

688

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



FROM: Redevelopment Agency

SUBMITTAL DATE:

August 4, 2011

SUBJECT: Agreement by and between the Redevelopment Agency for the County of Riverside and Pueblo Unido Community Development Corporation

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the Agreement (agreement) by and between the Redevelopment Agency for the County of Riverside (agency) and Pueblo Unido Community Development Corporation (PUCDC), a California non-profit public benefit corporation;
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 essential and relevant documents.

BACKGROUND: (Commences on Page 2)

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:	N/A
Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Redevelopment Low and Moderate-Income Housing

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature
Jennifer L. Sargent

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Ashley, seconded by Supervisor Buster and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 16, 2011
xc: RDA

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: N/A

District: 4

Agenda Number

4.8

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND: The 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 or in the agency Redevelopment Project Areas and have historically existed as agricultural housing facilities for farmworkers and their families. Although these unpermitted mobile home parks mainly exist as a form of affordable housing for farmworkers and their families, they are often unhealthy and pose unsafe living conditions.

The owners of these unpermitted mobile home parks often desire to rehabilitate their unpermitted mobile home park, however, the owners of these parks typically lack the experience and knowledge with the construction and permitting process involved with the rehabilitation of these parks. Additionally, the mobile home park owners are often 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 PUCDC have agreed to enter into an agreement. The agreement provides an avenue for PUCDC to offer financial opportunities and provide the procedural and technical services to mobile home park owners who want to rehabilitate their park. Additionally, PUCDC will provide the project management necessary for the construction and completion of each project, thereby significantly reducing problems that have previously occurred with the rehabilitation of the unpermitted mobile home parks. The agreement further identifies PUCDC 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 of these parks is achieved in a professional, timely and diligent manner. The combination of services that PUCDC is proposing to provide will ensure that each project receives a certificate of occupancy issued by the Riverside County Transportation and Land Management Agency.

Under the agreement, PUCDC will submit an application, provide a proposal, and request an agency loan to the park owner, for the rehabilitation of the unpermitted mobile home park. The fee that PUCDC will earn for project management for the rehabilitation of the unpermitted mobile home park will be paid out of the agency loan to the park owner. Loan amounts to property owners will be determined on a case by case basis on each of the project proposals. Each application submitted by PUCDC for the rehabilitation of an unpermitted mobile home park will be reviewed and evaluated by staff and will go to the board for final approval.

Agency counsel has reviewed and approved the attached agreement. Staff recommends that the board approve the attached documents.

FINANCIAL DATA:

Not Applicable

Attachments:

Agreement by and between the Redevelopment Agency for the County of Riverside and Pueblo Unido Community Development Corporation

**AGREEMENT BY AND BETWEEN
THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND
PUEBLO UNIDO COMMUNITY DEVELOPMENT CORPORATION**

This Agreement (“Agreement”) is entered into this 16th day of August, 2011 (“Effective Date”), by and between the Redevelopment Agency for the County of Riverside (“AGENCY”), a public body, corporate and politic and Pueblo Unido Community Development Corporation (“PUCDC”), a California nonprofit public benefit organization.

RECITALS

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

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

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

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

WHEREAS, PUCDC has established financing programs to be used in combination with AGENCY funds for the rehabilitation of unpermitted mobile home parks; and

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

WHEREAS, PUCDC has represented that it has the necessary expertise, skill, and ability 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/or within the AGENCY Redevelopment Project Areas, and are located outside of fee land;
6 and

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

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

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

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

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

21 3) PUCDC'S ROLE AND RESPONSIBILITIES:

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

determine which mobile home park owners will receive assistance from PUCDC in submitting the Loan Application.

- b. Pre-Development Assistance. As part of the Loan Application process, PUCDC shall, at no cost to the AGENCY, assist the mobile home parks owners with all necessary pre-development assistance to comply with all federal, state and local laws, regulations and ordinances as they may be applicable.
- c. Record Retention. PUCDC shall maintain records for each Loan Application it provides assistance on and any record related to mobile home parks that applied to PUCDC for assistance but did not receive it. Such records shall be maintained for a minimum of three years.
- d. AGENCY Loan Application Waiting List. PUCDC shall maintain a waiting list and/or log of mobile home park owners that request assistance from PUCDC in completing the Loan Application in connection with the rehabilitation of their existing unpermitted mobile home park.
- e. AGENCY Loan Application Submittal. PUCDC shall complete and submit, on behalf of the mobile home park owner, to AGENCY the Loan Application which includes the following information:
 - i. Project proposal
 - ii. Construction timeline for Project
 - iii. Management plan for Project
 - iv. Budget for Project
 - v. Description of use of funds for Project
 - vi. Description of PUCDC Project Management Fee
- f. Project Approval and Agreement. In the event the submitted

1 Loan Application is approved by AGENCY, PUCDC shall enter
2 into a separate Project Agreement (“Project Agreement”) prior to
3 the construction of the proposed Project. Project Agreement with
4 the mobile home park owner shall set forth the terms of the loan
5 and responsibilities of the parties as it relates to the construction
6 of the proposed Project. The Project Agreement will only become
7 effective after if it has been considered and approved by the
8 AGENCY.

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

17 ii. PUCDC Project Management Fee. AGENCY shall
18 include a PUCDC Project Management Fee (PUCDC Fee)
19 provision within the Project Agreement for each Project.
20 The provision shall include the following language:

- 21 a. The PUCDC Fee will be based on the required work
22 for each Project, but shall not exceed fifteen (15%) of
23 the total construction hard costs of the Project and
24 shall be paid through the Project agreement with the
25 mobile home park owner; and
26 b. AGENCY shall release forty percent (40%) of the
27 PUCDC Fee at fifty percent (50%) of certified project
28 completion, an additional fifty percent (50%) at

1 receipt of certificate of occupancy issued by Riverside
2 County Transportation and Land Management
3 Agency; and

- 4 c. The final ten percent (10%) shall be released at final
5 draw down of AGENCY funds following receipts of
6 unconditional lien release from all contractors and
7 after the date on which a Notice of Completion has
8 been recorded and filed with the AGENCY and
9 submission of Project completion report and final
10 sources and uses of funds and approved by AGENCY.

11 g. Project Management. For each approved Project Agreement,
12 PUCDC shall provide complete project management services for
13 each of the approved Projects. These services include, but are not
14 limited to, the following:

- 15 i. Management of the design of each Project as approved by
16 the AGENCY. Should AGENCY adopt Mobile Home
17 Park Development Standards (“MHP Design Guidelines”),
18 PUCDC is to incorporate the MHP Design Guidelines in
19 the design of each Project. Prior to the full adoption of the
20 MHP Design Guidelines by AGENCY, PUCDC shall
21 incorporate, to the extent feasible, the requirements
22 outlined in the MHP Design Guidelines in the
23 development of each Project.
- 24 ii. Supervision and management of the entire construction
25 and/or rehabilitation process of each Project.
- 26 iii. Supervision and management of the entitlement and
27 permitting process of each Project that shall include the
28 achievement of a certificate of occupancy issued by the

Riverside County Transportation Land Management
Agency.

iv. On or before the 15th of each month PUCDC will provide
a written report to the AGENCY reporting the status and
progress of each Project in process. Such report shall also
include information on the status of Projects that are on
the established waiting list and maintained by PUCDC.

v. Any services as determined necessary by the AGENCY
for the progression or completion of the Project.

h. Progress Reports. As reasonably requested by AGENCY,
PUCDC agrees to make oral and written progress reports advising
AGENCY on all matters related to the Loan Application and
proposed Projects.

4) AGENCY'S ROLE AND RESPONSIBILITIES.

a. AGENCY Loan Applications. AGENCY shall review the Loan
Applications submitted by PUCDC for the individual Projects.

b. Loan Documentation. Upon AGENCY's approval of the Loan
Application, AGENCY shall prepare the appropriate loan
documentation as required for the Project.

c. Submittal to Board of Directors. In a timely manner, as
determined by AGENCY, AGENCY shall prepare and submit the
Project Agreement to the Board of Directors for consideration.

d. Document Recording. In the event the Project Agreement is
approved, AGENCY shall ensure complete and proper execution
and recordation of such documents.

e. Final Project Payment. Final Project payment will be processed
when the all the following occur:

i. construction of the Project is complete; and

ii. the Project is approved by the AGENCY; and

iii. a certificate of occupancy is received for the Project from the Riverside County Transportation Land Management Agency.

iv. Approval from AGENCY of all submittals for completion of the Project.

f. Agency Cooperation. AGENCY agrees to cooperate with PUCDC to provide appropriate information, if available and not otherwise privileged, to facilitate exploration of financing for the proposed projects. AGENCY shall also cooperate with PUCDC'S professional consultants and associates to provide them with any information and assistance reasonably within the capacity of AGENCY to provide in connection with the entitlement process pursuant to this Agreement or as required by state and local laws and regulations.

5) PROJECT COST ESTIMATE. PUCDC anticipates that the rehabilitation for a typical "Polanco" Project will be approximately Two Hundred Eighty Thousand Dollars (\$280,000). This estimate assumes that at the minimum the rehabilitation of each Project will include the following and will be subject to final approval by the AGENCY;

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

6) PROJECT FINANCIAL CONTRIBUTION. PUCDC agrees to seek and

utilize other sources of funding to contribute to the overall budget of each Project. Each Project requesting AGENCY financing shall be reviewed on a case by case. Commencement of the rehabilitation of each Project shall not begin unless the AGENCY Board of Directors has approved the Project Agreement and agreed to allocate funds for the Project. Additionally, the following is a breakdown of the funds that each party associated with a Project is expected to contribute:

- a. Mobile Home Park Owner- Contribution to the Project will include an amount as determined by PUCDC that may include all expenses associated with the predevelopment of the Project and may include engineering, geotechnical and applicable permit fees associated with the project.
- b. AGENCY- Contribution to each Project will be a maximum amount of Two Hundred Fifty Thousand Dollars (\$250,000), which includes the PUCDC Fee. Each request for funding, including any request in excess of \$250,000, will be reviewed on a case by case basis by AGENCY. Each request submitted by PUCDC for AGENCY funds is subject to approval by the AGENCY Board of Directors and subject to the availability of AGENCY funds at the time of submittal. The PUCDC Fee shall not exceed (15%) of the total construction hard costs per project.
- c. PUCDC - Contribution to the project will be in an amount required to fill the financial gap left between the maximum Two Hundred Fifty Thousand Dollars (\$250,000) contribution made by the AGENCY and the Two Hundred and Eighty Thousand (\$280,000) maximum amount anticipated by PUCDC per project.

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

8) NONDISCRIMINATION. PUCDC covenants by and for itself and any

1 successors in interest that there shall be no discrimination against or segregation of any person
2 or group of persons on account of race, color, age, religious creed, sex, sexual orientation,
3 marital status, national origin, ancestry, familial status, source of income, physical disability,
4 mental disability, or medical condition, in the sale, lease, sublease, transfer, use, occupancy,
5 tenure or enjoyment of real property, nor shall PUCDC itself or any person claiming under or
6 through it establish or permit any such practice or practices of discrimination or segregation
7 with reference to the election, location, number, use or occupancy of tenants, lessees,
8 subtenants, sublessees or vendees of the real property. The foregoing covenants shall run with
9 the land. PUCDC shall refrain from restricting the sale of the real property on the basis of race,
10 color, age, religious creed, sex, sexual orientation, marital status, national origin, ancestry,
11 familial status, source of income, physical or mental disability of any person. All such deeds,
12 leases or contracts shall contain or be subject to substantially the following nondiscrimination or
13 no segregation clauses:

- 14 a. **In deeds:** “The grantee herein covenants by and for himself for
15 herself, his or her heirs, executors, administrators and assigns, and
16 all persons claiming under or through them that there shall be no
17 discrimination against or segregation of any person, or group of
18 persons, on account of race, color, age, religious creed, sex, sexual
19 orientation, marital status, national origin, ancestry, familial status,
20 source of income, physical or mental disability in the sale, lease,
21 sublease, transfer, use, occupancy, tenure or enjoyment of the land
22 herein conveyed, nor shall the grantee himself or herself nor any
23 person claiming under or through him or her establish or permit
24 any such practice or practices of discrimination or segregation with
25 reference to the selection, location, numbers use or occupancy of
26 tenants, lessees, subtenants, sublessees or vendees in the land
27 herein conveyed. The foregoing covenants shall run with the
28 land.”

- 1 b. **In leases:** “The lessee herein covenants by and for himself or
2 herself, his or her heirs, executors, administrators, and assigns, and
3 all persons claiming under or through him or her, and this lease is
4 made and accepted upon and subject to the following conditions:
5 There shall be no discrimination against or segregation of any
6 person or group of persons on account of race, color, age, religious
7 creed, sex, sexual orientation, marital status, national origin,
8 ancestry, familial status, source of income, physical or mental
9 disability in the leasing, subleasing, transferring, use, occupancy,
10 tenure or enjoyment of the premises herein leased nor shall the
11 lessee himself or herself, or any person claiming under or through
12 him or her, establish or permit any such practice or practices of
13 discrimination or segregation with reference to the selection,
14 location, number, use or occupancy of tenants, lessees, sublessees,
15 subtenants or vendees in the premises herein leased.”
- 16 c. **In contracts:** “There shall be no discrimination against or
17 segregation of any person or group of persons on account of race,
18 color, age, religious creed, sex, sexual orientation, marital status,
19 national origin, ancestry, familial status, source of income,
20 physical or mental disability in the sale, lease, sublease, transfer,
21 use, occupancy, tenure or enjoyment of the premises, nor shall the
22 transferee himself or herself or any person claiming under or
23 through him or her, establish or permit any such practice or
24 practices of discrimination or segregation with reference to the
25 selection, location, number, use, or occupancy of tenants, lessees,
26 subtenants, sublessees or vendees of the premises.”

27 9) ENVIRONMENTAL REQUIREMENTS. Certain state and local
28 environmental requirements (including, but without limitation, the California Environmental

1 Quality Act of 1970, the Public Resources Code Section 21000, et seq.) may be applicable to a
2 project and therefore, the parties agree to cooperate with each other in the preparation and
3 certification of required documents.

4 10) AMENDMENT. This Agreement may only be amended by the written
5 consent of all the parties to this Agreement at the time of such amendment.

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

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

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

26 14) AUTHORITY TO EXECUTE. The persons executing this Agreement on
27 behalf of the parties to this Agreement hereby warrant and represent that they have the
28 authority to execute this Agreement and warrant and represent that they have the authority to

1 bind the respective parties to this Agreement to the performance of its obligations hereunder.

2 15) NOTICES. Any notice required or permitted under this Agreement shall
3 be delivered to the following addresses:

4 AGENCY: Heidi Marshall, Assistant Director
5 Redevelopment Agency for the County of Riverside
6 3403 10th Street, Suite 500
7 Riverside, CA 92501

8 PUCDC: Sergio Carranza, Executive Director
9 Pueblo Unido CDC
10 53040 Avenida Mendoza
11 La Quinta, CA 92253

12 16) ENTIRE AGREEMENT. This Agreement constitutes the entire
13 Agreement between the parties and supersedes all agreements, representation, warranties,
14 statements, promised or understandings, whether oral or written, with respect to the subject
15 matter hereof and no party shall be bound by any such representation, statement, promise or
16 understanding not specifically set forth in this Agreement.

17 17) SEVERABILITY. In the event that any of the provisions, or portions
18 thereof, of this Agreement are held to be unenforceable or invalid by any court of competent
19 jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof,
20 shall not be affected thereby.

21 18) TIME IS OF THE ESSENCE. Time is of the essence of every portion of
22 this Agreement in which time is a material part. All services shall be rendered by PUCDC in a
23 timely and diligent manner.

24 19) HOLD HARMLESS AND INDEMNIFICATION. PUCDC shall
25 indemnify and hold harmless the AGENCY, the County of Riverside, its Agencies, Districts,
26 Special Districts and Departments, their respective directors, officers, Board of Directors,
27 elected and appointed officials, employees, agents and representatives from any liability
28 whatsoever, based or asserted upon any services of PUCDC, its officers, employees,

1 subcontractors, agents or representatives arising out of or in any way relating to this
2 Agreement, including but not limited to property damage, bodily injury, or death or any other
3 element of any kind or nature whatsoever arising from the performance of PUCDC, its officers,
4 agents, employees, subcontractors, agents or representatives from this Agreement. PUCDC
5 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees,
6 cost of investigation, defense and settlements or awards, the Redevelopment Agency for the
7 County of Riverside, the County of Riverside, its Agencies, Districts, Special Districts and
8 Departments, their respective directors, officers, Board of Directors, elected and appointed
9 officials, employees, agents and representatives in any claim or action based upon such alleged
10 acts or omissions.

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

17 PUCDC'S obligation hereunder shall be satisfied when PUCDC has provided to
18 AGENCY the appropriate form of dismissal relieving the Indemnified Parties from any liability
19 for the action or claim involved.

20 The specified insurance limits required in this Agreement shall in no way limit or
21 circumscribe PUCDC'S obligations to indemnify and hold harmless the Indemnified Parties
22 herein from third party claims.

23 In the event there is conflict between this clause and California Civil Code Section 2782,
24 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not
25 relieve the PUCDC from indemnifying the Indemnified Parties to the fullest extent allowed by
26 law.

27 20) INSURANCE. Without limiting or diminishing the PUCDC'S obligation
28 to indemnify or hold the AGENCY harmless, PUCDC shall procure and maintain or cause to

1 be maintained, at its sole cost and expense, the following insurance coverage's during the term
2 of this Agreement.

3 a. Worker's Compensation Insurance.

4 If PUCDC has employees as defined by the State of California,
5 the PUCDC shall maintain statutory Workers' Compensation
6 Insurance (Coverage A) as prescribed by the laws of the State of
7 California. Policy shall include Employers' Liability (Coverage
8 B) including Occupational Disease with limits not less than
9 \$1,000,000 per person per accident. The policy shall be endorsed
10 to waive subrogation in favor of the AGENCY, and, if applicable,
11 to provide a Borrowed Servant/Alternate Employer Endorsement.

12 b. Commercial General Liability Insurance.

13 Commercial General Liability insurance coverage, including but
14 not limited to, premises liability, contractual liability, products
15 and completed operations liability, personal and advertising
16 injury, and cross liability coverage, covering claims which may
17 arise from or out of PUCDC'S performance of its obligations
18 hereunder. Policy shall name AGENCY, the County of Riverside,
19 the Agencies, Districts, Special Districts, Departments of the
20 County of Riverside and their respective directors, officers, Board
21 of Supervisors, employees, elected or appointed officials, agents
22 or representatives as Additional Insureds. Policy's limit of
23 liability shall not be less than \$1,000,000 per occurrence
24 combined single limit. If such insurance contains a general
25 aggregate limit, it shall apply separately to this Agreement or be
26 no less than two (2) times the occurrence limit.

27 c. Vehicle Liability Insurance.

28 If vehicles or mobile equipment are used in the performance of

1 the obligations under this Agreement, then PUCDC shall maintain
2 liability insurance for all owned, non-owned or hired vehicles so
3 used in an amount not less than \$1,000,000 per occurrence
4 combined single limit. If such insurance contains a general
5 aggregate limit, it shall apply separately to this Agreement or be
6 no less than two (2) times the occurrence limit. Policy shall name
7 AGENCY, the County of Riverside, the Agencies, Districts,
8 Special Districts, Departments of the County of Riverside and
9 their respective directors, officers, Board of Supervisors,
10 employees, elected or appointed officials, agents or
11 representatives as Additional Insured.

12 d. General Insurance Provisions – All Lines.

13 i. Any insurance carrier providing insurance coverage
14 hereunder shall be admitted to the State of California and
15 have an A M BEST rating of not less than A: VIII (A:8)
16 unless such requirements are waived, in writing, by the
17 AGENCY Risk Manager. If the AGENCY's Risk Manager
18 waives a requirement for a particular insurer such waiver is
19 only valid for that specific insurer and only for one policy
20 term.

21 ii. PUCDC'S insurance carrier(s) must declare its insurance
22 self-insured retentions. If such self-insured retentions exceed
23 \$500,000 per occurrence such retentions shall have the prior
24 written consent of the AGENCY Risk Manager before the
25 commencement of operations under this Agreement. Upon
26 notification of self insured retention unacceptable to the
27 AGENCY, and at the election of the AGENCY's Risk
28 Manager, PUCDC'S carriers shall either; (a) reduce or

1 eliminate such self-insured retention as respects this
2 Agreement with the AGENCY, or (b) procure a bond which
3 guarantees payment of losses and related investigations,
4 claims administration, and defense costs and expenses.

- 5 iii. PUCDC shall cause PUCDC'S insurance carrier(s) to
6 furnish the AGENCY with either 1) a properly executed
7 original Certificate(s) of Insurance and certified original
8 copies of Endorsements effecting coverage as required
9 herein, and 2) if requested to do so orally or in writing by
10 the AGENCY Risk Manager, provide original Certified
11 copies of policies including all Endorsements and all
12 attachments thereto, showing such insurance is in full force
13 and effect. Further, said Certificate(s) and policies of
14 insurance shall contain the covenant of the insurance
15 carrier(s) that thirty (30) days written notice shall be given
16 to the AGENCY prior to any material modification,
17 cancellation, expiration or reduction in coverage of such
18 insurance. In the event of a material modification,
19 cancellation, expiration, or reduction in coverage, this
20 Agreement shall terminate forthwith, unless the AGENCY
21 receives, prior to such effective date, another properly
22 executed original Certificate of Insurance and original
23 copies of endorsements or certified original policies,
24 including all endorsements and attachments thereto
25 evidencing coverage's set forth herein and the insurance
26 required herein is in full force and effect. PUCDC shall not
27 commence operations until the AGENCY has been
28 furnished original Certificate (s) of Insurance and certified

1 original copies of endorsements and if requested, certified
2 original policies of insurance including all endorsements and
3 any and all other attachments as required in this Section. An
4 individual authorized by the insurance carrier to do so on its
5 behalf shall sign the original endorsements for each policy
6 and the Certificate of Insurance.

7 iv. It is understood and agreed to by the parties hereto that
8 PUCDC'S insurance shall be construed as primary
9 insurance, and the AGENCY'S insurance and/or deductibles
10 and/or self-insured retention's or self-insured programs shall
11 not be construed as contributory.

12 v. If, during the term of this Agreement or any extension
13 thereof, there is a material change in the scope of services;
14 or, there is a material change in the equipment to be used in
15 the performance of the scope of work which will add
16 additional exposures (such as the use of aircraft, watercraft,
17 cranes, etc.); or, the term of this Agreement, including any
18 extensions thereof, exceeds five (5) years the AGENCY
19 reserves the right to adjust the types of insurance required
20 under this Agreement and the monetary limits of liability for
21 the insurance coverage's currently required herein, if; in the
22 AGENCY Risk Manager's reasonable judgment, the amount
23 or type of insurance carried by PUCDC has become
24 inadequate.

25 vi. PUCDC shall pass down the insurance obligations contained
26 herein to all tiers of subcontractors working under this
27 Agreement.

28 vii. The insurance requirements contained in this Agreement

1 may be met with a program(s) of self-insurance acceptable
2 to the AGENCY.

3 viii. PUCDC agrees to notify AGENCY of any claim by a third
4 party or any incident or event that may give rise to a claim
5 arising from the performance of this Agreement.

6 21) INDEPENDENT CONTRACTOR. Neither AGENCY, nor any of its
7 officers or employees, shall have any control over the conduct of PUCDC, or any of PUCDC'S
8 employees. AGENCY shall have no voice in the selection, discharge, supervision or control of
9 PUCDC'S employees, representatives or agents, or in fixing their number, compensation, or
10 hours of service. PUCDC expressly warrants not to, at any time, or in any matter, represent that
11 it, or any of its agents, servants or employees are in any manner agents, servants or employees
12 of AGENCY. PUCDC is and shall at all times remain as to AGENCY a wholly independent
13 contractor, and PUCDC'S obligations to AGENCY are solely such as are prescribed by this
14 Agreement.

15 22) AGREEMENT DOES NOT CONSTITUTE PROJECT APPROVAL.
16 AGENCY reserves final discretion and approval as to any affordable housing loan agreement,
17 Project Agreement, development agreement or similar agreement and all proceedings and
18 decisions in connection therewith. This Agreement shall not be construed as a covenant,
19 promise, or commitment by AGENCY, by the County of Riverside or by any agency of the
20 County of Riverside to finance the development of the Proposed Project. All plans for a
21 proposed project, including, but not limited to, the financing plans and rehabilitation plans,
22 shall be subject to the review and approval of the AGENCY Board of Directors and the County
23 Board of Supervisors as necessary and required by law.

24 23) INTERPRETATION GOVERNING LAW. This Agreement and any
25 dispute arising hereunder shall be governed by and interpreted in accordance with the laws of
26 the State of California. This Agreement shall be construed as a whole according to its fair
27 language and common meaning to achieve the objectives and purposes of the parties hereto,
28 and the rule of construction to the effect that ambiguities are to be resolved against the drafting

1 party shall not be employed in interpreting this Agreement, all parties having been represented
2 by counsel in the negotiation and preparation hereof.

3 24) COUNTERPARTS. This Agreement may be signed by the different
4 parties hereto in counterparts, each of which shall be an original but all of which together shall
5 constitute one and the same agreement.

6
7 IN WITNESS WHEREOF, AGENCY and PUCDC have executed this Agreement as of the date
8 first above written.

9 “AGENCY”
10 REDEVELOPMENT AGENCY FOR THE
11 COUNTY OF RIVERSIDE, a public body,
12 corporate and politic

13 By: Bob Buster
14 Bob Buster, Chairman
15 Board of Directors

16 APPROVED AS TO FORM:
17 PAMELA J. WALLS
18 Agency Counsel

19 By: Anita C. Willis
20 Anita C. Willis, Deputy

21 ATTEST:
22 KECIA HARPER-IHEM
23 Clerk of the Board

24 By: Kecia Harper-Ihem
25 Deputy

26 “PUCDC”
27 PUEBLO UNIDO COMMUNITY
28 DEVELOPMENT CORPORATION

By: Sergio Carranza
Sergio Carranza
Executive Director