources to improve the City's neighborhoods. Accomplishments include the following:

- Provided funding to Senior Nutrition Services for the provision of nutritious meals to 243 seniors;
- Assisted the Cordova Activities for Kids Program to provide recreational and pro-social activities to 178 youth;

2009-2010 CAPER

- Provided funding to WEAVE to assist victims of domestic violence, including individual and group counseling to 93 households;
- Completed 13 home repairs within the Emergency Repair Loan Program;
- Provided 2 home repair loans within the Comprehensive Residential Rehabilitation Loan Pilot Program;
- Assisted Sacramento Self-Help Housing to provide counseling and social services for 67 homeless and near-homeless persons; and
- Permanently relocated 8 households from the Woodberry Gardens Apartments.

In addition, staff continued to market the Emergency Repair Loan Program, created the Comprehensive Residential Rehabilitation Loan Program (REHAB-O), provided group and one-on-one training to public service providers, implemented monitoring and fiscal systems to oversee and track progress of the CDBG grant program, and began conducting an Analysis of Impediments to fair housing. The majority of the proposed activities for the year were fully implemented.

Program year 2009-10 was the City's fourth year as an entitlement jurisdiction for CDBG funds. Staff has continually strived to provide training opportunities to new grant recipients and establish "best practices," with the goal of integrating them into the day-to-day and long-term implementation of the program. Table 1 provides a summary of accomplishments in 2009-10. The activities listed are those contained in the 2009-10 Action Plan, and the applicable one-year objective, with actual accomplishments identified. More detailed activity descriptions are included below.

TABLE 1
ANNUAL GOAL ACHIEVEMENT AND PROGRESS TO
MEETING FIVE-YEAR GOALS

Category Project/Service Type	2009 Annual Goal		
	Completed	Goal	Over/(Short)
Housing			
Home Repair Assistance	13	10	3
Rental Inspection	990	1000	(10)
Code Enforcement	1,197	700	497
Homelessness			
Homeless Prevention	67	75	(8)
Public Facilities			
Cordova Recreation and Park	0	2	(2)

2009-2010 CAPER

Category Project/Service Type	2009 Annual Goal		
	Completed	Goal	Over/(Short)
District			
New Rancho Affordable Housing Development – Relocation	8	8	0
White Rock Neighborhood Pathway Improvements	1/2	1	(1/2)
Public Services			
Youth Services	177	173	4
Senior Services	243	290	(47)
Housing Services	446	235	211
Crisis Services	93	141	(48)
Special Needs (all programs)			
Disabled	149	--	--
Senior (62+)	234	--	--
Female-headed	321	--	--
Large family (5+)	141	--	--
Total persons/households			
Low/mod households	994	--	--
Percent low-mod served	96%		--

Mid-Year Amendment

In December of 2009 the City amended the Action Plan to re-allocate a portion of CDBG funds from projects that did not perform in order to ensure timely expenditure. The mid-year amendment reprogrammed \$247,113 of funding into three eligible programs.

- \$35,000 was added to the Emergency Repair Loan Program providing funding for up to six additional loans. The City made a total of 13 loans with the available funds, which exceeded the original Action Plan goal of 10 by three loans.
- \$60,937 was allocated to the Cordova Recreation and Park District (CRPD) for facilities improvements to the Cordova Senior Center. Combined with \$139,063 provided from the City's CDBG-R allocation, the total of \$200,000 was made available to CRPD to assist in covering costs associated with installation of solar pv on the senior center. CRPD was unable to pull together the additional funding (in excess of the \$200,000) in order to make the project feasible. Due to the expedited expenditure requirements of CDBG-R and CRPD's ability to secure the remainder of the funding, the \$139,063 was reprogrammed in an administrative move in order to prevent loss of

2009-2010 CAPER

CDBG-R funds. The remaining \$60,937 was reprogrammed in the 2010-2011 program year Action Plan.

- \$141,240 was allocated to fund relocation of 8 tenants of the Woodberry Gardens Apartments. The purpose of relocation was to make a parcel available for the development of 50 units of much needed affordable senior housing.

III. PROGRAM DESCRIPTIONS

Emergency Repair Loan Program

Provide emergency repair assistance to low-income homeowners, eliminating health and safety hazards in their units.

2009-10 Objective:	16 homes repaired
Funding Allocated:	\$99,701
2009-10 Accomplishment:	13 homes repaired
Goals Met:	HS-1 (for description of goals, please see the 2006-2011 Consolidated Plan)
Actual Expenditure:	\$82,344.47
Narrative:	City staff marketed the Emergency Repair Loan Program, which provided assistance to homeowners who had no other resources to make necessary repairs to their homes to address health and safety concerns. Remaining funding (including implementation funding) is expected to be spent during the FY2010-11 program year. One additional loan is in process, and the City increased marketing for the program.

Category	Total	Percent of Total HH
Total Households	13	100%
Total Low/Mod-Income	13	100%
Extremely Low-income	4	31%
Low-Income	9	69%
Moderate-income	--	0%
Special Needs		
Disabled HH Member	9	69%
Senior Headed HH	8	62%
Female Headed HH	10	77%
5+ Person HH	--	0%
Race/Ethnicity		
Hispanic (all races)	2	15%

2009-2010 CAPER

White	12	92%
Black or African-American	--	0%
Asian	--	0%
American Indian or Alaskan Native	--	0%
Native Hawaiian or Pacific	--	0%
Multiracial	--	0%
Other/No response	1	8%

Owner-Occupied Home Rehabilitation Loan (REHAB)

Provide rehabilitation loan assistance to low-income homeowners, eliminating health and safety hazards in their units.

2009-10 Objective: 3 homes repaired

Funding Allocated: \$209,438

2009-10 Accomplishment: 2 pilot loans made

Goals Met: HS-1 (for description of goals, please see the 2006-2011 Consolidated Plan)

Actual Expenditure: \$155,248.20 (\$104,938.50 is unliquidated expenditures – money is in escrow, but work has not been completed and IDIS draw not complete)

Narrative: City staff developed the REHAB-O program to help address the needs of very low, low and moderate-income home owners whose homes had accessibility issues, energy efficiency concerns, and health and safety problems that were beyond the scope of the Emergency Repair Loan Program. During the year the City created a set of Guidelines designed to create standardized parameters for the program that would both protect the City's interests and provide the best results for the residents. Two pilot loans were made based on these guidelines to evaluate the program and to assess funding needs for the 2010-11 fiscal year. Those projects are still under construction, with expected completion dates in September 2010.

Category	Total	Percent of Total HH
Total Households	2	100%
Total Low/Mod-Income	2	100%
Extremely Low-income	0	0%
Low-Income	2	100%
Moderate-income	0	0%
Special Needs		

2009-2010 CAPER

Disabled HH Member	1	50%
Senior Headed HH	1	50%
Female Headed HH	1	50%
5+ Person HH	0	0%
Race/Ethnicity		
Hispanic (all races)		%
White		%
Black or African-American	1	50%
Asian	--	%
American Indian or Alaskan Native	--	0%
Native Hawaiian or Pacific	--	0%
Multiracial	--	0%
Other/No response		%

Rental Housing Inspection Program

Inspect all rental units in deteriorated areas to find and correct code violations.

2009-10 Objective: 1000 units inspected
 Funding Allocated: \$123,000
 2009-10 Accomplishment: 990 units inspected
 Actual Expenditure: \$91,486.2
 Narrative: The program began operating in 2006-07. Staff has since created an efficient way to implement the Rental Housing Inspection Program, set up an electronic tracking program and implemented a fee collection program.

Code Enforcement

Provide code enforcement services in the redevelopment area and CDBG target areas.

2009-10 Objective: 700 homes inspected
 Funding Allocated: \$86,000
 2009-10 Accomplishment: 1,197 homes inspected
 Goals Met: HS-1, HS-2
 Actual Expenditure: \$86,000
 Narrative: The Code Enforcement Department has continued to respond to code compliance complaints within the target area, which resulted in many improvements to the target area. Code enforcement efforts are a part of the City's Strong Neighborhoods Initiative, which is a comprehensive approach to improving quality of life in the City's target areas.

2009-2010 CAPER

PUBLIC FACILITIES

Senior Center Solar Improvements

Installation of a 100 percent solar electric power system at the Rancho Cordova Senior Center site.

2009-10 Objective	1 public facility improvement completed
Funding:	\$139,063 CDBG-R + \$60,937 additional = \$200,000 total
Goals Met:	CD-4, CD-1
Actual Expenditure:	None
Narrative:	The City allocated funding for a 100 percent solar electric power system that was to serve the Rancho Cordova Senior Center at 3480 Routier Road. The program was concluded to be economically infeasible by the Cordova Recreation and Park District and was subsequently unfunded. To ensure timely expenditure of American Recovery and Reinvestment Act dollars the \$139,063 was reprogrammed for ADA improvements.

ADA Improvements

Funding to help supplement cost of construction of ADA accessible sidewalks and ramps within a CDBG target area.

2009-10 Objective:	1 construction project completed
Funding:	\$139,063 CDBG-R
2009-10 Accomplishments:	1 construction project 90% complete
Goals Met:	CD-4
Actual Expenditure:	\$125,156 (unreimbursed expenditures)
Narrative:	City completed construction of ADA accessibility upgrades along public streets located in a CDBG target area. Upgrades included 800+ feet of new paved sidewalks where gravel sidewalks once existed, installation of 8 handicap accessibility ramps, and installation of signal lighting for crosswalks. Project has been fully constructed.

2009-2010 CAPER

New Rancho Redevelopment Project

Provide funding for the relocation of tenants of 2728 Woodberry Way.

2009-10 Objective:	8 tenants relocated
Funding:	\$141,240
2009-10 Accomplishments:	8 tenants relocated
Goals Addressed:	HS-1
Actual Expenditure:	\$87,977.50
Narrative:	Tenants at 2728 Woodberry Way were relocated from the property to facilitate the development of a new affordable housing project, known as Horizons at New Rancho which will provide around 50 senior affordable units. Residents have been paid first of two installment payments for permanent relocation.

White Rock Pathway Improvements

Improve the accessibility, visibility, and safety of the pathway leading to the light rail stop at Folsom and Coloma.

2009-10 Objective:	1 public facility improvements completed
Funding:	\$10,000
2009-10 Accomplishments:	Plans and Engineering for project completed. Construction scheduled to start pending approval.
Goals Addressed:	CD-4, CD-5
Actual Expenditure:	None
Narrative:	Funding is for design and engineering of White Rock pathway improvements at the Folsom and Coloma intersection. The current pedestrian and bicycle pathway is curved and has an area not visible from the street, resulting in increased crime and public safety problems. This project will straighten the pathway and improve lighting so that the entire pathway can be seen from the street by residents and police officers.

Cordova Recreation and Park District

Improve the safety, accessibility, and visibility in the parking lot and walkway leading to the Cordova Senior Center.

2009-10 Objective:	1 public facility improvements completed
--------------------	--

2009-2010 CAPER

Funding:	\$20,000
2009-10 Accomplishments:	Initial project feasibility explored by CRPD.
Goals Addressed:	CD-4
Actual Expenditure:	None
Narrative:	Funding was provided for the design and installation of safety devices such as parking lot and walkway lighting, crash gates, and fire safety improvements. Funding was not spent as CRPD was not able to budget additional local match money in order to feasibly complete the full project. It is expected that CRPD will begin and complete construction in program year 2010/11.

Cordova Recreation and Park District

Upgrade restrooms at the Cordova Senior Center in order to improve accessibility to those with disabilities and to bring bathroom fixtures into current building code compliance.

2009-10 Objective:	1 public facility improvements completed
Funding:	\$25,000
2009-10 Accomplishments:	Initial project feasibility explored by CRPD.
Goals Addressed:	CD-4
Actual Expenditure:	None
Narrative:	Funding was provided for the design and installation of restroom improvements such as handicap stall partitions, plumbing, and lighting fixtures. Funding was not spent as CRPD was not able to budget additional local match money in order to feasibly complete the full project. It is expected that CRPD will begin and complete construction in program year 2010/11.

PUBLIC SERVICES

Cordova Activities for Kids Program (CAKe)

Engage children in a variety of recreational and pro-social activities. CDBG funds were used to allow the program to fund its coordinator position.

2009-10 Objective:	173 youth served
Funding Allocated:	\$28,741
2009-10 Accomplishments:	177 youth served
Goals Met:	CD-2, CD-3
Actual Expenditure:	\$28,741

2009-2010 CAPER

Narrative:

The CAKe program, administered by Folsom Cordova Community Partnership, provided a variety of recreational and pro-social services to 178 youth in Rancho Cordova during the 2009-2010 program year. While this is 71% of their initial goal, the program did operate on a reduced budget and still managed to increase both the range and the diversity of the youth served, providing a valuable service to the community.

Category	Total	Percent of Total HH
Total Youths	178	100%
Total Low/Mod-Income	130	73%
Very Low-income	93	52%
Low-Income	30	17%
Moderate-income	7	4%
Special Needs	176	99%
Disabled HH Member	26	15%
Senior Headed HH	0	0%
Female Headed HH	44	25%
5+ Person HH	106	56%
Race/Ethnicity	--	--
Hispanic (all races)	76	42%
White	58	33%
Black or African-American	41	23%
Asian	2	1%
American Indian or Alaskan Native	1	<1%
Native Hawaiian or Pacific	1	<1%
Multiracial	17	10%
Other/No response	58	33%

Senior Nutrition (Meals on Wheels)

Provide homebound seniors with hot meals and provide lunch to seniors at the Cordova Seniors Center.

2009-10 Objective: 290 seniors provided meals
 Funding Allocated: \$49,220
 2009-10 Accomplishments: 243 seniors provided meals
 Goals Met: CD-1, CD-3
 Actual Expenditure: \$49,220 CDBG

2009-2010 CAPER

Narrative:

Senior Nutrition Services, administered by the Sacramento County Department of Human Assistance, provided a total of 17,149 home delivered and congregate meals to 243 unduplicated seniors in Rancho Cordova.

Category	Total	Percent of Total HH
Total Households	243	100%
Total Low/Mod-Income	243	100%
Very Low-income	--	0%
Low-Income	243	100%
Moderate-income	--	0%
Special Needs	--	--
Disabled HH Member	1	<1%
Senior Headed HH	191	79%
Female Headed HH	86	35%
5+ Person HH	5	2%
Race/Ethnicity	--	--
Hispanic (all races)	8	3%
White	189	78%
Black or African-American	12	5%
Asian	29	12%
American Indian or Alaskan Native	10	4%
Native Hawaiian or Pacific	2	<1%
Multiracial	1	<1%
Other/No response	0	0%

Sacramento Self-Help Housing

Provide counseling and housing referral services to homeless and near-homeless individuals and households.

2009-10 Objective: 69 households provided counseling

Funding Allocated: \$7,000 CDBG

2009-10 Accomplishments: 67 households provided counseling

Goals Met: HA-1, CD-3

Actual Expenditure: \$7,000 CDBG

Narrative: Sacramento Self Help Housing, Inc. provided housing counseling to 67 homeless, or near homeless, households at the Era A. Loveless Center in Rancho Cordova. On-site access

2009-2010 CAPER

to SSHH counselors was available 1.5 days per week for the entire year.

Category	Total	Percent of Total HH
Total Households	67	100%
Total Low/Mod-Income	62	93%
Very Low-income	55	82%
Low-Income	5	7%
Moderate-income	2	3%
Special Needs	--	--
Disabled HH Member	10	15%
Senior Headed HH	0	0%
Female Headed HH	40	60%
5+ Person HH	10	15%
Race/Ethnicity	--	--
Hispanic (all races)	12	18%
White	19	28%
Black or African-American	29	43%
Asian	3	4%
American Indian or Alaskan Native	2	3%
Native Hawaiian or Pacific	0	0%
Multiracial	5	7%
Other/No response	6	9%

WEAVE, Inc.

Provide assistance to victims of domestic violence, including individual and group counseling.

2009-10 Objective: 141 individuals provided counseling
 Funding Allocated: \$16,899 CDBG
 2009-10 Accomplishments: 93 individuals provided counseling
 Goals Met: CD-3
 Actual Expenditure: \$16,899 CDBG
 Narrative: WEAVE fell short of their objective number of clients served in the 2009-10 program year. In discussions with WEAVE it was apparent that severe budget cuts, primarily as a result of Sacramento County cutting funding to WEAVE, resulted in high staff turnover rates and a resultant decrease in service. Turnovers caused WEAVE to not effectively implement their

2009-2010 CAPER

marketing and outreach of the local Rancho Cordova satellite branch in the 2009-10 program year. WEAVE did not apply for program year 2010-11 funds and are taking the year to reassess the feasibility of a Rancho Cordova satellite branch without the inclusion of County subsidy.

Category	Total	Percent of Total HH
Total Persons	116	100%
Total Low/Mod-Income	116	100%
Extremely Low-income	--	0%
Low-Income	116	100%
Moderate-income	--	0%
Special Needs	60	52%
Disabled HH Member	10	9%
Senior Headed HH	1	<1%
Female Headed HH	36	31%
5+ Person HH	13	11%
Race/Ethnicity	---	---
Hispanic (all races)	27	23%
White	82	71%
Black or African-American	12	10%
Asian	4	4%
American Indian or Alaskan Native	1	<1%
Native Hawaiian or Pacific	0	0%
Multiracial	0	0%
Other/No response	16	14%

RESPITE C.L.U.B.

Provide affordable senior respite day care service for seniors with severe memory loss.

2009-10 Objective: 23 seniors provided day care services
 Funding Allocated: \$9,416 CDBG
 2009-10 Accomplishments: 25 seniors provided day care services
 Goals Met: CD-1, CD-3
 Actual Expenditure: \$9,416 CDBG
 Narrative: The Respite C.L.U.B. provided day care services to 25 seniors with severe memory loss through the Cordova Neighborhood Church organization. Clients were provided with mental and

2009-2010 CAPER

physical activities in a social environment while providing respite to caregivers.

Category	Total	Percent of Total HH
Total Persons	25	100%
Total Low/Mod-Income	25	100%
Extremely Low-income	--	0%
Low-Income	25	100%
Moderate-income	--	0%
Special Needs	--	--
Disabled HH Member	25	100%
Senior Headed HH	22	76%
Female Headed HH	15	60%
5+ Person HH	0	0%
Race/Ethnicity	---	---
Hispanic (all races)	0	0%
White	22	76%
Black or African-American	2	8%
Asian	0	0%
American Indian or Alaskan Native	1	4%
Native Hawaiian or Pacific	0	0%
Multiracial	0	0%
Other/No response	0	0%

PLANNING AND ADMINISTRATION ACTIVITIES

CDBG Planning and Administration

Provide general administration of the CDBG program, including all planning and reporting activities.

2009-10 Objective: Conduct administrative services, train staff, and carry out other administrative and planning activities related to the CDBG program as well as other programs serving the target-income and special needs populations.

Funding: \$123,341

2009-10 Accomplishment: The CDBG program was implemented in accordance with federal requirements.

Goals Met: PA-1

2009-2010 CAPER

Actual Expenditure: \$113,873.
 Narrative: CDBG staff was able to carry out a wide range of administrative activities to implement programs and activities serving the target income and special needs population.

Human Rights Fair Housing Commission (Center for Human Rights Law and Advocacy)

Provide fair housing and counseling services.

2009-10 Objective: Provide fair housing services such as assistance with housing discrimination and tenant and landlord issues, investigate fair housing complaints, provide outreach and education through public forums and the distribution of fair housing literature and newspaper articles.

2009-10 Objective: 160 households assisted

Funding: \$25,000

2009-10 Accomplishment: 238 households assisted

Actual Expenditure: \$25,000

Narrative: The Human Rights and Fair Housing Commission well exceeded their households served objectives. Fair housing services and counseling is provided to Rancho Cordova residents in an effort to eliminate housing discrimination. \$10,000 of the \$25,000 funded to HRFH was provided from the City's planning and administration funding.

Category	Total	Percent of Total HH
Total Persons	238	100%
Total Low/Mod-Income	194	82%
Very Low-income	99	42%
Low-Income	66	28%
Moderate-Income	29	12%
Special Needs		
Disabled HH Member	25	11%
Senior Headed HH	3	1%
Female Headed HH	61	26%
5+ Person HH	25	11%
Race/Ethnicity		
Hispanic (all races)	23	10%
White	137	58%

2009-2010 CAPER

Black or African-American	61	26%
Asian	4	2%
American Indian or Alaskan Native	3	1%
Native Hawaiian or Pacific	1	<1%
Multiracial	1	<1%
Other/No response	31	13%

SUMMARY OF 2009-10 CDBG ALLOCATION

Category	2009-10 Funds Allocated
Planning and Administration	\$148,341
Public Services	\$ 111,276
Housing Rehabilitation Programs	\$309,139
Code Enforcement and Rental Inspection	\$209,000
Public Improvements	\$257,177.13
Total	\$1,034,932.13

TABLE 2

SUMMARY OF 2009-10 CDBG EXPENDITURES

Category	2009-10 Funds Expended
Planning and Administration	\$113,873
Public Services	\$136,276
Housing Rehabilitation Programs	\$237,592.67
Code Enforcement and Rental Inspection	\$177,486.24
Public Improvements	\$87,977.50
Total	\$753,205.41
YE Funds Remaining	\$281,727.72
YE Unliquidated Obligations	\$281,727.72
YE Net Remaining	\$281,727.72

2009-2010 CAPER

Timely Expenditure Calculation (150% max.)	
Total 2009 annual funding	\$973,171
Total funds remaining at year-end	\$1,303,599
Percentage of total funding remaining	134%

Public Services Calculation (15% max.)	
Total 2009 funding award	\$942,133
Total 2009 public services expenditures (inc. unreimbursed expenditures)	\$136,276
Public Service percentage	14.46%

Planning and Admin. Calculation (20% max.)	
Total 2009 annual funding	\$942,133
Total Planning and Admin expenditures	\$113,873
Planning and admin percentage	12.08%

GEOGRAPHIC DISTRIBUTION

Geographic distribution of activities is widely varied, but most take place in or near a low- and moderate-income area. The location of an activity largely depends on the type of activity and many of the City's 2009-10 activities, such as home repair and Meals on Wheels, are able to take place across the entire City. Figure 1 shows the location of the activities that were funded in program year 2009-10. Not all of the activities funded through the CDBG programs are shown in Figure 1 because some are community-wide.

The rental housing inspection program and code enforcement activities funded by CDBG took place in the City's designated redevelopment area. The investment of other public and private funds in these areas provided a comprehensive approach to revitalization.

MINORITY DISTRIBUTION

The City of Rancho Cordova strives to make all of its programs and activities available to eligible low- and moderate-income residents regardless of sex, race, religious background, or disability. As a result, many programs, including emergency repair, senior services, and youth services, were made available to residents citywide. Programs with a specific location, such as the Era A. Loveless Center, are located in areas with varying levels of minority concentration with an emphasis on higher concentration areas. Table 1 details the projects in the City; of these, the majority are available on a citywide basis. Projects that do have a specific, pre-

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determined geographic location are often located in or near areas of minority concentration, as seen in Figure 2.

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AFFIRMATIVELY FURTHERING FAIR HOUSING

In the year 2009-10, the City did not identify any additional impediments to fair housing choice beyond those identified in the 2006-2011 Consolidated Plan. Actions taken to promote fair housing include the provision of fair housing materials, fair housing assistance, and investigation of housing discrimination complaints. The City has initiated its periodic analysis of impediments to fair housing and will consider findings of the study in the 2010-11 program year.

The City displays fair housing materials at City Hall, and copies of these materials are free to the public. Fair housing information is sent free of charge by post to those who request it, and materials are distributed by Code Enforcement officers and the Rancho Cordova Police Department. In addition, the City promotes fair housing awareness in its housing programs and works with housing providers in the City to ensure the fair and equitable treatment of persons and households seeking housing in the City. The Human Rights/Fair Housing Commission acts as an adviser to the City on matters of fair housing.

AFFORDABLE HOUSING

Many of the City's efforts to provide affordable housing have been addressed previously under the section General Narrative. Both the REHAB-O and Emergency Repair Loan Program assists low-income households. The 2006-2011 Consolidated Plan includes, as a high priority goal, the preservation of the existing stock of affordable housing. The City preserves affordable housing in part through code enforcement and rental inspection efforts, which ensure that all rental housing is safe and habitable. Program year 2009-10 included expanded efforts to preserve affordable housing through the creation of a comprehensive residential rehabilitation loan program. Additionally, the City has been actively participating in the replacement of substandard rental housing and the creation of additional affordable rental units with its participation in the development of an 18 unit tax credit new construction project.

CONTINUUM OF CARE NARRATIVE

The City of Rancho Cordova has established a set of strategies and priority actions to expand the City's homeless programs and services and to provide supportive housing opportunities and services to the elderly and persons with special needs. During program year 2009-10, the City continued to focus on funding service providers that offered regional programs benefiting the homeless and special needs groups.

The City has identified the following populations as having high priority needs: elderly, frail elderly, disabled persons, female-headed households and those households of modest income

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working in our City. Additionally, the City identified the following as high-priority special housing and service needs: housing rehabilitation and emergency repair, rental inspection, neighborhood parks and facilities, and senior and youth services.

Local Service Provider Assistance

During the 2009-10 program year, the City identified local service organizations that provide assistance to the homeless, households at-risk of homelessness, seniors, and other special needs groups. Several of these groups were selected to receive 2009-10 CDBG funds and will contribute to providing a broader continuum of care in the upcoming program year.

Senior Services

In 2009-10, the City funded senior meal services through the Sacramento County Department of Human Assistance (DHA). The City funded a congregate meal program (where meals are provided at community center sites), and a home-delivered meal program for homebound seniors. These programs combined to serve 243 persons. The programs offer meals five days per week (250 days per year), and the total number of meals served in Rancho Cordova amounted to nearly 18,000. Additionally, the Emergency Repair Loan Program served 11 seniors and the REHAB program has made 1 of 2 loans to a senior in the 2009-10 program year, allowing them to live in a safe environment.

Homeless and Homeless Prevention Services

The City contracts with Sacramento Self-Help Housing to provide counseling to low-income households who are homeless or at risk of becoming homeless. The counseling helps individuals and households to maintain housing stability. This program is intended to prevent homelessness. Self-Help Housing also provided assistance to tenants facing relocation as the result of the sale or dilapidation of their housing or other catastrophe.

OTHER ACTIONS

Actions to Address Obstacles to Meeting Under-Served Needs

The need for affordable housing for lower-income households and supportive housing for persons with special needs continues to exceed the available resources. The City has provided services, discussed previously under the Continuum of Care narrative, and has worked to afford housing opportunities to under-served groups, including individuals with severe disabilities.

Fostering and Maintaining Affordable Housing

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The City of Rancho Cordova's Strategic Plan identifies the Emergency Repair Loan Program as the primary component of the City's housing strategy. This Program provided 13 forgivable loans during the program year to very low-income households.

In 2010-11, the City plans to devote additional, non-federal resources to advancing affordable housing opportunities. In 2009-10 City staff explored alternative resources, including tax credits, redevelopment area set-aside funding and regional and state grant opportunities. The City has initiated assemblage, relocation, and demolition activities and expects to occupy at least one low-income affordable housing development projects in 2010-11. Additionally, the City anticipates operating the REHAB program in 2010-11, using State of California grant funding.

Barriers to Affordable Housing

Rancho Cordova has made significant progress in meeting the housing needs of its very low-, low-, and moderate-income residents. Despite falling home prices in the Sacramento region, home prices and rents are still high enough to make it difficult for extremely low- and very low-income households to locate an affordable unit.

A continued supply of housing affordable to all household income levels is essential to meet the needs of the residents of the City. Although there will be opportunities to construct new affordable housing, the City is also concerned with preserving and rehabilitating current affordable housing resources.

To assure the continuing production of affordable housing the City has examined possible constraints and barriers. Constraints to affordable housing are both governmental and non-governmental. Governmental constraints include land use controls, entitlement processing, fees, and building codes.

Land use controls are necessary to ensure orderly and appropriate development and growth in the City. Fees, land dedication, and public improvements are usually required as part of land development and entitlement processing to ensure an adequate supply of infrastructure, parks, and schools to serve the development. To facilitate the development of affordable housing, the City may consider waiving fees or assisting developers in locating resources for funding affordable housing. Building and housing codes are implemented to ensure the safety of the community (housing residents, specifically). It is unlikely that the City will waive building or housing code requirements as a method of increasing affordability.

Non-governmental constraints include the supply and cost of vacant land. The City has undertaken an inventory of vacant property suitable for housing development and determined that there are 550 acres available for single-family development in Rancho Cordova. This inventory indicates the need for lot consolidation and other entitlements to create a sufficient supply of land for the needs of the City. The City's General Plan allows for these entitlements to

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be granted for the development of affordable housing, it also allows for multi-family affordable housing to be constructed in certain commercial zones.

Regional Housing Needs Allocation

In 2009, the City received its 2006-2013 regional housing needs allocation (RHNA) from the local Council of Governments. The allocation indicated the continued need for a supply of affordable housing and targets these needs by income group. In summary, the allocation calls for 19 percent of new housing production to be affordable to moderate-income households; 20 percent to extremely low- and very low-income, 16 percent low-income, and 45 percent above moderate-income households. This reflects continued balanced production need.

The City's 2008-2015 Housing Element determines the City of Rancho Cordova has demonstrated the capacity, based on appropriately zoned RD-4, 5, 7, and 10 land, to accommodate the new construction of 3,338 housing units, of which 1,157 need to be made affordable to very low-, low-, and moderate-income households. In addition, the City has demonstrated the capacity to accommodate 1,460 multi-family housing units on 67 acres of land designated with higher density zoning.

Public Housing and Residential Initiatives

The City does not own any public housing. The 2006-2011 Consolidated Plan does not include plans to construct or operate public housing. The City does have several public housing developments within its boundaries. These are owned and operated by the Sacramento Housing and Redevelopment Agency (SHRA). The City works with SHRA to ensure the continued quality of public housing in the City.

Lead-Based Paint

The City works with a certified lead-based paint inspector to identify lead-based paint hazards when necessary. This inspector is qualified to conduct lead-based paint identification, assessment, and clearance services to reduce lead hazard. These services were available in the City's Emergency Repair Loan Program in 2009-10.

Compliance and Monitoring

City staff met with the subrecipient staff responsible for each activity prior to the beginning of the program year. All subrecipients were informed of the obligations to collect the required information on income, household composition, and race and ethnicity. The City held a group training session at the beginning of the year to go over subrecipient agreement policies, data collection, and financial management. Staff provided technical assistance to subrecipients throughout the year.

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Quarterly, staff examined the progress the subrecipient was making toward performance targets. Subrecipients must report their service population with each billing. Each subrecipient agreement contains provisions for reductions to or suspensions of payments in the event that targets are not being met (without valid reason) or past performance issues have not been resolved.

The City has placed a strong emphasis on its subrecipients gathering complete and accurate information on the persons and/or households they serve, and regularly reporting on progress.

Anti-Poverty Strategy

During the program year, the City provided housing services that preserved housing affordability for very low- and low-income households. The City's emergency housing repair program provided grants to low-income households for necessary improvements to their homes. This allowed the household to maintain housing affordability while having a safe and decent living environment. The City also provides code enforcement services to ensure that lower-income households have a habitable place to live.

The City's Senior Nutrition Services programs ensure that the City's elderly receive adequate nutrition at a nominal cost. This preserves the limited income that many elderly have.

The City provides housing counseling to homeless and at-risk households to reduce the incidence of homelessness and encourage self-sufficiency. The housing counseling providers keep a detailed database of housing resources that are available to homeless and near-homeless residents.

LEVERAGING RESOURCES

With respect to public services funded with CDBG funds, the City requires all subrecipients to identify other resources they will utilize during the program year to operate and implement CDBG-supported activities. It is the City's intent to ensure adequate non-federal and private funds are available, thus minimizing the dependence on federal funds. To best leverage the City's available resources, the City will continue to layer private and non-federal resources with federal resources.

CITIZEN COMMENTS

The City provided public notice of the public review period and planned submission of this CAPER. The draft document was made available on the City website, and at City Hall, the Rancho Cordova Neighborhood Library, and the Rancho Cordova Neighborhood Center.

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Public notice included the address of City Hall, staff contact names, mailing addresses, phone numbers, and the website to view the Plans, information on where to direct comments and questions.

If any comments are received, the City endeavors to respond to all questions or comments within 10 business days.

SELF-EVALUATION

What is the status of grant programs?

2009-10 was the Rancho Cordova's fourth year as a CDBG entitlement jurisdiction. The City worked with six service providers to provide nutrition services to seniors, supportive services to youth, counseling services to the homeless and domestic violence victims, and an emergency repair program to low-income homeowners. The City also provided code enforcement services in the target areas.

Are grant disbursements timely?

HUD requires that at a point approximately three-quarters of the way through the fiscal year, grantees have available in their line of credit no more than 1.5 times that year's entitlement grant. As a result of staff turnover the City was not timely in its drawdown of some funds. After realizing the problem in December of 2009, the City's newly responsible staff learned that administration and services funding had not been drawn down from the 2008-2009 program year. This resulted in IDIS reports which show greater than 20% planning and administration expenditures and greater than 15% of services expenditures for the 2009-2010 program year. This is untrue however because \$XX in planning and administration and \$XX of services was from the prior year and were mistakenly not drawn down by September of 2009.

Are major goals on target?

Overall, the City is advancing its goals of fostering the development and preservation of affordable housing and providing supportive services to the elderly, youth, and those with special needs. In addition, the City has been increasing homeowners' access to home repair programs that alleviate health and safety code violations. Other goals in the five-year Consolidated Plan that will need continued effort include programs targeted at increased neighborhood revitalization and further improvement to public facilities.

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Are any activities or types of activities falling behind schedule?

The General Narrative, beginning on page 2, provides a description of each activity planned in 2009-10 and its actual accomplishments during the year.

Funding for a couple projects, including the Cordova Senior Center went unexpended. These programs were not completed during the 2009-2010 year for various reasons, including unanticipated project costs and setup delays. Funds for these programs have been carried into 2010-2011, where it is anticipated that they will be spent.

Are the activities and strategies making an impact on identified needs?

The housing and community development activities that are funded through the grant are making a positive impact in the community and specifically on the needs identified in the Consolidated Plan and Action Plan. The funded activities and strategies are vital to the City's health and well-being in many ways. The City's considerable efforts to foster affordable housing, through code enforcement activities, rental housing inspections, redevelopment projects, and repair loans allow more residents each year to have access to attractive, safe, and affordable housing, community service, and public facilities. The funded public service activities provide many vulnerable citizens, such as seniors, homeless, youth and victims of domestic violence, with essential and life-enhancing services. Each funded activity in this program year is directly related to one of the goals in the Consolidated Plan and helps to further achieve the City's community development objectives and goals.

What barriers may have a negative impact on fulfilling the strategies and the overall vision?

A barrier that the City has faced is working with the non-profit organizations to improve their capacities so that they can provide services that are in line with the Consolidated Plan. In future funding rounds, the goal of the City is to better market the CDBG program to attract more qualified service providing non-profit applicants offering a wider variety of services and improvements needed in the community.

Based on findings, what adjustments or improvements to strategies and activities might meet the City's needs more effectively?

The City will need to continue its efforts to work closely with community and neighborhood groups to ensure that their valuable input is obtained as plans and activities are being developed, so that services are relevant and maximize leveraging opportunities. The City will also improve its information dissemination processes so that general public and many nonprofit organizations are notified through multiple mediums about the various CDBG programs. In future rounds the City will be using CDBG for public facility improvements that will enhance the living environment in the target-area neighborhoods.

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TABLE 3
CDBG EXPENDITURES FOR 2009-10 BY ACTIVITY AND GRANT YEAR

Grant Year	Activity Description	2009-10 Beg. Allocation	2009-10 Reallocations	2009-10 Total Available	2009-10 Expenditures	YE Remaining	YE Unreimb. Obligations	Net YE Remaining
2009-10	Emergency Repair	\$64,701	\$35,000	\$99,701	\$82,344.47	\$17,356.53	\$0	\$17,356.53
2009-10	Owner-Occupied Residential Rehabilitation Program	\$209,438	\$0	\$209,438	\$50,309.70	\$159,128.3	\$5104,938.50	\$54,189.80
2009-10	Rental Housing Inspection	\$123,000	\$0	\$123,000	\$91,486.20	\$31,513.8		\$31,513.8
2009-10	Code Enforcement	\$86,000	\$0	\$86,000	\$86,000	\$0	\$0	\$0
2009-10	Senior Center Solar Improvements	\$200,000	-\$139,063	\$60,937	\$0	\$60,937	\$0	\$60,937
2009-10	ADA Improvements	\$0	\$139,063	\$139,063	\$0	\$139,063	\$125,156.7	\$13,906.30
2009-10	New Rancho Redevelopment Project	\$0	\$141,240.10	\$141,240.10	\$87,977.50	\$53,262.6	\$0	\$53,262.60
2009-10	White Rock Pathway Improvements	\$0	\$10,000	\$10,000	\$0	\$10,000	\$0	\$10,000
2009-10	Cordova Recreation and Park District	\$20,000	\$0	\$20,000	\$0	\$20,000	\$0	\$20,000
2009-10	Cordova Recreation and Park District	\$25,000	\$0	\$25,000	\$0	\$25,000	\$0	\$25,000
2009-10	CAKc	\$28,741	\$0	\$28,741	\$28,741	\$0	\$0	\$0
2009-10	Senior Nutrition	\$49,220	\$0	\$49,220	\$49,220	\$0	\$0	\$0

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2009-10	Sacramento Self-Help Housing	\$7,000	\$0	\$7,000	\$0	\$0	\$0
2009-10	WEAVER, Inc.	\$16,899	\$0	\$16,899	\$0	\$0	\$0
2009-10	Respite C.L.U.B.	\$9,416	\$0	\$9,416	\$0	\$0	\$0
2009-10	Human Rights Fair Housing	\$25,000	\$0	\$25,000	\$0	\$0	\$0
2009-10	General Administration	\$123,341	\$0	\$123,341	\$9,468	\$0	\$9,468
Total		\$987,756	\$186,240.10	\$1,173,996.10	\$525,729.23	\$125,157	\$295,634.03

MEMORANDUM



DATE: September 20, 2010

TO: Honorable Mayor and Council Members

FROM: Adam U. Lindgren, City Attorney

SUBJECT: ORDINANCE ADDING CHAPTER 6.140 TO TITLE 6 OF THE RANCHO CORDOVA MUNICIPAL CODE RELATING TO UNATTENDED DONATION BOXES

RECOMMENDATION

Waive first reading and introduce Ordinance No. 21-2010, adding Chapter 6.140 to Title 6 of the Rancho Cordova Municipal Code, relating to unattended donation boxes.

RESULT OF RECOMMENDED ACTION

Adoption of this ordinance will add Chapter 6.140 to the City's Municipal Code regulating unattended donation boxes. This Ordinance will promote the community's health, safety, and welfare by regulating unattended donation boxes in order to minimize their potential negative impacts, such as illegal dumping.

BACKGROUND

Mayor Cooley requested that the City Attorney's Office prepare an ordinance regulating unattended donation boxes. The Mayor discussed his request with the full City Council at a prior City Council meeting. The Mayor's request for the ordinance was in response to several complaints from residents, businesses, and local non-profit organizations regarding the negative impacts resulting from the proliferation of donation boxes that has been occurring in the Sacramento region.

The lack of regulations on unattended donation boxes has resulted in many unwanted impacts affecting the community of Rancho Cordova. Code Enforcement Staff has reported that unattended donation boxes have also become a target for scavengers and for illegal dumping, which is harmful to surrounding businesses. The mess resulting from scavenging and illegal dumping can cause many businesses to lose customers and lower interest for potential businesses to establish near the drop off locations. It has also come to the attention of the City that donation boxes may be placed in areas without the property owner's consent.

Surrounding jurisdictions, such as the Cities of Folsom, Sacramento, and Elk Grove have adopted ordinances to address the rise of donation boxes in the region.

ANALYSIS

The attached ordinance will establish regulations on unattended donation boxes in an attempt to reduce their harmful impacts. The ordinance creates a permitting process requiring the owner of the property where the box will be located to apply for an unattended donation box permit. The property owners will need to pay an administrative fee to be set by the City Manager to defray the cost of any permit.

During the permitting process, the owner of the property will be required to provide proof that the entity operating and maintaining the donation box is qualified to solicit donations of salvageable personal property pursuant to State law, provide a diagram showing where the box will be located on the property and provide the exact text that will be located on the box. The text shall include the contact information for both the property owner and operator. The permit will be valid for one year with the ability to renew the permit as long as the Planning Director finds that the donation box has been operated and maintained pursuant to the Ordinance.

The ordinance will establish requirements for the maintenance of unattended donation boxes. The property owner and operator of the donation box will be responsible for maintaining the boxes in good condition and appearance, including free of graffiti. The owner and operator will be also be required to maintain the area surrounding the unattended donation boxes to be free of any junk, garbage, trash, debris or other refuse materials. Violations of the ordinance will be subject to any remedy legally available, including, but not limited to, the fines and penalties under Section 16.18.205 of the City's Municipal Code. This will allow the City to issue administrative citations or infractions for violations.

The Planning Director will have the right to revoke the permit if the property owner or operator fails to adhere to the requirements of the ordinance. All decisions by the Planning Director shall be appealable to the City Manager.

ATTACHMENT

Proposed Ordinance No. 21-2010.

CITY OF RANCHO CORDOVA

ORDINANCE NO. 21-2010

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING
CHAPTER 6.140 TO TITLE 6 OF THE RANCHO CORDOVA MUNICIPAL CODE RELATING
TO UNATTENDED DONATION BOXES**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 6.140, "Regulation of Unattended Donation Boxes," is hereby added to Title 6 of the Rancho Cordova Municipal Code to read as follows:

CHAPTER 6.140

REGULATION OF UNATTENDED DONATION BOXES

6.140.010	Purpose and Intent.
6.140.020	Definitions.
6.140.030	Permits.
6.140.040	Renewal of Permits.
6.140.050	Requirements and Maintenance.
6.140.060	Revocation of Permits, Removal of Unattended Donation Boxes and Liability.
6.140.070	Violation – Penalty.
6.140.080	Appeal to City Manager.
6.140.090	Administrative Fees.
6.140.100	Exemption.

6.140.010 Purpose and Intent.

The purpose of this Chapter is to regulate the placement of Unattended Donation Boxes within the City. The procedures and requirements of this Chapter are enacted to:

A. Promote the community's health, safety, and welfare by regulating Unattended Donation Boxes for clothing or other salvageable personal property within the City;

B. Ensure that Unattended Donation Boxes do not pose a hazard to pedestrian and vehicular traffic;

C. Ensure that material is not allowed to accumulate outside of the Unattended Donation Boxes where it can be scattered by adverse weather conditions, animal contacts or human activities; and

D. Establish criteria that avoids attracting vermin, unsightliness, and public health hazard.

6.140.020 Definitions.

A. "Director" means Director of the Planning Department of the City of Rancho Cordova or designee.

B. "Operator" means a person, entity, association or organization who places, maintains or operates Unattended Donation Box(es) to solicit donations of salvageable personal property.

C. "Permittee" means the Property Owner who is issued a permit authorizing placement of unattended donations box(es).

D. "Property Owner" means the person, entity, association or organization who owns the real property where the Unattended Donation Box(es) are or are proposed to be located.

E. "Residential District" includes residential zoning districts as established pursuant to Title 23 of this Code, and adopted Specific Plans with applicable residential zoning districts.

F. "Unattended Donation Box" means any unattended container, receptacle, or similar device that is located on any property within the City used for soliciting and collecting donations of clothing or other salvageable personal property. This term does not include recycle bins for the collection of recyclable materials governed or regulated by this Code.

6.140.030 Permits.

A. Unless otherwise exempt, it shall be unlawful and a public nuisance for any Property Owner or Operator to place, operate, maintain or allow Unattended Donation Boxes on real property unless the Property Owner first obtains a permit pursuant to this Chapter and the Unattended Donation Box is placed, operated and maintained in accordance with all provisions in this Chapter.

B. The permit application shall be made on a form provided by the Director and shall include the following information:

1. The name, address, email, website (if available) and telephone number of the applicant;

2. Written proof sufficient to establish that the Operator who will utilize the Unattended Donation Box is qualified to solicit donations of salvageable personal property pursuant to California Welfare and Institutions Code section 148.3, as amended;

3. The text of the disclosures that will be made on the Unattended Donation Box as required by Section 6.140.050A(3); and

4. The physical address of the Property Owner's real property and a drawing sufficient to indicate the proposed location of the Unattended Donation Box on the Property Owner's real property, as well as the size of the proposed Unattended Donation Box.

C. Each application shall be accompanied by a nonrefundable fee in the amount established by the City Manager. This fee shall be in addition to any fee or tax imposed by the City pursuant to any other provision of this Code.

- D. Applications shall be filed with the Director.
- E. Within thirty (30) days of receiving a completed application, the Director shall issue a permit or deny the issuance of a permit.
- F. The Director shall not issue a permit unless:
1. The Property Owner has submitted a complete and accurate application accompanied by the applicable fee;
 2. The Operator who will maintain or operate the Unattended Donation Box is qualified to solicit donations of salvageable personal property pursuant to California Welfare and Institutions Code Section 148.3, as amended;
 3. The proposed location and placement of the Unattended Donation Box on the Property Owner's real property is in compliance with all applicable laws and will not impede pedestrian, bicycle, site distances on to adjacent streets or vehicular traffic.
- G. If the Director denies an application the Director shall provide the Property Owner, in writing, the specific reasons for denial.
- H. Permit issued hereunder shall be valid for one Unattended Donation Box. Each Unattended Donation Box shall have its own individual permit.
- I. The term of the permit shall expire one year from the date of issuance.
- J. No person or Operator to whom a permit has been issued shall transfer, assign, or convey such permit to another person or Operator.
- K. Prior to expiration of the permit, the Permittee may voluntarily cancel the permit by notifying the Director in writing of the intent to cancel the permit. The permit shall become void upon the Director's receipt of a written notice of intent to cancel the permit.

6.140.040 Renewal of Permits.

- A. A Permittee may apply for permit renewal by submitting to the Director, before the expiration of the permit, a renewal application and a non-refundable renewal fee in an amount set by the City Manager.
- B. The Director shall either approve or deny the renewal of a permit within thirty (30) days of receipt of the complete renewal application and payment of the renewal fee.
- C. The Director shall approve the renewal of a permit if he or she finds that no circumstances existed during the term of the permit, existed at the time of submission of an application for renewal, or existed at any time during the review of the application for renewal, that are inconsistent with any finding required for approval of a new permit as specified in Section 6.140.030, or that would justify the revocation of the permit as specified in Section 6.140.060.

6.140.050 Requirements and Maintenance.

A. The Permittee and Operator shall be individually and severally responsible for operating and maintaining, or causing to be operated and maintained, all Unattended Donation Boxes located in the City as follows:

1. Unattended Donation Boxes shall be maintained in good condition and appearance with no structural damage, holes, or visible rust, and shall be free of graffiti;
2. Unattended Donation Boxes shall be locked or otherwise secured;
3. Unattended Donation Boxes shall contain the following contact information in two inch type visible from the front of each Unattended Donation Box: the name, address, email, and phone number of both the Permittee and Operator;
4. The Permittee and Operator shall place a copy of the permit in a prominent and visible location in the front of the box in plain view for inspection by the public and City officials.
5. Unattended Donation Boxes shall be serviced and emptied as needed, but at least once per month, or within five (5) business days of a request by the Director.

B. The Permittee and Operator shall be individually and severally responsible for maintaining, or causing to be maintained, the area surrounding the Unattended Donation Boxes free of any junk, garbage, trash, debris or other refuse material.

C. The Permittee and Operator shall be individually and severally responsible for abating and removing all junk, garbage, trash, debris and other refuse material in the area surrounding the Unattended Donation Boxes within 24 hours of written or verbal notice from the City.

D. The Permittee and Operator shall be individually and severally responsible for all costs for abating and removing any junk, garbage, trash, debris and other refuse material from the area surrounding the Unattended Donation Boxes.

E. It shall be unlawful for any Property Owner or Operator to place an Unattended Donation Box in any Residential District.

F. No Unattended Donation Box shall be placed within 400 feet from another Unattended Donation Box.

G. No Unattended Donation Box shall be placed on required parking spaces or within the "Clear Vision Triangle" as defined in Title 21 of the City's Municipal Code.

H. No more than one Unattended Donation Box shall be placed on each parcel of real property.

6.140.060 Revocation of Permit, Removal of Unattended Donation Boxes and Liability.

The Director shall have the right to revoke any permit issued hereunder if any of the grounds to refuse issuance of the initial permit exists. In addition, the failure of the Permittee to comply with the provisions of this Chapter, or other provisions of this Code or other law, shall also constitute grounds for revocation of the permit. The Director shall provide a written notification to the Permittee stating the specific grounds for revocation. Upon revocation, the Unattended Donation Box shall be removed from the Permittee's real property within thirty (30) calendar days and, if not removed within this time period, the City may remove, store and dispose of the Unattended Donation Box at the Permittee's sole cost and expense. Upon revocation, a Permittee shall be prohibited from applying for a permit for a period of one year. Any violation of the provisions of this Chapter is a public nuisance subject to abatement pursuant to this Code or as otherwise permitted by law.

6.140.070 Violation - Penalty.

Nothing in this Chapter shall limit the City from using any remedy legally available for violations of this Chapter, including, but not limited to, the fines and penalties under Section 16.18.205 of this Code.

6.140.080 Appeal to City Manager.

Any person aggrieved by the decision rendered by the Director in granting or denying an application for a permit under this Chapter, or in revoking or refusing to renew a permit issued hereunder, may appeal the decision to the City Manager. The appeal shall be made by filing a written notice thereof with the City Clerk not later than ten (10) calendar days after receiving notice of the decision of the Director. The City Manager shall hold a hearing on the appeal within thirty (30) calendar days. The City Manager's decision shall be final.

6.140.090 Administrative Fees.

The City Manager may establish reasonable fees and deposits to defray the cost of processing applications, proposals and for the administration of this Ordinance.

6.140.100 Exemption.

Unattended Donation Boxes located entirely within the interior of a building are exempt from the requirements of this Chapter.

Section 2. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 3. Effective Date.

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in

accordance with Government Code section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of ____ 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ken Cooley, Mayor

ATTEST:

Mindy Cuppy, CMC, City Clerk