

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

485



FROM: Redevelopment Agency

SUBMITTAL DATE:
June 15, 2009

SUBJECT: Agreement with Desert Alliance for Community Empowerment

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached Agreement with Desert Alliance for Community Empowerment ("DACE");
2. Authorize the Chairman of the Board to execute the attached Agreement; and
3. Authorize the Executive Director or designee to take all necessary steps to implement this Agreement, including but not limited to signing subsequent necessary and relevant documents.

Continued

Robert Field

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008/2009

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Redevelopment Low-and Moderate-Income Housing Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Serena Chow*
Serena Chow

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *Michelle Clack*
DATE: 7/10/09
Departmental Concurrence

Dept's Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: _____ **District:** 4th **Agenda Number:** _____

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

4.2
FRM 11 (REV 06/2003)

BACKGROUND: The Redevelopment Agency for the County of Riverside ("AGENCY") has identified a need to provide financial assistance to owners of unpermitted mobile home parks. These unpermitted mobile home parks are located within the unincorporated areas of Riverside County and have historically existed as agricultural housing facilities for farmworkers and their families. Although these agricultural housing facilities mainly exist as a form of affordable housing for farmworkers and their families, they are often unhealthy and pose unsafe living conditions.

These conditions exist because of the lack of experience and knowledge mobile home park owners have with the construction and permitting process involved with the rehabilitation of these parks. Additionally, the mobile home park owners are not financially prepared to carry out the full scope of rehabilitation.

In an effort to provide project management and financial assistance to the owners of these unpermitted mobile home parks, the AGENCY and DACE have agreed to enter into an Agreement. The Agreement provides an avenue for DACE to offer financial opportunities and to provide the procedural and technical services to mobile home park owners who want to rehabilitate their park. Additionally, DACE will provide the project management necessary for the construction and completion of each project, thereby preventing any problems that have previously occurred. The Agreement further identifies DACE as the lead and project manager for these projects. It also lays the groundwork that is necessary to ensure that the rehabilitation that is required for these parks is achieved in a professional, timely and diligent manner. The combination of services that DACE is proposing to provide will ensure that each project receives a certificate of occupancy issued by the Riverside County Transportation and Land Management Agency.

Agency Counsel has approved the attached Agreement as to form. Staff recommends that the Board approve the attached Agreement.

1 **AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY FOR THE**
2 **COUNTY OF RIVERSIDE AND DESERT ALLIANCE FOR COMMUNITY**
3 **EMPOWERMENT**

4 This AGREEMENT (“Agreement”) is entered into this ____ day of _____, 2009
5 (“Effective Date”), by and between the Redevelopment Agency for the County of Riverside
6 (“AGENCY”), a public body, corporate and politic and Desert Alliance For Community
7 Empowerment (“DACE”), a California nonprofit public benefit organization.

8
9 **RECITALS**

10 WHEREAS, AGENCY is a redevelopment agency duly created, established and
11 authorized to transact business and exercise its powers, all under and pursuant to the provisions
12 of the California Community Redevelopment Law (“CRL”), which is Part 1 of Division 24 of
13 the California Health and Safety Code (commencing with Section 33000 et seq.); and

14 WHEREAS, AGENCY has identified a need to provide financing to the owners of
15 unpermitted mobile home parks for the rehabilitation of such mobile home parks, located
16 within the Eastern Coachella Valley; and

17 WHEREAS, the financing provided by the AGENCY is for the purpose of increasing,
18 improving and preserving the community’s supply of low and moderate income housing
19 available at affordable housing cost to persons and families of low or moderate income, and

20 WHEREAS, DACE is in the business of developing and providing affordable housing
21 opportunities to the Low, Very-Low and Extremely-Low Income households; and

22 WHEREAS, DACE has established finance programs to be used in combination with
23 AGENCY funds for the rehabilitation of unpermitted mobile home parks; and

24 WHEREAS, DACE proposes to provide loan origination and project management
25 services for the rehabilitation of mobile home parks located within the Eastern Coachella Valley
26 ; and

27 WHEREAS, DACE has represented that it has the necessary expertise, skill, and ability
28 to carry out the commitments contained in this AGREEMENT; and

1 WHEREAS, AGENCY proposes to provide loans to property owners to finance the
2 rehabilitation of existing unpermitted mobile home parks that shall be comprised of a minimum
3 of five (5) mobile home spaces and a maximum of twelve (12) mobile home spaces for rent and
4 where such properties are located within the unincorporated areas of the County of Riverside;
5 and

6 WHEREAS, AGENCY loan amounts to the property owners will be determined on a
7 case by case basis based on each of the project proposals and AGENCY loan applications
8 submitted by DACE to AGENCY; and

9 WHEREAS, DACE and AGENCY desire to enter into this AGREEMENT for the
10 purpose of cooperating together to maximize the financial opportunities available to mobile
11 home park owners for the rehabilitation of unpermitted mobile home parks.

12 NOW, THEREFORE, in consideration of the mutual understanding provided
13 herein, the parties hereto execute this AGREEMENT based upon the following terms and
14 conditions:

15 1) TERM. The term of this AGREEMENT shall be for thirty-six (36)
16 months from the Effective Date.

17 2) PURPOSE. The purpose of this AGREEMENT is to set forth the
18 cooperative efforts between DACE and AGENCY, which will facilitate the rehabilitation of
19 unpermitted mobile home parks in the Eastern Coachella Valley of Riverside County
20 (“Project”).

21 3) DACE’S ROLE AND RESPONSIBILITIES:

22 a. Agency Loan Application Assistance. Within thirty (30) days of
23 the Effective Date, DACE shall establish a written procedure, to
24 be approved by AGENCY, setting forth how DACE will assist the
25 mobile home park owners in submitting an AGENCY loan
26 application (“Loan Application”) for the rehabilitation of mobile
27 home parks located within the Eastern Coachella Valley. The
28 procedures shall include how DACE will determine which mobile

1 home park owners will receive assistance from DACE in
2 submitting the Loan Application.

3 b. Pre-Development Assistance. As part of the Loan Application
4 process, DACE shall, at no cost to the AGENCY, assist the
5 mobile home parks owners with all necessary pre-development
6 studies.

7 c. Record Retention. DACE shall maintain records for each Loan
8 Application it provides assistance on and any record related to
9 mobile home parks that applied to DACE for assistance but did
10 not receive it. Such records shall be maintained for a minimum of
11 three years.

12 d. AGENCY Loan Application Waiting List. DACE shall maintain
13 a waiting list and/or log of mobile home park owners that request
14 assistance from DACE in completing the Loan Application in
15 connection with the rehabilitation of their existing unpermitted
16 mobile home park.

17 e. AGENCY Loan Application Submittal. DACE shall complete and
18 submit, on behalf of the mobile home park owner, to AGENCY
19 the Loan Application which includes the following information:

- 20 i. Project proposal
- 21 ii. Construction timeline for Project
- 22 iii. Management plan for Project
- 23 iv. Budget for Project
- 24 v. Description of use of funds for Project
- 25 vi. Description of DACE Project Management Fee

26 f. Project Approval and Agreement. In the event the submitted
27 Loan Application is approved by AGENCY and prior to the
28 construction of the proposed Project, DACE shall enter into a

1 separate Project Agreement (“Project Agreement”) with
2 AGENCY and the mobile home park owner setting forth the
3 terms of the loan and responsibilities of the parties as it relates to
4 the construction of the proposed Project. The Project Agreement
5 will only become effective after if it has been considered and
6 approved by the AGENCY Board of Directors.

7 i. AGENCY Loan Draw Requests. The Project Agreement
8 shall contain provisions that allow DACE to submit
9 reimbursement requests to the AGENCY. The requests
10 shall include copies of all supporting documentation, such
11 as invoices, cancelled checks and a certification by an
12 authorized representative of DACE specifying that the
13 request is for work performed in accordance with the
14 approved Project Agreement.

15 ii. DACE Project Management Fee. AGENCY shall include
16 a DACE Project Management Fee (DACE Fee) provision
17 within the Project Agreement for each Project. The
18 provision shall include the following language:

19 1. The DACE Fee will be based on the required work
20 for each Project, but shall not exceed fifteen (15%)
21 of the total construction hard costs of the Project;
22 and

23 2. AGENCY shall release forty percent (40%) of the
24 DACE Fee at fifty percent (50%) of certified
25 project completion, fifty percent (50%) at receipt
26 of certificate of occupancy issued by Riverside
27 County Transportation and Land Management
28 Agency; and

1 AGENCY on all matters related to the Loan Application and
2 proposed Projects.

3 4) AGENCY'S ROLE AND RESPONSIBILITIES.

- 4 a. AGENCY Loan Applications. AGENCY shall review the Loan
5 Applications submitted by DACE for the individual Projects.
- 6 b. Loan Documentation. Upon AGENCY's approval of the Loan
7 Application, AGENCY shall prepare the appropriate loan
8 documentation as required for the Project.
- 9 c. Submittal to Board of Directors. In a timely manner, as
10 determined by AGENCY, AGENCY shall prepare and submit the
11 Project Agreement to the Board of Directors for consideration.
- 12 d. Document Recording. In the event the Project Agreement is
13 approved, AGENCY shall ensure complete and proper execution
14 and recordation of such documents.
- 15 e. Final Project Payment. Final Project payment will be processed
16 when the all the following occur:
- 17 i. construction of the Project is complete; and
 - 18 ii. the Project is approved by the AGENCY; and
 - 19 iii. a certificate of occupancy is received for the Project from
20 the Riverside County Transportation Land Management
21 Agency.
- 22 f. Agency Cooperation. AGENCY agrees to cooperate with DACE
23 to provide appropriate information, if available and not otherwise
24 privileged, to facilitate exploration of financing for the proposed
25 projects. AGENCY shall also cooperate with DACE'S
26 professional consultants and associates to provide them with any
27 information and assistance reasonably within the capacity of
28 AGENCY to provide in connection with the entitlement process

1 pursuant to this AGREEMENT or as required by state and local
2 laws and regulations.

3 5) PROJECT COST ESTIMATE. DACE anticipates that the rehabilitation
4 for a typical “Polanco” Project will be approximately Three Hundred Fifty Thousand Dollars
5 (\$350,000). This estimate assumes that at the minimum the rehabilitation of each Project will
6 include the following and will be subject to final approval by the AGENCY;

- 7 a. Upgrades to and/or replacement of the electrical, water, septic and
8 fire suppression systems.
- 9 b. Permanent all weather roadway.
- 10 c. Telephone line conduit.
- 11 d. Common area and individual lot landscaping.
- 12 e. Perimeter and interior fencing
- 13 f. Interior lighting.
- 14 g. Proper signage.

15 6) PROJECT FINANCIAL CONTRIBUTION. DACE agrees to seek and
16 utilize other sources of funding to contribute to the overall budget of each Project. Each
17 Project requesting AGENCY financing shall be reviewed on a case by case. Commencement
18 of the rehabilitation of each Project shall not begin unless the AGENCY Board of Directors has
19 approved the Project Agreement and agreed to allocate funds for the Project. Additionally, the
20 following is a breakdown of the funds that each party associated with a Project is expected to
21 contribute:

- 22 a. Mobile Home Park Owner- Contribution to the Project will
23 include an amount as determined by DACE that may include all
24 expenses associated with the predevelopment of the Project and
25 may include engineering, geotechnical and applicable permit fees
26 associated with the project.
- 27 b. AGENCY- Contribution to each Project will be a maximum
28 amount of Two Hundred Fifty Thousand Dollars (\$250,000),

1 which includes the DACE Fee. The DACE Fee shall not exceed
2 (15%) of the total construction hard costs per project. Each
3 request for funding, including any request in excess of \$250,000,
4 will be reviewed on a case by case basis by AGENCY. Each
5 request submitted by DACE for AGENCY funds is subject to
6 approval by the Agency Board of Directors and subject to the
7 availability of AGENCY funds at the time of submittal.

8 c. DACE - Contribution to the project will be in an amount required
9 to fill the financial gap left between the maximum \$250,000
10 contribution made by the AGENCY and the \$350,000 maximum
11 amount anticipated by DACE per project.

12 7) AFFORDABILITY PERIOD. Each project will have a fifty five (55)
13 year affordability covenant recorded against the property to ensure affordability.

14 8) NONDISCRIMINATION. DACE covenants and agrees that there shall
15 be no discrimination against or segregation of any person, or group of persons, on account of
16 race, religion, sex, sexual orientation, marital status, nationality, familial status, source of
17 income or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment
18 of the Proposed Project, nor shall AGENCY or any person claiming under or through DACE
19 establish or permit any such practice or practices of discrimination or segregation with
20 reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants,
21 sublessees, or vendees of the Site.

22 9) ENVIRONMENTAL REQUIREMENTS. Certain state and local
23 environmental requirements (including, but without limitation, the California Environmental
24 Quality Act of 1970, the Public Resources Code Section 21000, et seq.) may be applicable to a
25 project and therefore, the parties agree to cooperate with each other in the preparation and
26 certification of required documents.

27 10) AMENDMENT. This AGREEMENT may only be amended by the
28 written consent of all the parties to this AGREEMENT at the time of such amendment.

1 11) TERMINATION OF AGREEMENT. Failure by either party to perform
2 any of its duties as provided in this AGREEMENT shall constitute an event of default
3 hereunder. The non-defaulting party shall give written notice of default to the defaulting party,
4 specifying the nature of the default and the action required to cure the default. If the default
5 remains uncured fifteen (15) days after service of such notice, the non-defaulting party may
6 terminate this AGREEMENT. Upon termination of AGREEMENT, DACE shall have no
7 further rights regarding the subject matter hereof unless AGENCY and DACE mutually agree,
8 in writing, to extend the term hereof. In the event this AGREEMENT is terminated, AGENCY
9 may negotiate with any other person or entity with respect to any aspect of the proposed
10 projects.

11 12) REMEDIES FOR BREACH OF AGREEMENT. In the event of an
12 uncured default by either party hereto, the non-defaulting party may terminate this
13 AGREEMENT and pursue any remedy allowed under law or equity.

14 13) PROHIBITION AGAINST ASSIGNMENT. The qualifications of DACE
15 and its principals are of particular interest to AGENCY. Consequently, no person or entity,
16 whether a voluntary or involuntary successor of DACE, shall acquire any rights or power under
17 this AGREEMENT, nor shall DACE assign all or any part of this AGREEMENT without the
18 prior written approval of AGENCY, which approval AGENCY may grant, withhold or deny in
19 its sole and absolute discretion. Any purported transfer, voluntarily or by operation of law,
20 shall be absolutely null and void and shall confer no rights whatsoever upon any purported
21 assignee or transferee.

22 14) AUTHORITY TO EXECUTE. The persons executing this
23 AGREEMENT or exhibits attached hereto on behalf of the parties to this AGREEMENT
24 hereby warrant and represent that they have the authority to execute this AGREEMENT and
25 warrant and represent that they have the authority to bind the respective parties to this
26 AGREEMENT to the performance of its obligations hereunder.

27 15) NOTICES. Any notice required or permitted under this AGREEMENT
28 shall be delivered to the following addresses:

1 With respect to any action or claim subject to indemnification herein by DACE, DACE
2 shall, at their sole cost, have the right to use counsel of their own choice and shall have the right
3 to adjust, settle, or compromise any such action or claim without the prior consent of AGENCY;
4 provided, however, that any such adjustment, settlement or compromise in no manner
5 whatsoever limits or circumscribes DACE'S indemnification to AGENCY as set forth herein.

6 DACE'S obligation hereunder shall be satisfied when DACE has provided to AGENCY
7 the appropriate form of dismissal relieving the Indemnified Parties from any liability for the
8 action or claim involved.

9 The specified insurance limits required in this AGREEMENT shall in no way limit or
10 circumscribe DACE'S obligations to indemnify and hold harmless the Indemnified Parties
11 herein from third party claims.

12 In the event there is conflict between this clause and California Civil Code Section 2782,
13 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not
14 relieve the DACE from indemnifying the Indemnified Parties to the fullest extent allowed by
15 law.

16 20) INSURANCE. Without limiting or diminishing the DACE'S obligation
17 to indemnify or hold the AGENCY harmless, DACE shall procure and maintain or cause to be
18 maintained, at its sole cost and expense, the following insurance coverage's during the term of
19 this AGREEMENT.

20 a. Worker's Compensation Insurance.

21 If DACE has employees as defined by the State of California, the
22 DACE shall maintain statutory Workers' Compensation Insurance
23 (Coverage A) as prescribed by the laws of the State of California.
24 Policy shall include Employers' Liability (Coverage B) including
25 Occupational Disease with limits not less than \$1,000,000 per
26 person per accident. The policy shall be endorsed to waive
27 subrogation in favor of the AGENCY, and, if applicable, to
28 provide a Borrowed Servant/Alternate Employer Endorsement.

1 b. Commercial General Liability Insurance.

2 Commercial General Liability insurance coverage, including but
3 not limited to, premises liability, contractual liability, products
4 and completed operations liability, personal and advertising
5 injury, and cross liability coverage, covering claims which may
6 arise from or out of DACE'S performance of its obligations
7 hereunder. Policy shall name AGENCY, the County of Riverside,
8 the Agencies, Districts, Special Districts, Departments of the
9 County of Riverside and their respective directors, officers, Board
10 of Supervisors, employees, elected or appointed officials, agents
11 or representatives as Additional Insureds. Policy's limit of
12 liability shall not be less than \$1,000,000 per occurrence
13 combined single limit. If such insurance contains a general
14 aggregate limit, it shall apply separately to this AGREEMENT or
15 be no less than two (2) times the occurrence limit.

16 c. Vehicle Liability Insurance.

17 If vehicles or mobile equipment are used in the performance of
18 the obligations under this AGREEMENT, then DACE shall
19 maintain liability insurance for all owned, non-owned or hired
20 vehicles so used in an amount not less than \$1,000,000 per
21 occurrence combined single limit. If such insurance contains a
22 general aggregate limit, it shall apply separately to this
23 AGREEMENT or be no less than two (2) times the occurrence
24 limit. Policy shall name AGENCY, the County of Riverside, the
25 Agencies, Districts, Special Districts, Departments of the County
26 of Riverside and their respective directors, officers, Board of
27 Supervisors, employees, elected or appointed officials, agents or
28 representatives as Additional Insureds

1 and policies of insurance shall contain the covenant of the
2 insurance carrier(s) that thirty (30) days written notice shall be
3 given to the AGENCY prior to any material modification,
4 cancellation, expiration or reduction in coverage of such
5 insurance. In the event of a material modification, cancellation,
6 expiration, or reduction in coverage, this AGREEMENT shall
7 terminate forthwith, unless the AGENCY receives, prior to such
8 effective date, another properly executed original Certificate of
9 Insurance and original copies of endorsements or certified original
10 policies, including all endorsements and attachments thereto
11 evidencing coverage's set forth herein and the insurance required
12 herein is in full force and effect. DACE shall not commence
13 operations until the AGENCY has been furnished original
14 Certificate (s) of Insurance and certified original copies of
15 endorsements and if requested, certified original policies of
16 insurance including all endorsements and any and all other
17 attachments as required in this Section. An individual authorized
18 by the insurance carrier to do so on its behalf shall sign the
19 original endorsements for each policy and the Certificate of
20 Insurance.

21 4) It is understood and agreed to by the parties hereto that
22 DACE'S insurance shall be construed as primary insurance, and
23 the AGENCY'S insurance and/or deductibles and/or self-insured
24 retention's or self-insured programs shall not be construed as
25 contributory.

26 5) If, during the term of this AGREEMENT or any
27 extension thereof, there is a material change in the scope of
28 services; or, there is a material change in the equipment to be used

1 in the performance of the scope of work which will add additional
2 exposures (such as the use of aircraft, watercraft, cranes, etc.); or,
3 the term of this AGREEMENT, including any extensions thereof,
4 exceeds five (5) years the AGENCY reserves the right to adjust
5 the types of insurance required under this AGREEMENT and the
6 monetary limits of liability for the insurance coverage's currently
7 required herein, if; in the AGENCY Risk Manager's reasonable
8 judgment, the amount or type of insurance carried by DACE has
9 become inadequate.

10 6) DACE shall pass down the insurance obligations
11 contained herein to all tiers of subcontractors working under this
12 AGREEMENT.

13 7) The insurance requirements contained in this
14 AGREEMENT may be met with a program(s) of self-insurance
15 acceptable to the AGENCY.

16 8) DACE agrees to notify AGENCY of any claim by a
17 third party or any incident or event that may give rise to a claim
18 arising from the performance of this AGREEMENT.

19 21) INDEPENDENT CONTRACTOR. Neither AGENCY, nor any of its
20 officers or employees, shall have any control over the conduct of DACE, or any of DACE'S
21 employees. AGENCY shall have no voice in the selection, discharge, supervision or control of
22 DACE'S employees, representatives or agents, or in fixing their number, compensation, or
23 hours of service. DACE expressly warrants not to, at any time, or in any matter, represent that
24 it, or any of its agents, servants or employees are in any manner agents, servants or employees
25 of AGENCY. DACE is and shall at all times remain as to AGENCY a wholly independent
26 contractor, and DACE'S obligations to AGENCY are solely such as are prescribed by this
27 AGREEMENT.

28 22) AGREEMENT DOES NOT CONSTITUTE PROJECT APPROVAL.

1 IN WITNESS WHEREOF, AGENCY and DACE have executed this AGREEMENT as of the
2 date first above written.

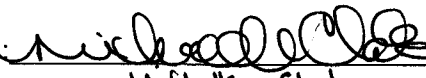
3
4 REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE
5 a California nonprofit public benefit
6

DESERT ALLIANCE FOR
COMMUNITY EMPOWERMENT

7
8 By: _____
Jeff Stone, Chairman, Board of Directors

By: _____
Jeff Hays, Executive Director

9
10
11
12 APPROVED AS TO FORM
PAMELA J. WALLS
13 Agency Counsel
14

15
16 By:  7/6/09
Michelle Clark
17 Deputy

18
19
20 ATTEST:
21 Kecia Harper-Ihem
22 Clerk of the Board

23
24 By: _____
Deputy