

BOARD OF SUPERVISORS

AMENDED AGENDA

Meetings are located at:
Yuba County Government Center
Board Chambers, 915 Eighth Street
Marysville, California



Agenda materials are available at the Yuba County Government Center, 915 8th Street, Marysville and www.co.yuba.ca.us. Any disclosable public record related to an open session item and distributed to all or a majority of the Board less than 72 hours prior to the meeting is available for public inspection at Suite 109 of the Government Center during normal business hours.

APRIL 23, 2013

8:30 A.M. YUBA COUNTY WATER AGENCY

9:15 A.M. YUBA COUNTY PUBLIC FACILITIES CORPORATION

- I. **ROLL CALL:** Directors Vasquez, Nicoletti, Griego, Abe, Stocker
- II. **ELECTION OF OFFICERS:**
 - A. President-Chief Executive Officer
 - B. Secretary
 - C. Chief Financial Officer
- III. Approve minutes of the meeting of April 26, 2011.
- IV. **ADJOURN**

9:20 A.M. YUBA COUNTY HOUSING AUTHORITY

9:30 A.M. YUBA COUNTY BOARD OF SUPERVISORS - Welcome to the Yuba County Board of Supervisors meeting. As a courtesy to others, please turn off cell phones, pagers, or other electronic devices, which might disrupt the meeting. Thank you.

ADDENDUM TO AGENDA - ADD TO COUNT DEPARTMENTS ITEM D - Administrative Services

- I. **PLEDGE OF ALLEGIANCE** - Led by Supervisor Vasquez
- II. **ROLL CALL** - Supervisors Vasquez, Nicoletti, Griego, Abe, Stocker
- III. **CONSENT AGENDA:** All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.
 - A. Board of Supervisors
 1. Approve letter to the County Committee Chair of the Yuba County Grand Jury regarding upkeep, maintenance, and budget allocations for the Yuba County Airport. (139-13)
 - B. Clerk of the Board of Supervisors
 1. Approve minutes from the regular meeting of April 2, 2013. (140-13)
 - C. Sheriff-Coroner
 1. Approve agreement extension with Contract Pharmacy Services (CPS) for pharmacy services to the Yuba county Jail and Juvenile Hall facilities and authorize the Chair to execute same. (141-13)
 2. Approve agreement with Yuba County Water Agency for law enforcement services for the limited term, May 15, 2013 through September 15, 2013 and authorize the Chair to execute same. (142-13)

IV. **SPECIAL PRESENTATION**

- A. Recognize the Office of Public Guardian for outstanding customer service. (No background material) (Five minute estimate) (143-13)
- B. Present proclamation declaring the month of April 2013 as California Friday Night Live Month in Yuba County. No background material. (Five minute estimate) (144-13)

V. **PUBLIC COMMUNICATIONS:** Any person may speak about any subject of concern provided it is within the jurisdiction of the Board of Supervisors and is not already on today's agenda. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes. Prior to this time speakers are requested to fill out a "Request to Speak" card and submit it to the Clerk of the Board of Supervisors. Please note: No Board action can be taken on comments made under this heading.

VI. **COUNTY DEPARTMENTS**

- A. County Administrator
 - 1. Adopt joint resolution and agreement with the City of Wheatland concerning Master Tax Exchange relating to City of Wheatland annexations. (Ten minute estimate) (145-13)
- B. Probation
 - 1. Adopt resolution proclaiming April 21-27, 2013 National Crime Victims' Rights Week in celebration of service to victims of crime and commending Yuba County Probation and other units of government for providing exemplary service to victims of crime. (20 minute estimate) (146-13)
- C. Sheriff-Coroner/Human Resources/Probation
 - 1. Adopt resolution certifying critical need for jail physician position and waiving re-employment restriction of person receiving pay in-lieu of unused vacation. (Ten minute estimate) (147-13)
- D. Administrative Services
 - 1. Approve master agreement with Presidio/INX, Inc. for Health and Humans Services upgrade of network equipment and authorize the Chair to execute same. (Ten minute estimate) (151-13)

VII. **ORDINANCES AND PUBLIC HEARINGS:** If you challenge in court the action or decision of the Yuba County Board of Supervisors regarding a zoning, planning, land use or environmental protection matter made at any public hearing described in this notice, you may be limited to raising only those issues you or someone else raised at such public hearing, or in written correspondence delivered to the Yuba County Board of Supervisors at, or prior to, such public hearing and such public comments will be limited to three minutes per individual or group.

- A. Ordinance - Hold public hearing, waive reading and adopt ordinance repealing and re-enacting Chapters 13.00.032 and 13.00.052 of the Yuba County Consolidated Fee Ordinance for Agricultural Commissioner and Health departments. Roll Call Vote required. (Second reading. Continued from April 16, 2013) (Ten minute estimate) (135-13)
- B. Public Hearing - Hold public hearing and adopt resolution amending Community Development Block Grant (CDBG) Program Housing Rehabilitation Homeownership Assistance and Business Assistance Loan Program Guidelines. (Ten minute estimate) (148-13)

VIII. **CORRESPONDENCE** (149-13)

- A. Schedule of Proposed Actions from the United States Forest Service regarding Plumas National Forest for the period of April 1, 2013 through June 30, 2013.
- B. Letter from Kayla Ayers regarding safety of local roads.
- C. Notice from Pacific Gas and Electric Company regarding Narrows No. 2 Transmission Line Project.

- IX. **BOARD AND STAFF MEMBERS' REPORTS:** This time is provided to allow Board and staff members to report on activities or to raise issues for placement on future agendas.
- X. **CLOSED SESSION:** Any person desiring to comment on any matter scheduled for this closed session may address the Board at this time.
- A. Pending litigation pursuant to Government Code §54956.9(a) - In Conservatorship of Harvey
 - B. Pending litigation pursuant to Government Code §54956.9(a) - Yuba County Health and Human Services v. R.K.
 - C. Potential litigation pursuant to Government Code § 54956.9(b) - One Case
 - D. Personnel pursuant to Government Code §54957(a) - Labor Negotiations - DDAA/DSA/MSA/PPOA/Unrepresented and County of Yuba
 - E. Personnel pursuant to Government Code §54957 - Public Appointment County Counsel
- XI. **ADJOURN**

11:00 A.M. Public Facilities Committee - (Supervisors Griego and Vasquez - Alternate Supervisor Nicoletti)

- A. Consider identifying and approving the census tracts comprising targeted employment areas for the Yuba-Sutter Enterprise Zone - Administrative Services (Five minute estimate) (150-13)

11:15 A.M. YUBA COUNTY IN HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

- A. Roll Call: Directors Vasquez, Nicoletti, Griego, Abe, Stocker
- B. [Approve minutes of February 5 and March 12, 2013.](#)
- C. Closed Session: Labor negotiations pursuant to Government Code §54957(a) - SEIU/Authority
- D. Adjourn

04/25/13- 8:30 A.M. Bi-County Juvenile Hall / Mental Health Committee
Juvenile Hall Administration Building
1023 Fourteenth Street, Conference Room
Marysville, Ca 95901

In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available. If you have a disability and need disability-related modifications or accommodations to participate in this meeting, please contact the Clerk of the Board's office at (530) 749-7510 or (530) 749-7353 (fax). Requests must be made two full business days before the start of the meeting. To place an item on the agenda, contact the office of the Clerk of the Board of Supervisors at (530) 749-7510.

PUBLIC INFORMATION

PUBLIC COMMUNICATIONS: Members of the public shall be allowed to address the Board of Supervisors on items not appearing on the agenda which are of interest to the public and are within the subject matter jurisdiction of the Board, provided that no action shall be taken unless otherwise authorized by law. The total amount of time allotted for receiving such public communication shall be limited to a total of 15 minutes and each individual or group will be limited to no more than 5 minutes.

AGENDA ITEMS: The opportunity of the public to be heard on an item shall be provided during the consideration of that item. In the interest of time, the Board has limited the length of such comment or input on each item to 15 minutes total, with a limit of no more than 5 minutes per person or group. The period for public comments on a particular item may be extended upon a majority vote of the Board. These time limits do not apply to applicants appearing before the Board on behalf of their applications.

ACTION ITEMS: All items on the Agenda under the headings "Consent," "County Departments," Ordinances and Public Hearings," "Items of Public Interest," and "Closed Session," or any of them, are items on which the Board may take any action at this meetings.

PUBLIC HEARINGS: All members of the public shall be allowed to address the Board as to any item which is noticed on the Board's agenda as a public hearing. The Board has limited each person or group input to no more than 3 minutes. Any person or group may provide the Board with a written statement in lieu of or in supplement to any oral statement made during a public hearing. Written statements shall be submitted to the Clerk of the Board.

ORDINANCES: Ordinances shall not be passed within five days of their introductions, nor at other than a regular meeting or at an adjourned regular meeting. The Board of Supervisors will address ordinances at first readings. The public is urged to address ordinances at first readings. Passage of ordinances will be held at second readings, after reading the title, further reading is waived and adoption of the ordinance is made by majority vote. An urgency ordinance may be passed immediately upon introduction. The Board reserves the right to amend any proposed ordinances and to hold a first reading in lieu of a second reading.

INFORMATIONAL CORRESPONDENCE: The Board may direct any item of informational correspondence to a department head for appropriate action.

SCHEDULED LUNCH BREAK: Between the hours of 12:00 noon and 1:00 p.m. and at the discretion of the Chair, the Board will recess one hour for lunch.

SPECIAL MEETINGS: No public comment shall be allowed during special meetings of the Board of Supervisors, except for items duly noticed on the agenda.

PUBLIC INFORMATION: Copies of §6.7 shall be posted along with agendas. **End**

*PUBLIC
FACILITIES
CORPORATION*

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MINUTES OF THE MEETING OF
THE COUNTY OF YUBA
PUBLIC FACILITIES CORPORATION
APRIL 26, 2011

The Honorable Board of Directors of the Yuba County Public Facilities Corporation met in regular session on the above date, commencing at 9:50 a.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, and Hal Stocker. Also present were County Administrator Robert Bendorf and County Counsel Angil Morris-Jones. Chairman Vasquez presided.

A. ROLL CALL: Directors Vasquez, Nicoletti, Griego, Abe, Stocker - All Present

B. ELECTION OF OFFICERS

Supervisor Nicoletti nominated Supervisor Vasquez for the office of Chairman/Chief Executive Officer.

MOTION: Move to cast unanimous ballot for Supervisor Vasquez as to 2011 Chairman/Chief Executive Officer of the Public Facilities Corporation

MOVED: John Nicoletti SECOND: Roger Abe

AYES: John Nicoletti, Roger Abe, Andy Vasquez, Mary Jane Griego, Hal Stocker

NOES: None ABSENT: None ABSTAIN: None

Supervisor Griego nominated Supervisor Nicoletti for the office of Secretary.

MOTION: Move to cast unanimous ballot for Supervisor Nicoletti as to 2011 Secretary of the Public Facilities Corporation

MOVED: Mary Jane Griego SECOND: Hal Stocker

AYES: Mary Jane Griego, Hal Stocker, Andy Vasquez, John Nicoletti, Roger Abe

NOES: None ABSENT: None ABSTAIN: None

Supervisor Griego nominated Supervisor Stocker for the office of Chief Financial Officer.

MOTION: Move to cast unanimous ballot for Supervisor Stocker as to 2011 Chief Financial Officer of the Public Facilities Corporation

MOVED: Mary Jane Griego SECOND: John Nicoletti

AYES: Mary Jane Griego, John Nicoletti, Andy Vasquez, Roger Abe, Hal Stocker

NOES: None ABSENT: None ABSTAIN: None

C. *Approve minutes of the Special Meetings of March 16, 2010 and February 1, 2011. Approved as written.*

MOTION: Move to approve MOVED: John Nicoletti SECOND: Roger Abe

AYES: John Nicoletti, Roger Abe, Andy Vasquez, Mary Jane Griego, Hal Stocker

NOES: None ABSENT: None ABSTAIN: None

D. Adopt resolution approving the form of and authorizing the execution and delivery of a site and facility lease, a lease and an assignment agreement, and authorizing additional actions related to Yuba College Community District Central Plan Energy Efficiency Project in an amount not to exceed \$6,330,000. Treasurer Dan Mierzwa provided a brief recap and responded to Board inquiries.

MOTION: Move to adopt MOVED: John Nicoletti SECOND: Roger Abe
AYES: John Nicoletti, Roger Abe, Andy Vasquez, Mary Jane Griego, Hal Stocker
NOES: None ABSENT: None ABSTAIN: None

Adopted Resolution No. 2011-2 entitled: "RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE AND FACILITY LEASE, A LEASE AND AN ASSIGNMENT AGREEMENT, AND AUTHORIZING ADDITIONAL ACTIONS RELATED TO YUBA COMMUNITY COLLEGE DISTRICT."

E. ADJOURN: 9:54 a.m. by Chairman Vasquez.

ATTEST:
SECRETARY OF THE COUNTY OF YUBA
PUBLIC FACILITIES CORPORATION

Chairman

Approved:_____



Yuba County Housing Authority



The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

Phone - (530) 749-5430 • Fax - (530) 749-5434

915 8th Street, Suite 123

Marysville, California 95901

www.co.yuba.ca.us

**HOUSING AUTHORITY COMMISSION
BOARD OF SUPERVISORS CHAMBERS
915 8TH STREET, MARYSVILLE
April 23, 2013 at 9:20 A.M.**



BUILDING

749-5440 • Fax 749-5616

CODE ENFORCEMENT

749-5455 • Fax 749-5464

ENVIRONMENTAL HEALTH • CUPA

749-5450 • Fax 749-5454

HOUSING AND COMMUNITY SERVICES

749-5460 • Fax 749-5464

PLANNING

749-5470 • Fax 749-5434

PUBLIC WORKS • SURVEYOR

749-5420 • Fax 749-5424

FINANCE AND ADMINISTRATION

749-5430 • Fax 749-5434

AGENDA

I. CALL TO ORDER

II. ROLL CALL

Commissioner Abe
Commissioner Griego
Commissioner Nicoletti
Commissioner Stocker
Commissioner Vasquez

III. CONSENT ITEMS

- A. Approve Minutes – August 28, 2012
- B. Approve 2011-2012 Audit for the Yuba County Housing Authority
- C. Approve Annual Civil Rights Certification

IV. NEW BUSINESS

- A. Approve 2012-2013 Budget
- B. Election of Officers

V. ADJOURNMENT

MINUTES
YUBA COUNTY HOUSING AUTHORITY COMMISSION
August 28, 2012

The meeting of the Yuba County Housing Authority Commission was called to order by Commissioner Stocker at 9:25 a.m. in the Yuba County Board of Supervisors Chambers, Yuba County Government Center, Marysville, California with a quorum being present as follows: Commissioners Griego, Stocker and Vasquez. Commissioners absent were as follows: Commissioners Abe and Nicoletti.

CONSENT ITEMS

Commissioner Vasquez made a motion to approve the consent agenda which included the minutes of August 7, 2012, adopt changes to the Utility Allowance and approve the submittal of the 2011/2012 SEMAP Report. Commissioner Griego seconded and the motion carried unanimously.

ADJOURNMENT

There being no further business, Commissioner Stocker adjourned the meeting at 9:26 a.m.

_____, Commissioner Abe, Chair

_____, (Director/Secretary)

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

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April 23, 2013

TO: YUBA COUNTY HOUSING COMMISSIONERS

FROM: Wendy Hartman, Planning Director *WH*
Kimberly Grimes, Housing Authority Executive Director *KG*

SUBJECT: Approve 2011-2012 Audit for the Yuba County Housing Authority

Recommendation:

It is recommended that the Yuba County Housing Authority Board of Commissioners approve the 2011-2012 Audit for the Yuba County Housing Authority

Background:

HUD imposes regulations to each Housing Authority regarding its timely submittal of an annual audit. The Yuba County Housing Authority is required to submit an audit annually, both electronically and a hard copy is to be mailed to HUD by March 31st.

Discussion:

The Housing Authority has acquired the services of a CPA firm to assist with the Housing Authority's annual financial closeout in preparation for the annual audit. The 2011-2012 Single Audit was completed and submitted to HUD per HUD's guidelines by March 31st and there were no audit findings.

Fiscal Impact:

There is no impact to the General Fund.

**YUBA COUNTY HOUSING AUTHORITY
(A COMPONENT UNIT OF THE
COUNTY OF YUBA, CALIFORNIA)**

AUDIT REPORT

JUNE 30, 2012

YUBA COUNTY HOUSING AUTHORITY

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Yuba County Housing Authority
Marysville, California

We have audited the accompanying financial statements of the Yuba County Housing Authority (a component unit of the County of Yuba, California) (Authority), as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Board of Commissioners
Yuba County Housing Authority
Marysville, California

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2013, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Yuba County Housing Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of the Yuba County Housing Authority. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, appearing to read "Gallina LLP".

Roseville, California
March 28, 2013

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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YUBA COUNTY HOUSING AUTHORITY

Statement of Net Assets June 30, 2012

	Governmental Activities
ASSETS	
Cash	\$ 441,685
Restricted cash - FSS program	8,161
Accounts receivable (net)	10,954
Prepaid expenses	5,839
Capital assets, depreciable, net of accumulated depreciation	<u>6,392</u>
Total Assets	<u><u>\$ 473,031</u></u>
LIABILITIES	
Accounts payable	\$ 9,576
Accrued payroll	17,346
FSS Escrow	8,161
Noncurrent liabilities:	
Due within one year	<u>22,840</u>
Total Liabilities	<u>57,923</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,392
Restricted for housing assistance payments	77,548
Unrestricted	<u>331,168</u>
Total Net Assets	<u>415,108</u>
Total Liabilities and Net Assets	<u><u>\$ 473,031</u></u>

The accompanying notes are an integral part of these financial statements.

YUBA COUNTY HOUSING AUTHORITY

Statement of Activities
For the Year Ended June 30, 2012

	<u>Governmental Activities</u>
EXPENSES	
Public assistance	\$ 2,158,959
PROGRAM REVENUES	
Operating grants and contributions	<u>2,021,914</u>
Net Program Revenue (Expense)	(137,045)
GENERAL REVENUES	
Interest	127
Miscellaneous	<u>1,527</u>
Change in Net Assets	(135,391)
Net Assets, Beginning of Year	<u>550,499</u>
Net Assets, End of Year	<u><u>\$ 415,108</u></u>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

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YUBA COUNTY HOUSING AUTHORITY

Balance Sheet Governmental Fund June 30, 2012

	<u>General Fund</u>
ASSETS	
Cash	\$ 441,685
Restricted cash - FSS program	8,161
Prepaid expenses	5,839
Accounts receivable (net)	<u>10,954</u>
Totals Assets	<u><u>\$ 466,639</u></u>
LIABILITIES	
Accounts payable	\$ 9,576
FSS escrow	8,161
Unavailable revenue	4,217
Salaries and benefits payable	<u>17,346</u>
Total Liabilities	<u>39,300</u>
FUND BALANCE	
Nonspendable for prepaid expenses	5,839
Restricted for housing assistance payments	77,548
Unassigned	<u>343,952</u>
Total Fund Balance	<u>427,339</u>
Total Liabilities and Fund Balance	<u><u>\$ 466,639</u></u>

The accompanying notes are an integral part of these financial statements.

YUBA COUNTY HOUSING AUTHORITY

Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities June 30, 2012

Fund Balance - governmental fund (page 5)	\$ 427,339
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	6,392
Unavailable revenue is included in net assets on the government-wide statements but cannot be used to pay current expenditures and is therefore not included in the fund balance of governmental funds.	4,217
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Compensated absences	<u>(22,840)</u>
Net assets of governmental activities (page 3)	<u>\$ 415,108</u>

The accompanying notes are an integral part of these financial statements.

YUBA COUNTY HOUSING AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Fund For the Year Ended June 30, 2012

	General Fund
Revenues:	
Intergovernmental	2,027,252
Use of money and property	127
Miscellaneous revenue	<u>1,527</u>
Total Revenues	<u>2,028,906</u>
Expenditures:	
Current:	
Public assistance:	
HAP distributions	1,844,198
FSS expenditures	15,675
Administrative costs	103,621
Salaries and benefits	<u>193,205</u>
Total Expenditures	<u>2,156,699</u>
Net Change in Fund Balance	(127,793)
Fund Balance, Beginning	<u>555,132</u>
Fund Balance, Ending	<u><u>\$ 427,339</u></u>

The accompanying notes are an integral part of these financial statements.

YUBA COUNTY HOUSING AUTHORITY

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2012**

Net change to fund balance - governmental fund (page 7) \$ (127,793)

Amounts reported for governmental activities in the
statement of activities are different because:

Revenues reported in the Statement of Activities that are not received
within the availability period and therefore do not provide current
financial resources are not recognized in the fund statements. (5,338)

Governmental funds report capital outlay as expenditures. However,
in the statement of activities, the cost of those assets is allocated
over their estimated useful lives and reported as depreciation
expense. (2,130)
Less: current year depreciation

Some expenses reported in the statement of activities do not
require the use of current financial resources and, therefore, are
not reported as expenditures in governmental funds.

Change in compensated absences (130)

Change in net assets of governmental activities (page 4) \$ (135,391)

The accompanying notes are an integral part of these financial statements.

YUBA COUNTY HOUSING AUTHORITY

Notes To Basic Financial Statements For The Fiscal Year Ended June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Yuba County Housing Authority (Authority), a Component Unit of the County of Yuba, California, is a public agency formed on November 4, 1975 pursuant to provisions of the Housing Authority Law of the State of California. It is a public entity, separate and distinct from the County of Yuba, established to pursue United States Department of Housing and Urban Development (HUD) funding and manage low income housing programs. Almost all of its revenue comes from HUD. Pursuant to the Housing and Authority Law, the Board of Supervisors appointed themselves as Commissioners of the Authority. The accompanying financial statements present the activities and financial position of the Yuba County Housing Authority only, and do not present the activities or financial position of the County of Yuba as a whole. Financial statements for the County of Yuba may be obtained from the County's Auditor-Controller's Office, 915 8th Street, Suite 105, Marysville, CA 95901-5273.

The Authority is considered to be a component unit of the County of Yuba under criteria set by Governmental Accounting Standards Board (GASB) Statement No. 61. The Authority is a legally separate unit. The County elected officials have a continuing full or partial oversight responsibility over and accountability for fiscal matters of this entity. The criteria used to determine the scope of the reporting entity for financial reporting purposes are (1) exercise of oversight responsibility over such agencies by the governmental unit's elected officials, (2) selection of governing authority, (3) designation of management, (4) ability to significantly influence operations, and (5) accountability for fiscal matters.

Reporting component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

The Housing Authority is treated as a blended component unit of the County of Yuba because the Authority shares the same board as the County and the Authority has a financial benefit/burden relationship with the County.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the Authority. These statements include the financial activities of the overall government. The statement of activities presents a comparison between direct expenses and program revenues for the Authority's governmental activity. Direct expenses are those that are specifically associated with the Authority. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Authority. Revenues that are not classified as program revenues, including all taxes and investment income, are presented instead as general revenues. Indirect expenses are not allocated to functions within the statement of activities.

When both restricted and unrestricted net assets are available, restricted resources are used first before unrestricted resources.

YUBA COUNTY HOUSING AUTHORITY

Notes To Basic Financial Statements For The Fiscal Year Ended June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. **Basis of Presentation** (continued)

Fund Financial Statements

Fund financial statements provide information about the Authority's single major fund.

The Authority reports the following major governmental fund:

- General Fund – accounts for all activity of the Authority on the modified accrual basis.

C. **Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange include grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Interest, intergovernmental revenues and charges for services are accrued when their receipt occurs within six months after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

However, expenditures for compensated absences are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

D. **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities consist primarily of amounts owed to the Authority due to overpayments. This happens when a program participant moves or has an increase in income that is not reported before payments are made. In some cases, program participants engage in fraudulent reporting of income and the Authority offsets these receivables with an allowance for doubtful accounts. The balance of the Allowance for Doubtful Accounts at June 30, 2012 is \$41,119.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as interest and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual method of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within six months since they would be considered both measurable and available.

YUBA COUNTY HOUSING AUTHORITY

Notes To Basic Financial Statements For The Fiscal Year Ended June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. The Authority defines capital assets as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year, including identifiable intangible assets that are non-financial in nature, such as software. Capital assets used in operations are depreciated using the straight-line method over the estimated useful life in the government-wide statements.

The Authority uses standard estimated useful lives for each asset type. These standards are set based on the length of time the Authority believes the assets will remain in service. The estimated useful lives are as follows:

Software and Computers	5 years
------------------------	---------

F. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability at the governmental fund level. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources is reported as a long-term liability in the government-wide financial statements. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The County's policy is generally to pay 25% of accumulated sick leave on separation.

G. Equity

GOVERNMENT-WIDE STATEMENTS

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." When net assets are subject to a restriction that is broad enough to encompass the entity's normal operations, they are considered to be unrestricted in substance and reported with unrestricted net assets.

When both restricted and unrestricted net assets are available, restricted resources are used first before unrestricted resources.

YUBA COUNTY HOUSING AUTHORITY

Notes To Basic Financial Statements For The Fiscal Year Ended June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Equity (continued)

FUND STATEMENTS

In accordance with GASB Statement 54, the Authority segregates fund balance into separate classifications based primarily on the extent to which the Authority is obligated to honor constraints on the specific purposes for which amounts in the funds can be spent. The following classification of fund balance is presented on the Authority's balance sheet as of June 30, 2012:

Nonspendable fund balance – represents amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

Restricted fund balance – represents amounts that are restricted under agreements or other arrangements with external parties, or by mandate of the Authority's constitution or enabling legislation. Such restrictions may only be changes or lifted with the consent of the external parties that created them. Restricted fund balance presented on the financial statements consists of housing assistance payments for which its use of funds is limited to activities of the housing choice voucher program. In accordance with GASB 54, residual equity from housing assistance payments is reported as restricted fund balance in the General Fund.

Unassigned fund balance – represents amounts that are generally available for expenditure for any purpose related to the Authority's normal operations.

When incurring an expenditure for which a combination of restricted, committed, assigned, and/or unassigned fund balances are available, fund balances are liquidated in the following order, if applicable: restricted, then committed, then assigned, and finally unassigned.

H. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: CASH

Cash at June 30, 2012, consisted of the following:

Deposits:	\$	441,685
US Bank account, Section 8		8,161
US Bank account, FSS escrow (restricted)	\$	<u>449,846</u>

At June 30, 2012, the recorded amount of the Authority's deposits is as shown above and the bank balance was \$452,156. Of this bank balance, \$250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining amount was covered by the multiple financial institution collateral pool that insures public deposits.

YUBA COUNTY HOUSING AUTHORITY

Notes To Basic Financial Statements For The Fiscal Year Ended June 30, 2012

NOTE 2: CASH (CONTINUED)

The California Government Code requires California banks and savings and loan associations to secure the Authority's cash deposits by pledging securities as collateral. This code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus collateral for cash deposits is considered to be held in the Authority's name. The market value of pledge governmental securities must equal at least 110% of the Authority's cash deposits. California law also allows institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the Authority's total cash deposits. The Authority has waived collateral requirements for cash deposits that are fully insured up to \$250,000 by the FDIC.

Restricted cash is set aside as part of the Family Self-Sufficiency program that is offered to participants of the Section 8 Housing program.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities				
Capital assets, being depreciated:				
Computers	\$ 12,355	\$ --	\$ --	\$ 12,355
Software	29,065	--	--	29,065
Total capital assets, being depreciated	41,420	--	--	41,420
Less accumulated depreciation for:				
Computers	(12,355)	--	--	(12,355)
Software	(20,543)	(2,130)	--	(22,673)
Total accumulated depreciation	(32,898)	(2,130)	--	(35,028)
Total capital assets, being depreciated, net	\$ 8,522	\$ (2,130)	\$ --	\$ 6,392

Depreciation expense charged to governmental function was \$2,130 for the year ended June 30, 2012.

NOTE 4: LONG-TERM LIABILITIES

Long-term liabilities at June 30, 2012, consisted of the following:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Amounts Due Within One Year
Compensated absences	\$ 22,710	\$ 18,386	\$ (18,256)	\$ 22,840	\$ 22,840

YUBA COUNTY HOUSING AUTHORITY

Notes To Basic Financial Statements For The Fiscal Year Ended June 30, 2012

NOTE 5: INSURANCE

The Authority is exposed to risk of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disaster. The Authority maintains insurance coverage against these potential risks of loss.

Because of the close relationship the Authority has with the County of Yuba, the Authority's coverage is provided by the County of Yuba. Disclosure of complete information on risk management can be found in the County of Yuba's financial statements.

NOTE 6: PENSION

All personnel who operate the program are employees of the County of Yuba. The County is responsible for making the contributions to their pension plan and, the Authority reimburses the County for its costs. A complete disclosure of the County of Yuba's pension arrangements may be found in the County's audit report.

NOTE 7: RELATED PARTY TRANSACTIONS

The Authority reimburses the County of Yuba, the primary government that includes the Authority as a blended component unit, for personnel time, office costs, and other goods and services provided. The total amount of expense recorded to reimburse the County of Yuba during the fiscal year ended June 30, 2012 was \$268,673. As of June 30, 2012, \$44,528 was payable to the County of Yuba for these goods and services, including \$22,840 for compensated absences of County employees dedicated to the Authority's programs.

REQUIRED SUPPLEMENTARY INFORMATION

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YUBA COUNTY HOUSING AUTHORITY

Budgetary Comparison Schedule Governmental Fund For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ --	\$ --	\$ 2,027,252	\$ 2,027,252
Use of money and property	--	--	127	127
Miscellaneous revenue	--	--	1,527	1,527
Total Revenues	--	--	2,028,906	2,028,906
Expenditures:				
Current:				
Public assistance:				
HAP distributions	--	1,551,702	1,844,198	(292,496)
Services and supplies	93,608	93,608	119,296	(25,688)
Salaries and benefits	310,725	310,725	193,205	117,520
Total Expenditures	404,333	1,956,035	2,156,699	(200,664)
Net Change in Fund Balances	(404,333)	(1,956,035)	(127,793)	2,229,570
Fund Balance - Beginning	555,132	555,132	555,132	--
Fund Balance - Ending	<u>\$ 150,799</u>	<u>\$ (1,400,903)</u>	<u>\$ 427,339</u>	<u>\$ 1,828,242</u>

YUBA COUNTY HOUSING AUTHORITY

Notes To Required Supplementary Information For The Fiscal Year Ended June 30, 2012

BUDGETARY BASIS OF ACCOUNTING

Formal budgetary accounting is employed by the Authority. The governing board adopts an annual budget each fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is exercised at the fund level. All amendments to the budget are reflected in the financial statements and require the approval of the governing board. All unencumbered annual appropriations lapse at the end of each fiscal year. For the year ended June 30, 2012, expenditures exceeded appropriations in the category of HAP payments by \$292,496 and in the category of services and supplies by \$25,688. This budget-to-actual difference occurred because the budget was based on anticipated HUD finding cuts but the Authority was unable to reduce HAP expenditures through participant's voluntarily termination or non-compliance with the program. However, overall expenditures in the general fund were over budget by \$200,664 because salaries and benefits were significantly under budget.

OTHER REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Yuba County Housing Authority
Marysville, California

We have audited the financial statements of the Yuba County Housing Authority (Authority), as of and for the year ended June 30, 2012, and have issued our report thereon dated March 28, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Commissioners
Yuba County Housing Authority
Marysville, California

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in cursive script that reads "Gallina LLP". The signature is written in black ink and is positioned above the typed name and date.

Roseville, California
March 28, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Yuba County Housing Authority
Marysville, California

Compliance

We have audited the compliance of the Yuba County Housing Authority (Authority), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Board of Commissioners
Yuba County Housing Authority
Marysville, California

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Gallina LLP".

Roseville, California
March 28, 2013

YUBA COUNTY HOUSING AUTHORITY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct program:			
Section 8 Housing Choice Vouchers	14.871	--	\$ 2,141,024
Total U.S. Department of Housing and Urban Development			<u>2,141,024</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	2011YCSBG/FSS-1	10,226
Community Services Block Grant	93.569	2012YCSBG/FSS-3	<u>5,449</u>
Total U.S. Department of Health and Human Services			<u>15,675</u>
Total Expenditures of Federal Awards			<u>\$ 2,156,699</u>

See the accompanying Notes to Schedule of Expenditures of Federal Awards.

YUBA COUNTY HOUSING AUTHORITY

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Yuba County Housing Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the Authority's financial statements.

YUBA COUNTY HOUSING AUTHORITY

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not
considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements
noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal controls over major program: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not
considered to be material weaknesses | None reported |
| 2. Type of auditor's report issued on compliance
for major program: | Unqualified |
| 3. Any audit findings disclosed that are required
to be reported in accordance with Circular
OMB A-133, Section 510(a)? | No |
| 4. Identification of major program: | |

CFDA Number

Name of Federal Program

14.871

Section 8 Housing Choice Vouchers

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between
Type A and Type B programs. | \$300,000 |
| 6. Auditee qualified as a low-risk auditee under
OMB Circular A-133, Section 530? | Yes |

YUBA COUNTY HOUSING AUTHORITY

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

Section 2

Financial Statement Findings

None reported

Section 3

Federal Award Findings and Questioned Costs

None reported

YUBA COUNTY HOUSING AUTHORITY

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011**

None reported

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL DATA
SCHEDULE AS REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT**

Board of Commissioners
Yuba County Housing Authority
Marysville, California

We have audited the basic financial statements of the Yuba County Housing Authority as of and for the year ended June 30, 2012, and have issued our report thereon dated March 28, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Yuba County Housing Authority's basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Yuba County Housing Authority taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements. The Financial Data Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management and Board members of the Yuba County Housing Authority and HUD and is not intended to be, and should not be, used by anyone other than those specified parties.

Gallina LLP

Roseville, California
March 28, 2013

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

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Marysville, California 95901
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BUILDING
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CODE ENFORCEMENT
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ENVIRONMENTAL HEALTH • CUPA
749-5450 • Fax 749-5454

HOUSING AND COMMUNITY SERVICES
749-5460 • Fax 749-5464

PLANNING
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PUBLIC WORKS • SURVEYOR
749-5420 • Fax 749-5424

FINANCE AND ADMINISTRATION
749-5430 • Fax 749-5434

March 28, 2013

GALLINA LLP

925 Highland Pointe Drive, Suite 450
Roseville, CA 95678

We are providing this letter in connection with your audit of the financial statements of the Yuba County Housing Authority (Authority) as of June 30, 2012 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority and the respective changes in financial position in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of March 28, 2013, the following representations made to you during your audit(s).

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the Authority required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all—
 - a. Financial records and related data.
 - b. Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of federal awards.

5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
8. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objective and whether related recommendations have been implemented.
9. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Authority is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no—
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.

- b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
13. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required by be accrued or disclosed in the financial statements in accordance with generally accepted accounting principles, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 14. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 15. The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
 17. The financial statements properly classify all funds and activities.
 18. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 19. Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
 20. Provisions for uncollectible receivables have been properly identified and recorded.
 21. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 22. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 23. Deposits and investment securities are properly classified as to risk, and investments are properly disclosed.
 24. We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
 25. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement

and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

26. We have evaluated the Authority's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.

27. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedules of expenditures of federal awards.
- b. We have, in accordance with OMB Circular A-133, identified and disclosed in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
- c. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 310.b, and we believe the SEFA, included its form and content, is presented in accordance with OMB Circular A-133 310.b. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- d. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the supplementary information and the auditor's report thereon.
- e. We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133.
- f. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
- g. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements

that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- h. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- i. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- j. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- k. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- m. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- n. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- o. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- p. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- q. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

- r. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
 - s. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - t. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - u. We have charged costs to federal awards in accordance with applicable cost principles.
 - v. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - w. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
 - x. We are responsible for preparing and implementing a corrective action plan for each audit finding.
28. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed:

Debra J. Phillips

Signed: _____

Title:

YCHA EXECUTIVE DIRECTOR

Title: _____

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

Phone - (530) 749-5430 • Fax - (530) 749-5434
915 8th Street, Suite 123
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April 23, 2013

TO: YUBA COUNTY HOUSING COMMISSIONERS

FROM: Wendy Hartman, CDSA Planning Director
Kimberly Grimes, Housing Authority Executive Director

SUBJECT: Approve Annual Civil Rights Certification for 2013-2014

Recommendation:

It is recommended that the Yuba County Housing Authority Board of Commissioners approve the Annual Civil Rights Certification for 2013-2014.

Background:

HUD imposes regulations to each Housing Authority regarding its timely review of its policies and procedures. Once a five-year plan is adopted, it must be reviewed and revised on an annual basis. However, qualified public housing agencies are exempt from this requirement. A qualified public housing agency is defined as a public housing agency meeting the following requirements: (1) the sum of public housing dwelling units administered by the agency and the number of vouchers is 550 or fewer and (2) the agency is not designated as a troubled PHA and does not have a failing score under the Section 8 Management Assessment Program (SEMAP) during the prior 12 months. In lieu of submitting an annual plan, the public housing agency must make the following civil rights certification:

The PHA will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

Discussion:

The Five-Year PHA Plan for fiscal years 2009-2014 and the Annual PHA Plan for fiscal years 2010-2011 was approved by the Board of Supervisors on May 6, 2010. The Yuba County Housing Authority meets the criteria for a qualified public housing agency. The Annual Civil Rights Certification has been reviewed and the PHA is prepared to carry out the requirements of the document per HUD regulations.

Fiscal Impact:

There is no impact to the General Fund.

Civil Rights Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 08/30/2011

Civil Rights Certification**Annual Certification and Board Resolution**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

YUBA COUNTY HOUSING AUTHORITY
PHA Name

CA107
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title CHAIR, HOUSING AUTHORITY COMMISSION
Signature	Date

form HUD-50077-CR (1/2009)

OMB Approval No. 2577-0226

The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

Phone - (530) 749-5430 • Fax - (530) 749-5434
915 8th Street, Suite 123
Marysville, California 95901
www.co.yuba.ca.us

April 23, 2013



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FINANCE AND ADMINISTRATION
749-5430 • Fax 749-5434

TO: YUBA COUNTY HOUSING COMMISSIONERS

FROM: Wendy Hartman, Planning Director *WH*
Kimberly Grimes, Housing Authority Executive Director *KG*

SUBJECT: **Approve FY 2013-2014 Housing Assistance Payments Budget for the Yuba County Housing Authority**

Recommendation:

It is recommended that the Yuba County Housing Authority (YCHA) Board of Commissioners approve the FY 2013-2014 Housing Assistance Payments Budget for the Yuba County Housing Authority

Background:

Per the Housing Authority's Management Report for the year ended June 30, 2010, the Housing Authority prepares and presents an annual budget to the Board of Supervisors, as required. However, only the administrative costs and salaries and benefits are included. The U. S. Department of Housing and Urban Development provides a budget and oversight of the various programs the Authority administers, but there is no oversight provided internally by the Authority's Board.

Discussion:

Each year, after the federal budget is approved, HUD provides an Annual Contributions Contract to the Housing Authority disclosing its budget. The HUD Annual Contributions Contract for the Housing Choice Voucher Housing Assistance Payments (HAP) for CY 2012 was \$1,914,184 and provided 4,925 unit months leased or an average of 410 families per month. Due to sequestration, the projected HAP for CY 2013 is \$1,801,275. As a result, the YCHA will only provide 4,615 unit months leased or approximately 380 families per month.

Fiscal Impact:

There is no impact to the General Fund.

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 12/31/2012)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: YUBA COUNTY HOUSING AUTHORITY PHA Code: CA107

PHA Fiscal Year Beginning: JULY 1, 2013 Board Resolution Number: 2013-1

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: April 23, 2013
- ☐ Operating Budget submitted to HUD, if applicable, on: _____
- ☐ Operating Budget revision approved by Board resolution on: _____
- ☐ Operating Budget revision submitted to HUD, if applicable, on: _____

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:

The County of Yuba

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April 23, 2013

TO: YUBA COUNTY HOUSING COMMISSIONERS

FROM: Wendy Hartman, CDSA Planning Director *WH*
Kimberly Grimes, Housing Authority Executive Director *KG*

SUBJECT: Approve Annual Civil Rights Certification for 2013-2014

Recommendation:

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Background:

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The PHA will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

Discussion:

The Five-Year PHA Plan for fiscal years 2009-2014 and the Annual PHA Plan for fiscal years 2010-2011 was approved by the Board of Supervisors on May 6, 2010. The Yuba County Housing Authority meets the criteria for a qualified public housing agency. The Annual Civil Rights Certification has been reviewed and the PHA is prepared to carry out the requirements of the document per HUD regulations.

Fiscal Impact:

There is no impact to the General Fund.

Civil Rights Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 08/30/2011

Civil Rights Certification**Annual Certification and Board Resolution**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

YUBA COUNTY HOUSING AUTHORITY
PHA Name

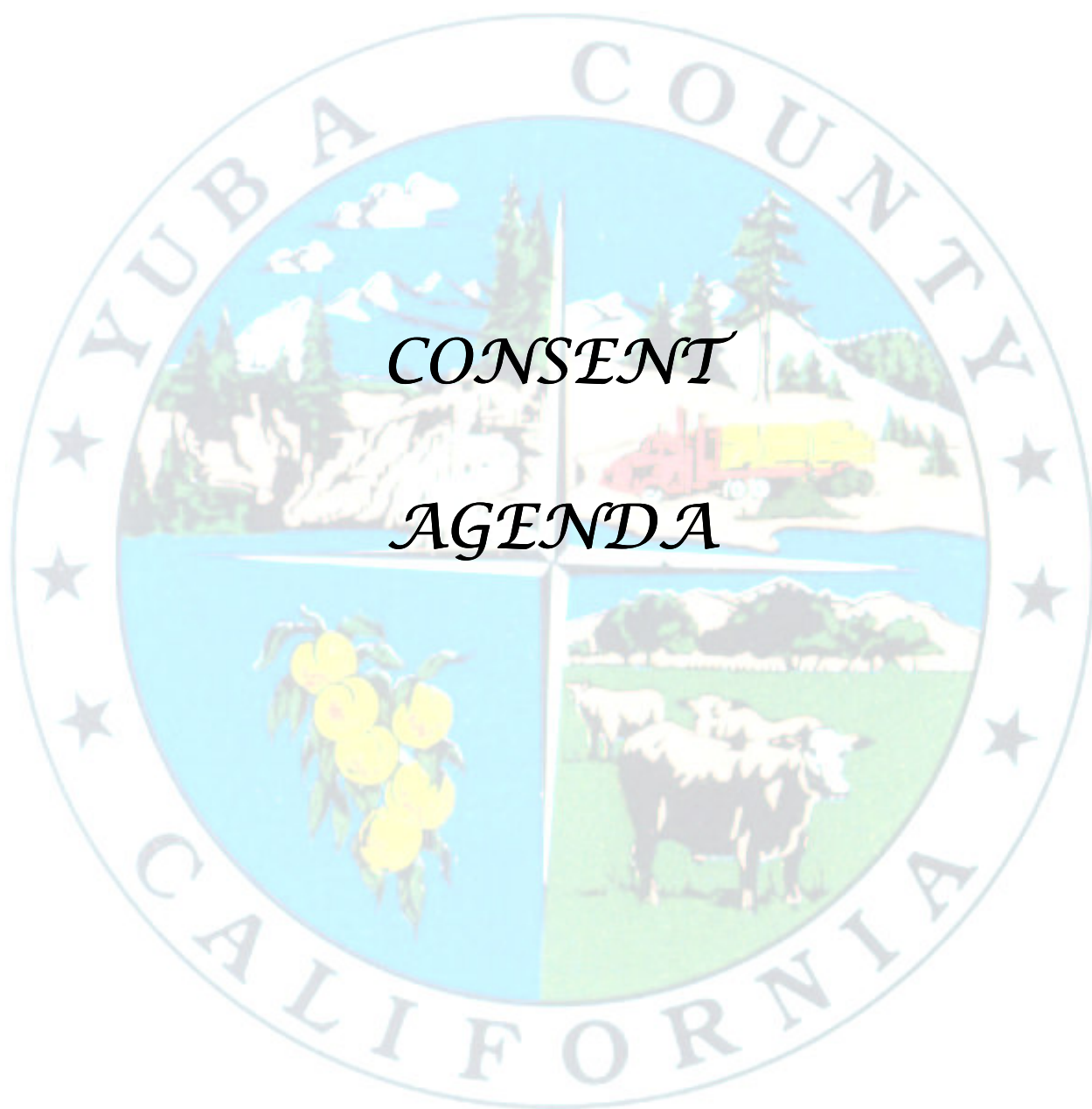
CA107
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title CHAIR, HOUSING AUTHORITY COMMISSION
Signature	Date

form HUD-50077-CR (1/2009)

OMB Approval No. 2577-0226



CONSENT

AGENDA

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The County of Yuba

OFFICE OF THE BOARD OF SUPERVISORS



139-13

915 8th Street, Ste. 109
Marysville, California 95901
(530) 749-7510
(530) 749-7353 FAX

April 15, 2013

Mr. Donald Femling
County Committee Chair
Yuba County Grand Jury
Suite 200
215 5th Street
Marysville, CA 95901

To the Honorable Mr. Femling, and Members of the County Committee;

The Board of Supervisors has received your letter dated March 19, 2013 regarding the upkeep, maintenance, and budget allocations for the Yuba County Airport.

The Board would like to thank you for taking the time to look into the operations of the Airport. We always welcome your taking an interest in our facilities and looking at ways we can make them better. And thank you for the positive words of support for our Airport Manager; we know she works very hard to maintain the property with limited resources.

Your letter referred to the budget cutbacks at the airport over the last few years. Quite honestly every department in the County has experienced similar or even greater budget cutbacks. The airport is run as an 'enterprise fund,' which means it receives no General Fund contribution. It has to subsist on its lease revenue, tie down revenues, and gas markups.

You also made reference to the property taxes collected on the leased properties on and around the airport. The County collects property taxes for all properties across the County. In general the County only retains 20% of the 1% collected in property taxes. That 20%, considered General Fund revenue, is allocated annually by the Board of Supervisors to a variety of County functions. The General Fund represents the discretionary spending that is determined by the Board of Supervisors.

Lastly, we consulted with the Airport Manager and the Director of Administrative Services (her Manager), and discussed the deficiencies you highlighted. It is our belief that the airfield has been adequately mowed. They annually work with the local fire authorities to ensure the field

SUPERVISORS

Andy Vasquez - District 1 • John Nicoletti - District 2 • Mary Jane Griego - District 3 • Roger Abe - District 4 • Hal Stocker - District 5

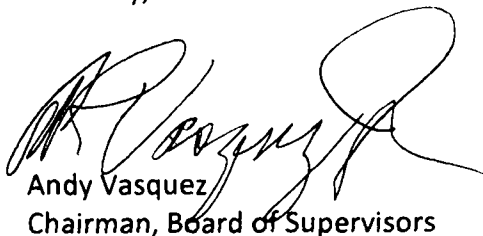
is kept to their specifications. Beginning this year we have also supplemented this annual effort with an additional 50' fire break around the perimeter of the airport for added fire protection.

We are aware of the need to update the taxiway lines and lane markers. The Airport Manager is working with the airport's engineers to 'scope' or 'frame up' this project over the course of this current fiscal year with the expectation that next year new grants will be available from the FAA to allow us to complete this project. Grants have been the major source of funding for most large airport projects for the last 20 years; as they are for many similar General Aviation airports.

We agree the Yuba County Airport is a major County asset and we take pride in the fact that we have one of the best airfields in the region. Our airport's management team continues to market the airport as an economic engine to help the County grow, and we partner with our Economic Development team, the local Economic Development Corp. in Yuba City, and numerous other jurisdictions to advocate for Yuba County and to bring in business and jobs using the airport and the surrounding industrial zone as a tool to bring them here.

Thank you again for your comprehensive review of our airport's operations.

Sincerely,



Andy Vasquez
Chairman, Board of Supervisors

The County of Yuba

B O A R D O F S U P E R V I S O R S



APRIL 2, 2013 – MINUTES

The Honorable Board of Supervisors of the County of Yuba met in regular session on the above date, commencing at 6:00 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Supervisors Andy Vasquez, John Nicoletti, Mary Jane Griego, Roger Abe, and Hal Stocker. Supervisors John Nicoletti and Mary Jane Griego were absent. Also present were County Administrator Robert Bendorf, County Counsel Angil Morris-Jones, and Deputy Clerk of the Board of Supervisors Rachel Ferris. Chairman Vasquez presided.

- I. PLEDGE OF ALLEGIANCE - Led by Supervisor Abe
- II. ROLL CALL - Supervisors Vasquez, Nicoletti, Griego, Abe, Stocker – Supervisors Nicoletti and Griego absent
- III. CONSENT AGENDA: All matters listed under the Consent Agenda are considered to be routine and can be enacted in one motion.

MOTION: Move to approve

MOVED: Hal Stocker

SECOND: Roger Abe

AYES: Hal Stocker, Roger Abe, Andy Vasquez

NOES: None ABSENT: John Nicoletti, Mary Jane Griego ABSTAIN: None

A. Administrative Services

1. Approve road easement agreement with ComSites West LLC granting access across 4H Camp property to Oregon Peak and authorize the Chair to execute. (115-13) Approved.

B. Clerk of the Board of Supervisors

1. Reappoint John Floe to the First Five Yuba Commission for a term to end April 25, 2016. (116-13) Approved.
2. Approve amendment to the Conflict of Interest Code for Smartsville Fire Protection District. (117-13) Approved.
3. Approve meeting minutes of March 19, 2013. (118-13) Approved as written.

C. Community Development and Services

1. Approve contract change orders for the Woodruff Lane Hazard Elimination Safety project in the amount of \$104,644.72 and authorize the Public Works Director to execute orders. (119-13) Approved.

2. Approve plans, specifications and estimate, and authorize advertisement of bids for Timbuctoo Road at Deep Ravine No. 1 Bridge Replacement project with a tentative opening date of April 25, 2013 and authorize the Chair to execute plan. (120-13) Approved.

IV. SPECIAL PRESENTATION

- A. Present proclamation to Casa de Esperanza proclaiming April as Child Abuse Prevention Month. (Ten minute estimate) (121-13) Chairman Vasquez read and presented proclamation to Casa de Esperanza Shelter Manager Emma Gee.
- B. Receive presentation from Stephanie Helms, Nor Cal Rush Volleyball Club Director. (No background material) (Ten minute estimate) (116-13) Nor Cal Rush Volleyball Club Director Stephanie Helms and Ms. Rebecca Ryland provided a PowerPoint presentation and responded to Board inquiries including:
 - o 75 full time members and 5 coaches
 - o Grant funding, fees, and assistance
 - o Amenities
 - 4 courts
 - Weight room
 - Video playback room
 - o Tutoring program
 - o Open gym on Tuesday and Friday nights
 - o Nor Cal Volleyball Association tournament weekends draw 500 to 800 participants and spectators
 - o Expansion plan
 - Two sand courts

V. PUBLIC COMMUNICATIONS:

Mr. Nick Spaulding, Oregon House, concerns regarding the County's General Plan

VI. COUNTY DEPARTMENTS

A. Clerk-Recorder/Elections

1. Authorize release of request for proposal to obtain new Clerk/Recorder computer system. (Ten minute estimate) (122-13) County Clerk Terry Hansen recapped request and responded to Board inquiries

MOTION: Move to approve MOVED: Hal Stocker SECOND: Roger Abe
AYES: Roger Abe, Hal Stocker, Andy Vasquez
NOES: None ABSENT: John Nicoletti, Mary Jane Griego ABSTAIN: None

VII. CORRESPONDENCE - (123-13)

- A. Request from Office of Sacramento Mayor Johnson for resolution to support keeping the Sacramento Kings in the City of Sacramento. Accepted
- B. Notices from California Fish and Game Commission relating to the Clear Lake hitch and Pacific Fisher. Accepted
- C. Notice from United States Fish and Wildlife Service's advising review of the west coast fisher population. Accepted

VIII. BOARD AND STAFF MEMBERS' REPORTS:

Supervisors Stocker:

- o Memorial Adjournment - Mr. Phillip Hoskins
- o Senior Meal program last meal served on Friday, March 29, 2013

Supervisor Abe:

- o CSAC meeting held March 28, 2013
- o South Yuba Economic and Improvement held March 28, 2013
- o Rummage Sale at Senior Center in Olivehurst on April 6, 2013
- o Ground Water Meeting held March 29, 2013
- o Annual Easter Egg Hunt at Wheatland High School held March 29, 2013
- o Feather River Air Quality Management District meeting held April 1, 2013
- o Memorial Adjournment - Mr. Al Morton and Mr. Robert Lee

Supervisor Vasquez:

- o Grand Jury Budget Request Ad hoc committee recommended and received Board consensus for preparing correspondence for approval on Consent Agenda advising the Board would wait for the completed Grand Jury report prior to addressing individual concerns

IX. CLOSED SESSION: The Board retired into closed session at 6:41 p.m. to discuss the following and returned at 6:48 p.m. with all present as indicated above.

A. Potential litigation pursuant to Government Code § 54956.9(b) - One Case Direction provided to counsel.

B. Personnel pursuant to Government Code §54957(a) - Labor Negotiations - DDAA/DSA/MSA/PPOA/Unrepresented and County of Yuba

X. ADJOURN: 6:48 p.m. by Chairman Vasquez in memory of Mr. Philip Hoskins, Mr. Al Morton, and Mr. Robert Lee.

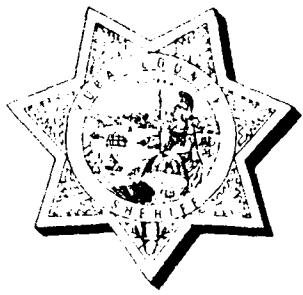
Chair

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

By: Rachel Ferris, Deputy Clerk

Approved: _____

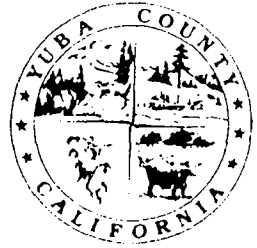
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Yuba County Sheriff's Department

Steven L. Durfor, Sheriff-Coroner

215 5th Street, Suite 150, Marysville, CA 95901
Ph: 530-749-7777 • Fax: 530-741-6445



APRIL 23, 2013

TO: YUBA COUNTY BOARD OF SUPERVISORS

FR: STEVEN L. DURFOR, SHERIFF-CORONER *SD/hw*

RE: CONTRACT FOR PHARMACY SERVICES-YUBA COUNTY JAIL AND
JUVENILE HALL

RECOMMENDATION:

Approve the extension of the agreement between the County of Yuba and Contract Pharmacy Services (CPS) to provide pharmacy services to the Yuba County Jail and Juvenile Hall facilities.

BACKGROUND:

The Yuba County Sheriff's Department is responsible for providing medical services to the jail prisoner population. A substantial element of the medical services is the prescriptions. Over the past few years, Contract Pharmacy Services has provided competitive pricing and a service level sufficient to meet the demands of providing pharmacy services to the County. The Sheriff's Administration and the County Health Officer have reviewed the current pricing structure, and determined that CPS would continue to meet the demands of the County in the most efficient and cost-effective manner.

DISCUSSION:

The County of Yuba has contracted with CPS for pharmacy services since July 1, 2007. This agreement will extend services for another year, commencing on July 1, 2013. The agreement can be extended for an additional two (2) years upon written agreement of Yuba County and CPS.

FISCAL IMPACT:

The pricing structure of pharmaceuticals will provide an overall reduction in costs to the County and inmates.

COMMITTEE ACTION:

Due to the routine nature of this request, the item was placed directly on the Board of Supervisor's agenda.

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AGREEMENT TO PROVIDE PHARMACEUTICAL SERVICES

This agreement is by and between YUBA COUNTY (hereinafter "YUBA COUNTY") and CONTRACT PHARMACY SERVICES, INC., a Pennsylvania corporation, (hereinafter "CPS").

RECITALS

- A. Presently, YUBA COUNTY is providing healthcare services to inmates under the control of the YUBA COUNTY JAIL and YUBA/SUTTER JUVENILE HALL, (hereinafter referred to as "Facilities") in Marysville, California. As part of its responsibility to provide healthcare to inmates under their custody, YUBA COUNTY must provide prescription drugs and other medications to inmates (hereinafter "Prescription items").
- B. CPS is a licensed pharmacy and has all requisite professional licenses and DEA registration to provide medications in the State of California.

YUBA COUNTY wishes to utilize the services of CPS and, correspondingly, CPS wishes to provide such services to YUBA COUNTY.

NOW, THEREFORE, YUBA COUNTY and CPS do hereby agree as follows:

1. YUBA COUNTY'S Utilization of CPS Services

For the term of this Agreement, YUBA COUNTY will, when available, make best efforts to utilize the services of CPS for the providing of Prescription items at the Facilities.

2. Term of this Agreement

This Agreement shall be for a term of one (1) year commencing on July 1, 2013. The Agreement can be extended for an additional two (2) years upon written agreement of YUBA COUNTY and CPS.



3. Extent of Service

During the term of this Agreement, CPS agrees to provide the following services at the Facilities:

- a. Fill and Deliver Prescriptions. CPS will fill all Prescription items daily, Monday through Saturday. All prescription items transmitted to CPS before 2:00 PM Pacific Standard Time daily, Monday through Friday, will be delivered the next day. All prescriptions ordered before 9:00 AM Pacific Standard Time on Saturday will be filled and delivered to the Facilities the next working day (usually Monday) unless the Facilities is notified otherwise. All prescriptions will be filled and delivered to the Facilities within 24 hours, unless notified otherwise.

Contract Pharmacy Services will be closed on six (6) holidays per year, as listed below:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

CPS will notify the Facilities in advance of any changes in the schedule for ordering and/or delivery due to holidays. The Facilities should utilize onsite stock and/or the emergency pharmacy service during holiday closings.

- b. Emergency Service. CPS will arrange with a local pharmacy to act as "backup" in case of an emergency that cannot be handled through the normal delivery procedure. CPS will provide the Facilities staff with a procedure for contacting a pharmacist and/or the backup pharmacy. In the event the local pharmacy must be used, CPS will charge the Facilities the same amount as billed by the local pharmacy.

CPS will provide the Facilities with an emergency phone number to contact the "on call" pharmacist in the event that the medical staff needs to consult with a pharmacist after normal business hours. The "on call" pharmacist will answer medication related questions and assist the Facilities in procedural issues.

- c. Dispensing System. CPS will dispense all prescriptions via a "blister card" medication dispensing system.
- d. Medication Quantities. CPS shall dispense Prescription items in quantities sufficient to provide medication for 30 doses initially, and will adjust the quantity upward depending upon the incarceration period of the inmate.



This is subject to the state's Board of Pharmacy regulations and instructions of the prescribing practitioner.

- e. Controlled Substances. CPS shall provide all prescribed controlled substances in blister cards for easy accountability and will dispose of unused controlled substances, at no expense to YUBA COUNTY, and in accordance with applicable State and Federal regulations.
- f. Starter Stock. If allowed by state regulations, CPS shall maintain a starter stock system at the Facilities. Items will be determined in consultation with the Facilities's Healthcare Administrator, Director of Nursing, and Medical Director.
- g. Emergency Medications. CPS shall maintain a drug box located at the Facilities. Items in the emergency drug box will be determined in consultation with the Facilities's Healthcare Administrator, Director of Nursing, and Medical Director.
- h. Generic Medications. CPS shall dispense all prescriptions generically, unless there is no generic substitute or otherwise indicated by the physician. All drugs will be obtained from manufacturers with an AB rating or better by the FDA.
- i. Meetings & Inspections. CPS shall conduct quarterly Pharmaceutical and Therapeutic Committee meetings with medical staff at the Facilities. Site inspections of the Facilities's med room will be performed by a CPS employee (or local pharmacist under contract to CPS) at no cost to the Facilities. These meetings and inspections meet the current standards for NCCHC, ACA, and AJA accreditation.
- j. Medication Carts. CPS will (if requested) provide the Facilities with a sufficient number of medication carts to store and administer medications at the Facilities. Medication carts will be maintained by CPS in good working condition and are expected to last at least three (3) years under normal circumstances. CPS requests the assistance of medical staff in making sure the carts are maintained. The carts are the property of CPS and will be returned by the Facilities in the event the contract is terminated.
- k. Fax Machines. CPS agrees to provide fax machines for the transmission of physicians' orders to the pharmacy. Supplies for the fax machine (toner, paper, etc) will be the responsibility of the Facilities. A toll-free number will be provided to the Facilities for fax and voice communication.
- l. eCorrRx™. CPS will provide eCorrRx™, a proprietary computerized physician's order entry (CPOE) system, to the medical unit at YUBA COUNTY. eCorrRx™ will eliminate the need for nursing staff to transcribe



physicians' orders. The Facilities will provide a broadband (DSL, Cable, T1) connection at its expense for the operation of the system.

- m. Reports. CPS will provide YUBA COUNTY with monthly reports on pharmaceutical usage.
- n. Medication Administration Records (MARs). CPS will provide YUBA COUNTY with computer generated Medication Administration Records (MARs), if requested, to be delivered no later than the 27th day of each month for the following month on all inmates who have prescribed medications. Hardware utilized with the eCorrRx™ system will enable the Facilities to print MARs onsite.

4. Insurance

At all times during the term of this Agreement, CPS shall maintain professional liability insurance coverage of, at a minimum, \$1,000,000 per occurrence. In addition, CPS shall provide YUBA COUNTY with a certificate of insurance evidencing such insurance coverage.

5. Fees and Payment Terms

For the services to be provided as documented in paragraph 3 above, CPS shall charge for its services based upon the following pricing formula:

- a. All prescription medications will be billed based on Average Wholesale Price (AWP) as published in the Medi-Span Monthly Pricing Guide:

AWP minus eighteen percent (18%) for Brand Name (single source) drugs.

AWP minus seventy-five percent (75%) for Generic (multiple source) drugs.
- b. CPS will allow credit for the return of unused medications. No credit will be given for partial bottles of liquid medications, eye/ear preparations, or topical medications. All medications must be returned in the original container in which they were issued and have an expiration date of three (3) months or more.

Credit will be issued at the price charged to the Facilities. There is not a processing fee for each blister card returned for credit.

Controlled substances cannot be returned for credit to CPS, since they must be destroyed according to DEA regulations.



- c. Contract Pharmacy Services will bill the Facilities at the end of each calendar month. Billing will be sent to the Facilities by the 5th working day of each month for services provided in the previous month. Payments of invoices received are due and payable to CPS by the 30th of the month. If the Facilities require special procedures for payment of invoices (i.e. purchase orders, multiple copies, electronic billing, etc.), they must notify CPS before the beginning of the contract. CPS will make every effort to comply with the payment procedures required by the Facilities.

6. Representation and Warranties

a. CPS Representation and Warranties

- 1) CPS represents and warrants that it is currently in compliance with all State, Federal, and Local pharmaceutical licensing requirements and that this licensing compliance shall continue in full force and effect during the term of this Agreement.
- 2) CPS further represents and warrants that the dispensing of Prescription items shall be in compliance at all times with appropriate State, Federal, and Local pharmaceutical laws and regulations.
- 3) CPS further represents and warrants that the representative signing this Agreement has the necessary authority to enter into this Agreement on behalf of CPS.
- 4) CPS is a Pennsylvania corporation in good standing and is qualified to do business in the State of California.

b. YUBA COUNTY Representation and Warranties

YUBA COUNTY represents and warrants that the representative signing this Agreement has the necessary authority to enter into this Agreement on behalf of YUBA COUNTY JAIL and YUBA/SUTTER JUVENILE HALL.

7. Notices

All notices or other writings required under this agreement shall be deemed to have been made when sent by certified mail to the following address or to such other address as the parties may designate in writing:

PHARMACY: Contract Pharmacy Services, Inc.
Attention: Ann Borell, R.Ph.
President
125 Titus Avenue
Warrington, Pennsylvania 18976



YUBA COUNTY JAIL: Yuba County Jail
Attention: Captain Damon Gil
215 5th Street
Marysville, California 95901

YUBA/SUTTER JUVENILE HALL: Yuba/Sutter Juvenile Hall
Attention: Jim Arnold
1023 14th Street
Marysville, California 95901

8. Representatives

CPS hereby designates Ann Borell, R.Ph. to be available to service the Agreement and resolve any problems which relate thereto. Similarly, YUBA COUNTY designates Captain Damon Gil for the Jail and Jim Arnold for the Juvenile Hall to represent it in all matters relating to this Agreement. Either party may change the designated representatives for this Agreement at any time upon notification to the other party.

9. Termination

- a. Without cause. This contract may be canceled by either party without cause upon at least sixty (60) days prior written notice to the other party.
- b. Upon breach of Agreement. YUBA COUNTY may cancel this Agreement at any time upon twenty (20) days prior notice if CPS breaches any responsibilities hereunder and fails to correct or remedy this breach within ten (10) days after notification. However, for purposes of this subsection, a breach which would permit termination only after twenty (20) days prior notice does not include a situation where any representation or warranty provided by CPS or YUBA COUNTY at the time of entering into this Agreement is later found to be untrue. In such situation where a representation or warranty contained herein is subsequently found to be false, the other party may cancel this Agreement at any time without prior notice.

10. CPS as Independent Contractor

The parties acknowledge that CPS is providing the services contemplated hereunder as an independent contractor and is neither an agent, employee, partner nor joint venture of, or with, YUBA COUNTY.

11. Indemnification

CPS covenants and agrees that it will indemnify and hold harmless YUBA COUNTY and all of YUBA COUNTY's officers, agents, or employees from any claim, loss, damage, cost, charge or expense arising out of any act, action, neglect or omission by CPS or any of its agents, representatives or employees,



during the performance of this Agreement, whether direct or indirect, and whether to any person or property to which YUBA COUNTY or said parties may be subject, except that neither CPS nor any of its agents, representatives or employees will be liable under this section for damages arising out of injury or damage to any person or property directly caused or resulting from the negligence of YUBA COUNTY or any of its officers, agents or employees.

12. Amendment to Agreement

No amendment to this Agreement shall be valid or enforceable unless in writing and executed by duly authorized representatives of both parties.

13. Third Party Beneficiaries

The parties agree that they have not entered into this Agreement for the benefit of any third person or persons and it is their express intention that the Agreement is for their respective benefits only and not for the benefit of others who might otherwise be deemed to constitute third party beneficiaries hereof.

14. Severability

The terms and conditions of this Agreement shall be deemed to be severable. Consequently, if any cause, term or condition hereof shall be held to be illegal or void, such determination shall not affect the validity or legality of the remaining terms and conditions hereunder.

15. Captions

The captions appearing in the paragraphs in this Agreement are for convenience only. They are not a part of this Agreement and do not, in any way, limit or amplify the terms and provisions hereunder. In addition, in the event any provision of this Agreement is deemed ambiguous, such provision shall not be construed against CPS for the reason that CPS was primarily responsible for the drafting of this Agreement, since both parties hereby assume equal responsibility for the drafting of this Agreement.

16. Counterparts

This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

17. Governed Law

This Agreement is governed by the laws of the Commonwealth of Pennsylvania and any disputes that arise there from shall be determined exclusively within the Pennsylvania courts. Each party consents to the Pennsylvania courts'



jurisdiction over it and designates, if necessary, the Pennsylvania Secretary of State to accept service on its behalf.

IN WITNESS WHEREOF, the parties have executed the Agreement effective as of that commencement date documented in paragraph 2 above.

Yuba County

By: _____
Chairman, Yuba County
Board of Supervisors

Date: _____

Contract Pharmacy Services, Inc.

By: Ann Borell
Ann Borell, President

Date: 2/8/13

Insurance Provisions Approved

Martha K. Wilson
Martha K. Wilson, Human Resource/Risk Management

Approved as to form

Angil P. Morris-Jones
Angil P. Morris-Jones
County Counsel





CERTIFICATE OF LIABILITY INSURANCE

OP ID: NAN

DATE (MM/DD/YYYY)

09/12/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER BEAM Insurance, Inc. 122 N. York Road, Suite 5 Hatboro, PA 19040 L. Robert Begley, CPCU, CIC	215-682-9950 215-682-9948	CONTACT NAME: PHONE (A/C, No., Ext.): FAX (A/C, No.): E-MAIL: ADDRESS: PRODUCER CUSTOMER ID #: CONTR-2
INSURED CONTRACT PHARMACY SERVICES INC 125 TITUS AVENUE WARRINGTON, PA 18976	INSURER(S) AFFORDING COVERAGE INSURER A: Ohio Casualty Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 24074

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
GENERAL LIABILITY						
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY		BOP1572682	09/15/12	09/15/13	EACH OCCURRENCE \$ 1,000,000
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
						MED EXP (Any one person) \$ 5,000
						PERSONAL & ADV INJURY \$ 2,000,000
						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
						Emp Ben. \$ 1M/\$M
AUTOMOBILE LIABILITY						
A	<input checked="" type="checkbox"/> ANY AUTO		BA1572679	09/15/12	09/15/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	ALL OWNED AUTOS					BODILY INJURY (Per person) \$
	SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS					PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS					\$
UMBRELLA LIAB <input type="checkbox"/> OCCUR						
A	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE		CU8718830	09/15/12	09/15/13	EACH OCCURRENCE \$ 6,000,000
	DEDUCTIBLE					AGGREGATE \$ 6,000,000
	<input checked="" type="checkbox"/> RETENTION \$ 10,000					\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input type="checkbox"/> N/A				WC STATUTORY LIMITS OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below					E L EACH ACCIDENT \$
						E L DISEASE - EA EMPLOYEE \$
						E L DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

EVIDENCE OF COVERAGE

CERTIFICATE HOLDER

CANCELLATION

YUBACOU

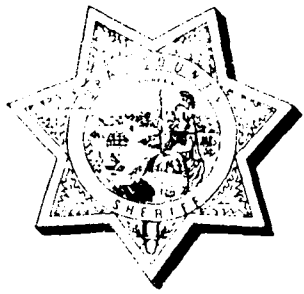
YUBA COUNTY SHERIFF'S DEPT.
ATTN: CARLOS PEREZ
215 5TH STREET
MARYSVILLE, CA 95901

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Yuba County Sheriff's Department

Steven L. Durfor, Sheriff-Coroner

215 5th Street, Suite 150, Marysville, CA 95901
Ph: 530-749-7777 • Fax: 530-741-6445



APRIL 23, 2013

TO: YUBA COUNTY BOARD OF SUPERVISORS

FR: STEVEN L. DURFOR, SHERIFF-CORONER 

RE: LAW ENFORCEMENT AGREEMENT WITH YUBA COUNTY WATER AGENCY

RECOMMENDATION:

Approve the agreement with Yuba County Water Agency for law enforcement services for the limited term, May 15, 2013 through September 15, 2013.

BACKGROUND:

For the past sixteen years, the Water Agency has paid the Sheriff's Department for patrol coverage at the Bullard's Bar for the months of mid-May through mid-September. The coverage included a Deputy Sheriff III for eight hours per day, 40 hours per week.

DISCUSSION:

This is a continuation of an agreement that is a benefit to both the Water Agency and the Sheriff's Department. This service provides additional coverage at the lake, with no fiscal impact to the regular Boat Patrol budget or the General Fund. The Sheriff's Department will hire an extra help Deputy III for the seasonal period, to work in conjunction with the Sheriff's Boat Patrol deputies. Additionally, the Yuba County Water Agency agrees to reimburse the Yuba County Sheriff's Department for 25% of salary and benefits of the Marine Enforcement Deputy's position to provide additional law enforcement presence at the New Bullard's Bar Reservoir and associated recreational lands.

FISCAL IMPACT:

No additional cost to the Sheriff's Department or General Fund. Revenues from the Water Agency of approximately \$52,054 will cover the necessary costs for the additional coverage, including the extra help salaries, overtime, and overhead costs.

COMMITTEE ACTION:

Due to time constraints, and the routine nature of this request, the item was placed directly on the Board of Supervisor's agenda.


**OPERATING AGREEMENT BETWEEN YUBA COUNTY SHERIFF'S DEPARTMENT
AND THE YUBA COUNTY WATER AGENCY**

In return for the full time assignment of a Yuba County Deputy III for 40 hours per week to patrol and provide law enforcement services at New Bullards Bar Reservoir and associated recreational lands, the Yuba County Water Agency agrees to reimburse the Yuba County Sheriff's Department for salary, benefits and overtime costs in support of Yuba County Water Agency operational requirements. The period of service will be from May 15, 2013 through September 15, 2013.

Additionally, the Yuba County Water Agency agrees to reimburse the Yuba County Sheriff's Department for 25% of salary and benefits of the Marine Enforcement Deputy position to provide additional law enforcement presence at the New Bullard's Bar Reservoir and associated recreational lands. Billings will be made at the following rates for 2013:

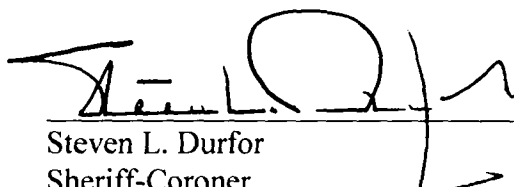
Deputy III (\$5,451 per month):	\$21,804
Overtime rate: \$35.00 (maximum 40 hours)	\$ 1,400
Marine Enforcement Deputy	\$28,850

Total billings are expected to be no more than \$52,054. Billings will be made in two increments-one on July 1, 2013 and one upon the completion of service in September 2013. Both parties can make a different billing schedule or changes to this agreement upon negotiation and agreement. We the undersigned concur with all aspects of the above detailed operating agreement.



 Curt Aikens
 General Manager
 Yuba County Water Agency

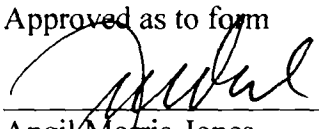
Date: 4/11/13



 Steven L. Durfor
 Sheriff-Coroner
 Yuba County Sheriff's Department

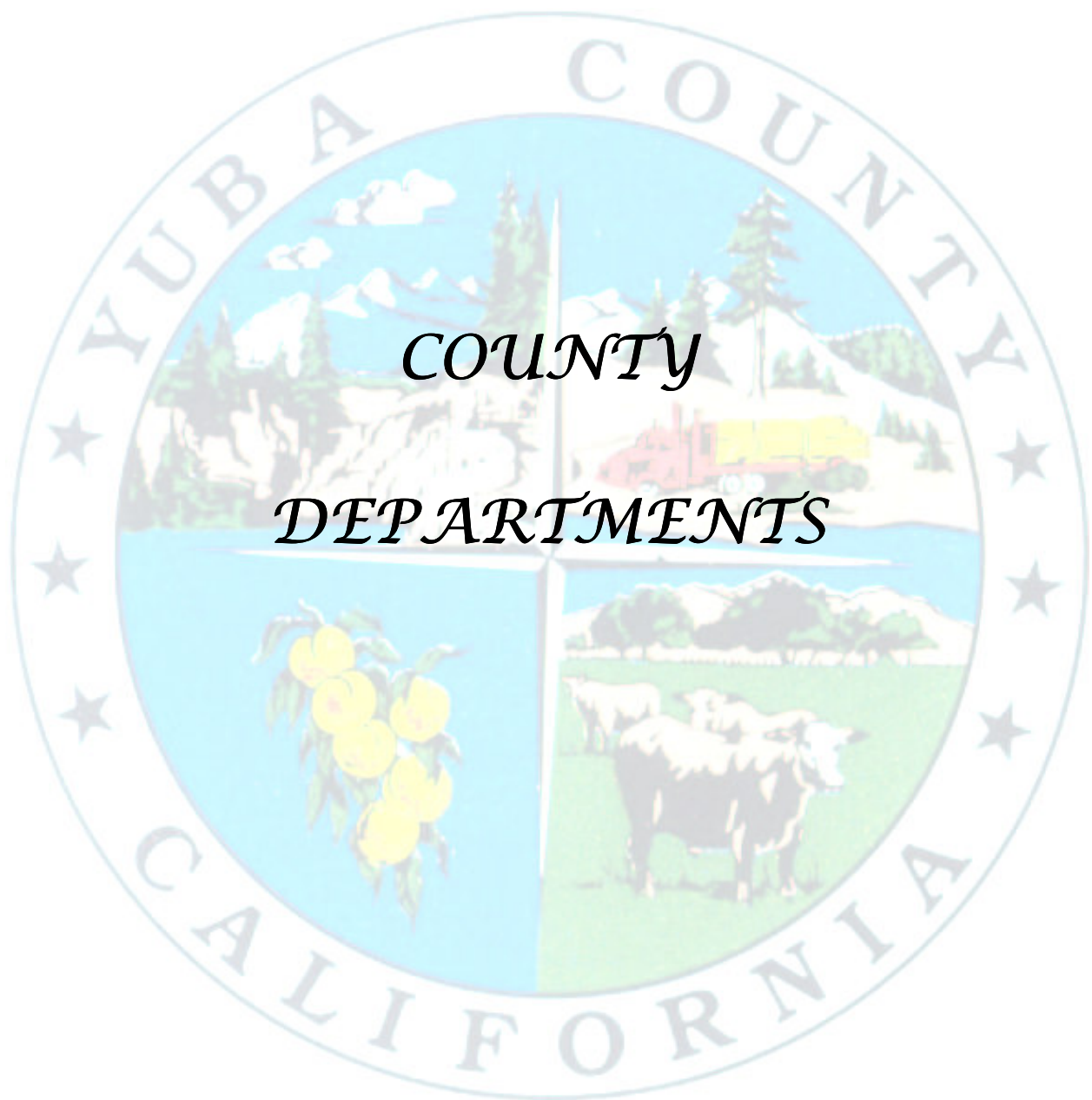
Date: 04/04/13

 Chairman, Board of Supervisors
 County of Yuba

Approved as to form


 Angil Morris-Jones
 County Counsel

Date: 4/4/13



COUNTY
DEPARTMENTS

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The County of Yuba

Office of the County Administrator

Robert Bendorf, County Administrator

TO: Board of Supervisors
FROM: Robert Bendorf, County Administrator *RB/te*
RE: Resolution Approving a Master Tax Sharing Agreement between Yuba County and the City of Wheatland
DATE: April 23, 2013

RECOMMENDATION

It is recommended that the Board of Supervisors adopt the attached joint resolution and Master Tax Sharing Agreement between Yuba County and the City of Wheatland.

BACKGROUND

Over the last several years, staff members from the City of Wheatland and Yuba County have engaged in discussions concerning tax sharing agreements. Approximately two years ago, the County and City adopted a tax sharing agreement for the annexation of Bishop's Pumpkin farm from the County to the City. Both property and sales tax were agreed to be shared 50% - 50% and 87.5% - 12.5% respectively.

Staff has continued to discuss the benefit of a Master Tax Sharing agreement rather than creating individual tax sharing agreements for annexations that may occur over time. Within the last six months, the City of Wheatland has moved forward on the Johnson Rancho and Hop Farm projects, which have been submitted to the Yuba County Local Area Formation Commission (LAFCO) for the approval of the annexations.

Both Yuba County and Wheatland have completed updates to their General Plans to accommodate future urban growth in both the County, within the Valley Growth Boundary identified in the County's 2030 General Plan, and the City, within their current Sphere of Influence. Since both parties have conducted diligent planning efforts for their respective growth, it is prudent to engage in the development of a master tax sharing agreement that would identify how tax revenues would be divided to cover both the County's and City's costs to provide services for lands annexed into the City within Wheatland's current Sphere of Influence.

DISCUSSION

Upon engaging in our discussions, staff from both entities felt it was necessary to develop guiding principles in advance of the particulars of a master tax sharing agreement. Those guiding principles consisted of several objectives and key points:

Objectives

- The County will have sufficient revenues to cover county-wide services related to the annexation areas;
- The City will have sufficient revenues to provide full municipal services to the area within its city limits, and;
- The City will be a full service city providing all of the necessary municipal services to the City. For any municipal services that the County provides to the City, the City will cover its share of those costs.

Key Points

- The County's revenue stream will not be lowered due to annexation of lands into the City (excluding any lowering of property values by the County Assessor not related to annexation). Property tax sharing will only occur on the marginal increases in property assessment (i.e. the property tax base due to the County will be established at the time of annexation, and only the tax increment will be subject to tax sharing.
- Tax sharing agreements shall be limited to property and sales tax sharing.
- The net property tax increment above the base rate shall be split equally between the City and the County. The County will retain 100% of the base rate as established through the agreement.
- Sales Tax within any newly annexed area shall be split 87.5% to the City and 12.5% to the County.
- The City and County will agree to support a future northern boundary of the City's Sphere of Influence generally located along the southeast side of South Beale Road and outside of the County's Valley Growth Boundary, however, the Ostrom Road landfill will remain outside the City's Sphere of Influence and within the unincorporated County unless jointly agreed upon by both the City and the County.

As discussions progressed, several details emerged as final deal points for the Master Tax Sharing Agreement. The following bullet points provide a summary only of the final deal points, contained in the joint resolution, presented before the Board of Supervisors:

- The Term of the Agreement is for 20 years with two (2) five year extensions.
- The effective date of the Agreement is the July 1st following the date of approval by the last governing board to adopt and approve the Agreement.
- The Agreement will apply to all annexations by the City of Wheatland that occur within their current Sphere of Influence as identified and adopted by the Yuba County LAFCO (see attached map).

- The sharing of property tax and sales tax revenues relates to only those received by the County (and for future revenues, the County and City) and not by the State of California or any special district or agency.
- The County retains 100% of its share of the base property tax for an annexed area, with the base year being the fiscal year the annexation was completed.
- The County and City share equally (50/50) the property tax increment that exceeds the base year.
- The County and City share the Bradley-Burns portion of sales tax, with 87.5% to the City and 12.5% to the County.
- The anticipated year the Agreement will be effective will be July 1, 2013.
- Future City Sphere of Influence requests to LAFCO - County will not oppose a City request to amend the City Sphere of Influence consistent with the provisions contained in the agreement.
- The County and City agree to cooperate in good faith on the evaluation and development of regional transportation and traffic improvements, systems and funding to meet the regional transportation, street and highway needs of the area as it continues to develop.
- In order to mitigate impacts associated with County facilities due to development, the City agrees to adopt the County Facility Impact fee study, and collect those fees for development on properties that were annexed into the City and covered by this Agreement. Fees collected will be specific for County facilities related to Health and Human Services, Law Enforcement, Criminal Justice, Libraries and General Government.

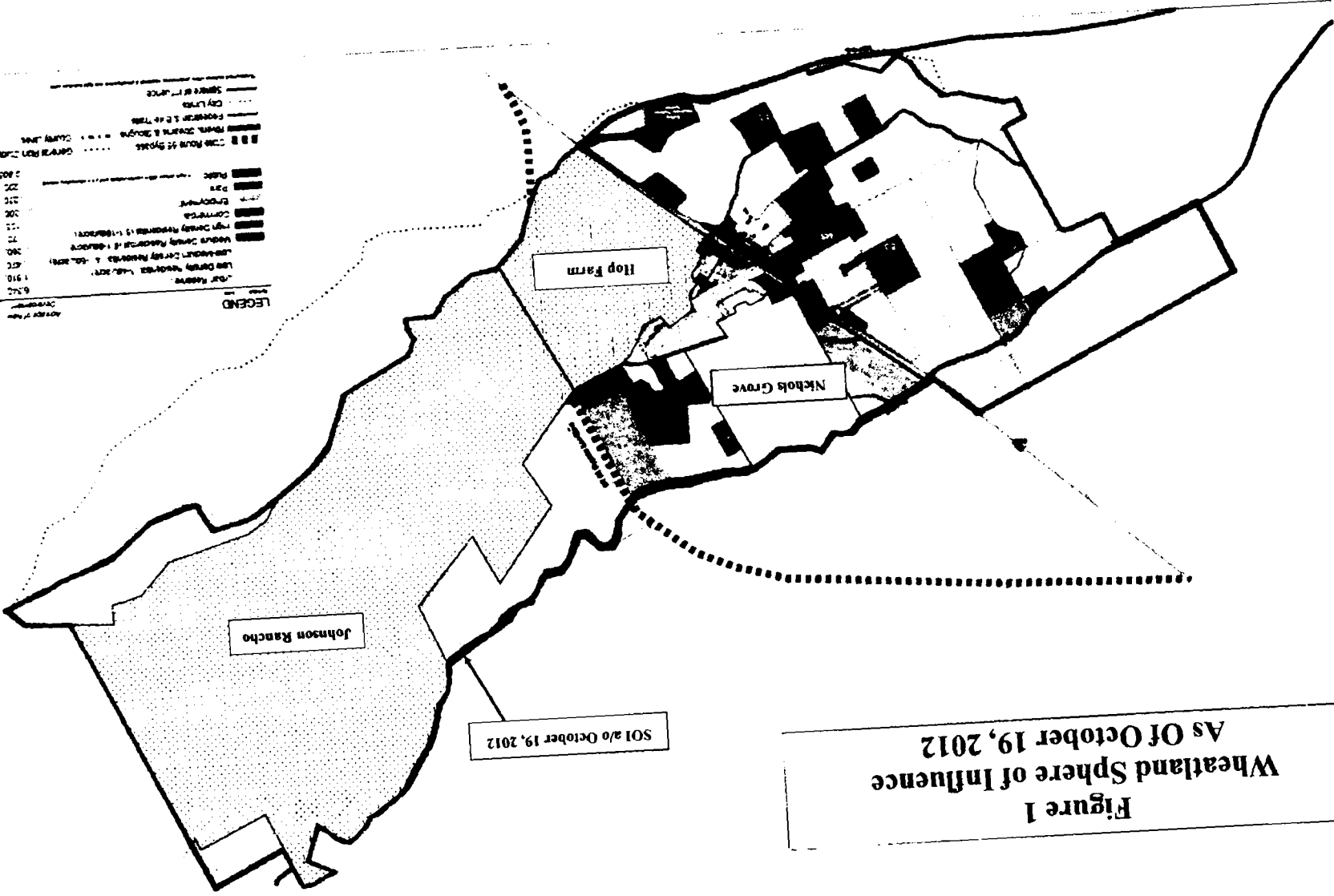
The Wheatland City Council is also considering approval of this agreement at an upcoming council meeting.

FISCAL IMPACT

The intended fiscal impact is to provide the City and County with sufficient revenues to support city and countywide services to residents for annexed areas.

cc: C. Richard Eberle, Auditor-Controller
 Dan Mierzwa, Treasurer-Tax Collector
 John Benoit, LAFCO Executive Director
 Steve Durfor, Sheriff
 Bruce Stottlemeyer, Assessor
 Terry Hansen, Clerk-Recorder
 Kevin Mallen, CDSA Director

Figure 1
Wheatland Sphere of Influence
As Of October 19, 2012



Legend	Amount	Account	Amount	Account
100	100	100	100	
200	200	200	200	
300	300	300	300	
400	400	400	400	
500	500	500	500	
600	600	600	600	
700	700	700	700	
800	800	800	800	
900	900	900	900	
1000	1000	1000	1000	

RECEIVED

MAR 4 2013



COUNTY ADMINISTRATOR

City of Wheatland

111 C Street Wheatland, California 95692

TELEPHONE (530) 633-2761

FAX (530) 633-9102

February 28, 2013

Mr. Robert Bendorf, CAO
915 8th Street
Marysville, CA 95901

Subject: Wheatland Tax Sharing Agreement

Dear Robert,

After over two years of discussions and negotiations over a proposed tax sharing agreement between Wheatland and Yuba County, I now believe that it is appropriate to take the matter to our respective Board and Council. Since I will be out of the office for the next two weeks I would respectfully request that you schedule the matter for your Board's consideration later in the month of March. I sincerely appreciate all of the effort you and your staff have made to make this proposed agreement possible.

Please let me know when this might appear on an upcoming agenda so that I might be able to schedule Mayor West or another Council Member to attend.

Thanks for your continued cooperation.

Sincerely,

Stephen L. Wright
City Manager

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COUNTY OF YUBA RESOLUTION NO. _____

CITY OF WHEATLAND RESOLUTION NO. 26-12

**JOINT RESOLUTION AND AGREEMENT
BY COUNTY OF YUBA AND CITY OF WHEATLAND
CONCERNING MASTER TAX EXCHANGE
RELATING TO CITY ANNEXATIONS**

BE IT RESOLVED by the Board of Supervisors of the County of Yuba ("County") and the City Council of the City of Wheatland ("City") that they make and approve this joint resolution and agreement ("Agreement") as follows:

1. **Recitals.** This Agreement is made with reference to the following background recitals:

1.1. County and City each have adopted a General Plan that provides for appropriate growth and development in their respective growth areas. By this Agreement, the parties seek to ensure the long-term fiscal health and viability of each jurisdiction consistent with the goals and objectives of their General Plans.

1.2. The parties recognize that City residents are residents of both the City and County and that those residents rely on both the City and County for important local government services. The parties desire to ensure that both the County and City have sufficient revenue and fiscal strength to provide the quality services desired by both residents in the City and those in the unincorporated area.

1.3. City and landowners around the City from time to time seek to annex land to the City. The Yuba County Local Agency Formation Commission therefore periodically will receive applications for changes of organization and reorganizations involving annexation to the City.

1.4. The LAFCO Executive Officer is prohibited by law from issuing a certificate of filing for any such application until the City and County determine, pursuant to Revenue and Taxation Code section 99, the amount of property tax revenue to be exchanged between and among the local agencies whose service areas or responsibilities will be altered should a change of organization or reorganization be approved. Section 99(d) authorizes a county and a local taxing agency to enter into a master property tax exchange agreement. City and County are the two local taxing agencies whose service areas and responsibilities would be altered should there be an annexation of territory to the City. The parties acknowledge that annexation of territory to City would not impact the service area or responsibility of any special district in such a manner that it is necessary to negotiate a property tax exchange involving any special district.

1.5. State Constitution article XIII, section 29(b) and Government Code sections 55700 to 55707 authorize counties and cities to enter into agreements to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor statute, that is

collected for them by the state. State law requires that any sales/use tax exchange agreement be approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract.

1.6. Pursuant to Government Code section 55704, County and City find and determine that one or more retailers have been established, or will be established, in the Annexation Area and that consumers residing in both City and the unincorporated area of County are, or will be, purchasing tangible personal property from such retailers. The parties therefore have determined that equity requires that the Sales Tax Revenue from retailers within the Annexation Area be distributed and apportioned in a fair and just manner to both parties pursuant to this Agreement.

1.7. County and City after negotiations have reached an understanding regarding the exchange of various taxes and other matters relating to annexations to City. The parties enter into this Agreement pursuant to Constitution article XIII, section 29(b), Government Code sections 55700 to 55707, Revenue and Taxation Code section 99, and other applicable law.

1.8. In agreeing to the revenue sharing provisions of this Agreement, the parties intend as follows: that County will have sufficient revenues to cover County-wide services related to the Annexation Areas; that City will have sufficient revenues to provide full municipal services to the areas (including future Annexation Areas) within its City limits; that City will be a full service city providing all of the necessary municipal services; that, for any municipal services that County provides directly to City, City will cover its share of those costs; that County's revenue stream will not be lowered due to annexation of lands into the City (excluding any lowering of property values by the County Assessor not related to annexation); and, that property tax sharing between County and City will occur only with respect to post-annexation increases in property assessment (i.e., only the tax increment will be subject to property tax sharing).

2. Definitions. The following definitions apply to this Agreement:

2.1. "Annexation Area" means the territory of the annexations to City as approved by LAFCO during the applicability of this Agreement.

2.2. "Effective Date" has the meaning set forth in section 3.1.

2.3. "LAFCO" means the Yuba County Local Agency Formation Commission.

2.4. "Property Tax Revenue" means the revenue from ad valorem taxes on real property within the meaning of California Constitution article XIII A, section 1 and Revenue and Taxation Code section 95(c) that is levied and collected from within an Annexation Area.

2.5. "Sales Tax Revenue" means the revenue from the local sales and use taxes levied and received by City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (within the meaning of Government Code section 55702) that is levied and collected within an Annexation Area. Sales Tax Revenue does not include revenue levied and collected by City pursuant to the City Transactions and Use Tax adopted by City Ordinance No. 421 or

any extension of that ordinance or any other local City transactions and use tax adopted by the voters of City.

2.6. "Tax Increment" means the incremental increase in property taxes attributable to post-annexation increases in property assessment. Decreases in property taxes attributable to decreases in property assessment shall mean the Tax Increment is equal to zero.

2.7. "Tax Rate Area" means that grouping of parcels used by the County Assessor for reporting and assessing values of real property by taxing jurisdiction and assisting the County Auditor-Controller in distributing property taxes.

3. Term and Termination.

3.1. This Agreement shall become effective upon the date of approval (the "Effective Date") by the last governing board to adopt and approve the Agreement as indicated by the dates set forth below. This Agreement shall continue in effect for 20 years from the Effective Date. At the end of 20 years, this Agreement shall be extended for an additional five year term, unless a party provides written notice of nonrenewal to the other party prior to the expiration of the 20-year term. At the end of an extended five year term, this Agreement shall be extended for an additional five year term, unless a party provides written notice of nonrenewal to the other party prior to the expiration of the five-year term. At the end of the 20-year and each 5-year extension, the County and City will jointly fund an analysis to determine if the Agreement continues to be equitable, needs to be terminated or modified, and/or should have a firm expiration date.

3.2. Upon any termination of this Agreement, and except as otherwise may be agreed to by the parties pursuant to section 3.1, 5.6 or 13, the exchange of Property Tax Revenue and Sales Tax Revenue pursuant to sections 5 and 6 shall survive and continue post-termination with respect to (a) any Annexation Area annexed to City prior to termination, and (b) any Annexation Area annexed to City after termination if LAFCO issued its certificate of filing for the change of organization or reorganization prior to the termination of this Agreement.

4. Applicability. This Agreement applies to every change of organization and reorganization including the annexation of land to the City within the City's Sphere of Influence at the Effective Date of this agreement (see Figure 1) for which the LAFCO certificate of filing is issued by LAFCO after the Effective Date and prior to the termination of this Agreement.

5. Exchange of Property Tax Revenue. On and after the Effective Date, County and City shall exchange Property Tax Revenue as follows:

5.1. For purposes of this section related to the sharing of Property Tax Revenue, the following definitions shall apply:

"A" equals: The total tax rate in effect in the Tax Rate Area(s) of the Annexation Area during the fiscal year in which the annexation is completed, excluding any voter-approved tax rate(s) for the redemption of bonds. For purposes of this

Agreement, the date of completion of an annexation shall be determined pursuant to Government Code section 57202 (or successor statute).

"B" equals: The taxable assessed valuation of all property, both real and personal, of the Annexation Area as shown on all assessment rolls of the County of Yuba and the State of California for the fiscal year during which the annexation is completed.

"C" equals: The percentage of the total property taxes levied within the Tax Rate Area(s) of the Annexation Area in the fiscal year during which the annexation is completed that are distributed to the County General Fund.

5.2. **Base Year Revenue.** The amount of Property Tax Revenue equal to the product of "A" times "B" times "C" shall be retained by the County.

5.3. **Tax Increment.** For the fiscal year commencing after the completion of an annexation and every fiscal year thereafter, 50% of the annual property Tax Increment attributable to the County's portion of the property tax based on the Tax Rate Areas in the Annexation Area shall be transferred from County to City (i.e., the County share of the tax increment in the Annexation Area shall be split and distributed equally to County and City).

5.4. Either or both County and/or City are authorized to file this Agreement with LAFCO. Pursuant to Revenue and Taxation Code section 99, for any annexation to City within the applicability of this Agreement, the County Auditor-Controller shall adjust the allocation of Property Tax Revenue of the Annexation Area pursuant to the terms of this Agreement.

5.5. Exchange or reallocation of property taxes involving any special district with territory in any Annexation Area is not a part of this Agreement.

5.6. Five years after the Effective Date, County and City will jointly review the property tax sharing formula and the implementation of this Agreement to determine whether the parties' tax sharing agreement objectives are being met. If the review concludes that the objectives are not being met, then County and City agree to enter into good faith negotiations to arrive at a more equitable tax sharing agreement.

6. Exchange of Sales Tax Revenue. On and after the Effective Date, County and City shall exchange Sales Tax Revenue as follows:

6.1. City shall transfer quarterly to County a share of the Sales Tax Revenue from the Annexation Area in an amount equal to 12.5% of Sales Tax Revenue received by City from retailers in the Annexation Area, effective with the first full fiscal year commencing after the annexation is completed.

6.2. Pursuant to Government Code section 55706, a copy of this Agreement shall be transmitted to the County Auditor-Controller and City Administrative Services Director. Thereafter, upon the receipt of Sales Tax Revenue transmitted by the State Board of Equalization pursuant to Revenue and Taxation Code section 7204, the City shall allocate the revenue pursuant to the terms of this Agreement.

7. City Sphere of Influence.

7.1. City's sphere of influence will be reasonably sized to correlate with reasonably foreseeable growth for a period not to exceed 20 years. County and City agree to support a future boundary of the City sphere of influence, when the foreseeable growth necessitates it based on LAFCo regulations, that is generally located along the southeast side of South Beale Road and to the east of Highway 65; however, the Ostrom Road landfill will remain outside any future City sphere of influence and within the unincorporated area unless otherwise jointly agreed upon in writing by County and City. This Agreement will satisfy the requirements of Revenue and Taxation Code section 99 for any proposed annexation within the aforementioned future boundary. In addition, the County and City shall consider establishing compatible infrastructure, services, and land uses near the future City boundary.

7.2. The parties acknowledge that the County General Plan Valley Growth Boundary contained in the General Plan adopted by the County on June 7, 2011 applies to growth and development permitted by the County and that it does not apply to growth and development permitted within the City's incorporated boundaries.

7.3. County agrees that it will not oppose a City request to LAFCO to amend the City sphere of influence consistent with these provisions.

8. Transportation Infrastructure.

8.1. The parties agree to cooperate in good faith on the evaluation and development of regional transportation and traffic improvements, systems and funding to meet the regional transportation, street and highway needs of the area as it develops.

8.2. The City General Plan and any future amendments will consider traffic impacts to County relative to the County General Plan, as may be amended. The County General Plan and future amendments will consider traffic impacts to City relative to the City adopted General Plan, as may be amended.

8.3. City and County will discuss in good faith, the concept of a regional transportation planning effort (which may result in the creation of a regional transportation agency or joint powers authority similar to the South Placer Regional Transportation Agency in Placer County) in order to identify, prioritize, and jointly seek funding for southern Yuba County (i.e., south of Marysville) transportation system improvements, such as the Wheatland bypass, Goldfields Parkway, future freeway interchanges, and other regionally beneficial projects.

9. Facility Impact Fees

9.1 In order to mitigate the impacts associated with County Facilities due to development, the County has adopted a Facility Impact Fee schedule. A facility impact fee has been established and collected by the County for Criminal Justice, Law Enforcement, Health and Human Services, Library and General Government functions. The Facility Impact Fee provides a separate and lower fee specifically for impacts due to development within the incorporated City limits.

9.2 Notwithstanding any other provisions of this agreement, to the extent allowed by law, the City shall approve and collect the capital facilities fee specifically and separately identified for the incorporated city as established from time to time by the County for facility impacts due to development projects within an Annexation Area subject to this agreement. The County Facility Impact Fees collected by the city shall be paid to the County, to mitigate the impacts of growth within an Annexation Area on County capital facilities. The City and County shall work in a collaborative manner and in good faith to ensure that any update to the County's Facility Impact Fee provides for a specific fee for the development in the Annexation Area and that that fee does not duplicate any City Facility Impact Fees.

9.3 For purposes of this section, the City agrees to approve and begin collecting capital facilities fees identified in Section 9.2 no later than January 1, 2014. Payments to County shall be paid quarterly by the City.

9.4 In addition, City may seek in the future to establish particular citywide facilities (such as libraries). County and City agree to discuss and potentially modify the County facility impact fee schedule to avoid duplication of payment of County facility impact fees and City development fees.

10. Other Obligations and Limitations.

10.1 Annexation of new land into the City shall include the full road right of way for lands adjacent to and abutting County territory, (a) City will be responsible for providing full municipal services to the Annexation Area, including acceptance into the City's maintained mileage list reported to the State, the entirety of all previously County maintained roads that were within the Annexation Area and (b) County will no longer be obligated to provide any additional road improvements, beyond routine maintenance and customary road repair and replacement, on roads not accepted into the City's maintained mileage, but located adjacent to but not abutting the Annexation Area. Routine maintenance and customary road repair and replacement mean the level of road maintenance, repair and replacement provided by the County to roads in the unincorporated area generally.

10.2 In the event that City desires to contract with another local government agency for municipal services of a type that are provided by County, City first shall contact County and both parties will negotiate in good faith on the terms of a County-City services agreement. If an agreement cannot be reached, then City may elect to seek proposals from other agencies.

11. Audit. Either party may request that an independent audit of the Property Tax Revenue allocated to City or of Sales Tax Revenue distributed to County be performed at any time. The party requesting such an audit shall be solely responsible for the costs of the audit. The auditor shall be jointly selected by the County Administrator and the City Manager. If the audit discloses that a party received less revenue than it should have received under this Agreement, then City or County will make any adjustments required as a result of the audit within 60 days of receipt of the audit or such other time period as agreed to by the parties. The adjustment shall be in the form of a payment from the

overpaid party to the underpaid party consistent with the audit findings or such other remedy as agreed to by the parties. The scope of any audit and repayment obligation under this section shall be limited to the latest three completed fiscal years. If a party disagrees with the audit findings, then it may pursue a declaratory relief or other appropriate lawsuit to review the audit findings.

12. Default.

12.1. By City.

12.1.1. In addition to any remedies County may have at law or in equity in the event of default by City, County may withhold from Property Tax Revenue payments due to City an amount equal to the amount of Sales Tax Revenue and/or development impact fee collection as identified in section 8.3 that City has failed to pay to County in a timely manner, provided that County shall have first given City 30 days written notice of County's intent to offset.

12.1.2. In the event that City fails to transfer Sales Tax Revenue and/or collect and transfer development impact fees as identified in section 8.3 within the times specified in this Agreement, City shall pay interest to County compounded monthly at a rate equal to the County's average pooled investment interest rate as of June 30 of the preceding fiscal year.

12.2. By County.

12.2.1. In addition to any remedies City may have at law or in equity in the event of default by County, City may withhold from Sales Tax Revenue payments due to County an amount equal to the amount of Property Tax Revenue that County has failed to pay to City in a timely manner, provided that City shall have first given County 30 days written notice of City's intent to offset.

12.2.2. In the event that County fails to transfer Property Tax Revenue within the times specified in this Agreement, County shall pay interest to City compounded monthly at a rate equal to the City's average pooled investment interest rate as of June 30 of the preceding fiscal year.

13. Reformation. County and City intend that this Agreement will result in a 50%/50% split in property Tax Increment revenue and an 87.5%/12.5% split in Sales Tax Revenue for Annexation Areas. County and City understand and acknowledge that this Agreement is based upon existing law at the time of the Agreement and that such law may be amended in the future. In the event of an amendment of state law that renders this Agreement invalid or inoperable or that denies a party the full benefit of this Agreement, in whole or in part, then County and City agree to enter into good faith negotiations to arrive at a new equitable tax sharing agreement consistent with the intentions of the parties in this Agreement.

14. General Provisions.

14.1. Execution. County authorizes the Chair of its Board of Supervisors and County Clerk to sign this Agreement on behalf of the County. City authorizes its Mayor and City Clerk to sign this Agreement on behalf of the City.

14.2. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except (a) those other documents that are expressly referenced in this Agreement, and (b) the County-City annexation-related tax sharing agreements that predate the date of this Agreement.

14.3. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

14.4. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

14.5. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.

14.6. Further Assurances. The parties, in order to carry out and give full effect to this Agreement, each shall use all reasonable efforts to provide such information, execute and deliver such further instruments and documents and take such actions as may be reasonably requested by the other party, so long as not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from, in excess of, or in addition to those expressly provided for in this Agreement.

14.7. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties. Amendment requires approval by resolution adopted by the governing board of each party and, if the amendment relates to the exchange of Sales Tax Revenue, the resolution must be adopted by two-thirds vote of each governing board.

14.8. Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

County:	City:
County Administrator County of Yuba 915 8th Street, Suite 115 Marysville, CA 95901	City Manager City of Wheatland P.O. Box 395 111 C Street Wheatland, CA 95692

Any party may change its address by notifying the other party in writing of the change of address.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of the County of Yuba on the ____ day of _____ 2013, by the following two-thirds vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

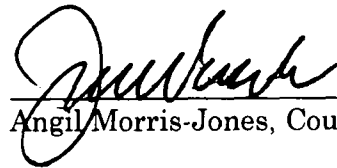
By:

Andy Vasquez, Chair
Board of Supervisors

Attest:

Donna Stottlemeyer, Clerk of the
Board of Supervisors

Approved as to form:



Angil Morris-Jones, County Counsel

PASSED, ADOPTED AND APPROVED by the City Council of the City of Wheatland on the ____ day of _____ 2013, by the following two-thirds vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Rick West, Mayor

Attest:

Lisa J. Thomason, City Clerk

Approved as to form:

Richard P. Shanahan, City Attorney

The County Of Yuba

PROBATION DEPARTMENT

JAMES L. ARNOLD
CHIEF PROBATION OFFICER



146-13

(530) 749-7550
FAX (530) 749-7364

M e m o r a n d u m

To: Board of Supervisors

From: Jim Arnold, Chief
Yuba County Probation Department

Subject: **Resolution Declaring April 21 –April 27, 2013 Crime Victims' Rights Week in Yuba County**

Date: April 23, 2013

Recommendation: Adopt resolution declaring April 21 – April 27, 2013 Crime Victims' Rights Week and allow the Probation Department's Victim Services unit to honor local law enforcement, District Attorney staff and community members for outstanding service to crime victims of Yuba County. Additionally, establish a temporary pictorial memorial of Yuba County Homicide Victims at the Government Center, Yuba County Victim Services Department annually; to be displayed one week prior to the national Crime Victim Rights week and one week after.

Background: The Yuba County Board of Supervisors has generously and consistently supported the Yuba County Probation Departments, Victim and Program Services unit through its recognition of Crime Victims' Rights Week in Yuba County. The Board has also helped the Yuba County Probation, Victim and Program Services unit honor local law Enforcement, District Attorney Staff and community members for exemplary service to the crime victims of Yuba County each year.

Discussion: The Yuba County Probation Department's Victim and Program Services have been instrumental in helping the crime victims of this County and surrounding counties. This request is for the County to observe and acknowledge the rights of crime victims. The request also includes a brief 20 minute presentation to honor members of local law enforcement and community members who have throughout the past year provided exceptional service to crime victims in Yuba County.

Committee Action: No Committee action is required.

Fiscal Impact: There is no fiscal impact to the County General Fund.

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**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

IN RE:

**RESOLUTION PROCLAIMING APRIL 21-
27TH, 2013 NATIONAL CRIME VICTIMS'
RIGHTS WEEK IN CELEBRATION OF
SERVICE TO VICTIMS OF CRIME
AND COMMENDING YUBA COUNTY
PROBATION AND OTHER UNITS OF
GOVERNMENT FOR PROVIDING
EXEMPLARY SERVICE TO VICTIMS OF
CRIME**

RESOLUTION NO.: _____

WHEREAS, "*National Crime Victims' Rights Week*" was declared in 1981 to focus on the needs of our Nation's crime victims; and

WHEREAS, this commemoration of ***National Crime Victims' Rights Week*** provides a national opportunity to reflect on the devastating impact of crime on victims not only locally, but on our entire Nation, and to strengthen our national resolve to ensure that needs of victims are identified and addressed; and

WHEREAS, The national theme for Crime Victims Rights Week is "NEW CHALLENGES, NEW SOLUTIONS," and the Yuba County Probation, Victim and Program Services has adopted this as the county motto this year; and

WHEREAS, among other statistics one violent crime is committed in America every 6 seconds and 24 million Americans are victims of crime each year, and of those, 5.2 millions are victims of violent crime; and

WHEREAS, we as individuals and a community, recognize that justice isn't served until crime victims are afforded justice through the courts and the constitutional rights they are afforded in California are fully realized and this department strives to inform and enforce all rights; and,

WHEREAS, as we continue into the 21st century we are committed to creating a world where the legal and constitutional rights of victims are honored and that public agencies are accountable for their treatment of victims of crime; and

WHEREAS, the Yuba County Probation Department's, Victim and Program Services is now entering its 28th year of service to victims of crime in the Yuba County area and celebrating the 22nd annual candlelight vigil; and

WHEREAS, Yuba County Board of Supervisors commends **Mary Barr** and **Stephanie Johnson** and **Shiloh Sorbello** for their efforts to ensure justice within the District attorney's office for all victims of crime; and, to **Yuba County Sheriff's Department Detective Justin Hodge**, for his ongoing and tireless dedication to Law Enforcement and the protection of crime victims in the County of Yuba, especially children and victims of sexual assault; and to **Yuba County Deputy Probation Officer Richard Horak**, for his effort to ensure justice to all victims during the criminal court process and referring victims to the county Victim Services program; **Yuba County Victim Services Department –Marriage & Family Therapists/Interns: Carolyn Weatherup, James Davis, Kari Peters, Diana Beiler, Adam Reeb & Stephanie Wright** for their dedication and outstanding service to crime victims of Yuba County, providing therapy to children and adults; and to **Sutter Buttes Doll and Study Club** and the **Brownsville Quilt Guild** for their generous donations of dolls and books and beautiful quilt donations to victims of crime, respectively; and to the **Church of Latter Day Saints** for their generous donations of clothing and hygiene supplies to victims and children of sexual assaults;

WHEREAS, Yuba County would like to honor all victims of crime by remembering those lost to senseless acts of violence and remember that every victim is a survivor who deserves the opportunity to be treated with dignity, fairness and respect. This Department strives to ensure that all crime victims are afforded and understand their constitutional rights through Marcy's Law; and

WHEREAS, Yuba County Probation Department Victim and Program Services is joining forces with law enforcement agencies, criminal justice officials, and concerned citizens throughout Yuba County, California and all of the United States of America to observe *National Crime Victims' Rights Week*; and

THEREFORE BE IT RESOLVED, that Yuba County proclaims the week of April 21st through April 27th, 2013, to be ***Yuba County, Crime Victims' Rights Week***, and honors crime victims and those who serve them during this week and throughout the year; and

BE IT FURTHER RESOLVED, that as individuals, communities and a Nation, we value justice in America that includes and involves crime victims, and seek to serve justice by serving victims of crime;

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the
County of Yuba, State of California, on _____ by the following votes:

AYES:

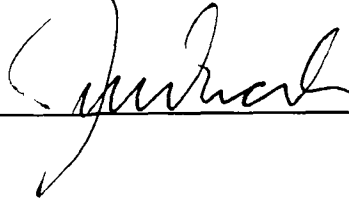
NOES:

ABSENT:

Chairman

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

APPROVED AS TO FORM: COUNTY COUNSEL





Yuba County Sheriff's Department

Steven L. Durfor, Sheriff-Coroner

215 5th Street, Suite 150, Marysville, CA 95901
Ph: 530-749-7777 • Fax: 530-741-6445



April 23, 2013

TO: YUBA COUNTY BOARD OF SUPERVISORS

FR: STEVEN L. DURFOR, SHERIFF-CORONER
JIM ARNOLD, CHIEF PROBATION OFFICER
MARTHA K. WILSON, DIRECTOR OF HUMAN RESOURCES

RE: 1) CERTIFICATION OF CRITICAL NEED FOR JAIL PHYSICIAN POSITION
TO OBTAIN WAIVER OF 180 DAY RE-EMPLOYMENT WAITING PERIOD
PURSUANT TO THE CA PENSION REFORM ACT OF 2013
2) WAIVER OF RE-EMPLOYMENT RESTRICTION OF A PERSON
RECEIVING PAY IN-LIEU OF UNUSED VACATION (RESOLUTION 2005-
113 AS AMENDED BY RESOLUTION 2006-59)

RECOMMENDATION:

- 1) Certify that the jail physician is a critically needed position that cannot be left vacant for any length of time and the nature of the employment being part-time, subject to call 24 hours per day, and requiring a license to practice medicine makes filling the position extremely difficult. Further, that Dr. Joseph Cassady be authorized to serve as the jail physician prior to the expiration of the 180 days waiting period required by the California Public Employees' Pension Reform Act of 2013.
- 2) Waive the re-employment restriction of a person receiving pay in-lieu of unused vacation per resolution 2005-113 as amended by resolution 2006-59 for Dr. Joseph Cassady due to the critical need for jail/juvenile hall physician services.

BACKGROUND:

- 1) The California Public Employees' Pension Reform Act of 2013 prohibits a retired person from being by re-employed by a public employer in the same public retirement system from which the retiree receives the benefit for a period of 180 days following the date of retirement unless he or she meets one of four conditions.

One of those conditions requires that the employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and the appointment has been approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.

- 2) Yuba County Resolution #2005-113 as amended by Resolution #2006-59 states that a person receiving pay in lieu of unused vacation may not be re-employed by Yuba County in any other capacity until a number of working days equal to the number of days they were paid for leave/vacation have elapsed following the effective date of separation.

DISCUSSION:

- 1) Yuba County Health Officer Dr. Joseph Cassady plans to retire from his position on June 8, 2013. There are no plans for Dr. Cassady to return to the Health Officer position; however, he has served as the jail/juvenile hall physician for the past 21 years as an ancillary assignment. It is the desire of the Probation and Sheriff's Departments to contract with Dr. Cassady to continue serving as the jail/juvenile hall physician on a part-time basis not to exceed 960 hours per year. Dr. Cassady's qualifications, experience, his ability to provide a continuum of care for the detainees of the Yuba County Jail/Juvenile Hall and the need to continuing providing access to a physician for jail/juvenile hall detainees are compelling reasons to certify the position as critically needed. The nature of the position requiring a license to practice medicine, being on-call 24 hours a day coupled with the fact that it is part-time and in a correctional setting makes this position difficult to fill.
- 2) Upon his retirement, Dr. Cassady will receive pay in lieu of leave time that he has accrued during his employment with Yuba County. He held a single-person classification without back-up and consequently was often unable to take any meaningful time off. If the resolution prohibiting re-employment while receiving in lieu pay for accrued leave is not waived, the gap in jail/juvenile hall physician coverage may result and expose the county to liability.

FISCAL IMPACT:

No additional impact to the General Fund. The Sheriff's Office and Probation Department currently pay Health and Human Services for a portion of Dr. Cassady's pay and benefits. We do not anticipate the cost of contracting with Dr. Cassady to be significantly different from current costs.

COMMITTEE ACTION:

Due to time constraints, this item was placed directly on the Board of Supervisor's agenda.

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

**A RESOLUTION CERTIFYING THAT THE
JAIL PHYSICIAN IS A CRITICALLY
NEEDED POSITION AND WAIVING THE
RE-EMPLOYMENT RESTRICTION OF A
PERSON RECEIVING PAY IN-LIEU OF
UN-USED VACATION.**

RESOLUTION NO. _____

WHEREAS, Government Code §7522.56 (f) of the California Public Employees' Pension Reform Act of 2013 (PEPRA) prohibits a retired person from being re-employed by a public employer in the same public retirement system from which the retiree receives the benefit for a period of 180 days following the date of retirement unless he or she meets one of four conditions;

WHEREAS, one of the conditions which authorizes a public employer to re-employ a retiree prior to completion of the 180 day waiting period is when the employer certifies in a public meeting, and not on the consent calendar, that the position is a critically needed position and that nature of the employment makes filling the position extremely difficult;

WHEREAS, the Yuba County Jail Physician has submitted his Letter of Resignation and is retiring on June 7, 2013; and in accordance with PEPRA the Jail Physician is a position that is critically needed as it cannot be left vacant for any length of time; and the nature of the employment being part-time, subject to call 24 hours per day, and requiring a license to practice medicine makes filling the position extremely difficult; and

WHEREAS, the Sheriff's Department would like to appoint Dr. Joseph Cassidy, a recent CalPERS retiree, to perform the duties of the County Jail Physician on a contract basis and Dr. Joseph Cassidy will be receiving pay-in-lieu of un-used vacation upon his retirement; and

WHEREAS, the Rules Governing Coverage, Compensation, Benefits and Working Conditions of Employees of the County of Yuba (Resolution 2005-113 Article Nine §9.06 (c)) state that a person receiving pay in lieu of unused vacation may not be re-employed by Yuba County in any other capacity until a number of working days equal to the number of days they were paid for vacation have elapsed following the effective date of separation; and

WHEREAS, a waiver of the re-employment restriction of a person receiving pay in-lieu of unused vacation (Resolution 2005-113 Article Nine §9.06 (c)) is appropriate when the position is certified by the Board of Supervisors as a critically needed position.

NOW THEREFORE, BE IT RESOLVED that the Yuba County Board of Supervisors hereby certifies that the Yuba County Jail Physician is a critically needed position and that the nature of the employment makes filling the position extremely difficult.

BE IT FURTHER RESOLVED that the Yuba County Board of Supervisors authorizes the re-employment of Dr. Joseph Cassady prior to the completion of the 180 day waiting period, and hereby waives the re-employment restriction of a person receiving pay in-lieu of unused vacation (Resolution 2005-113 Article Nine §9.06 (c)).

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the _____, day of _____, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Andrew Vasquez, Chairman
Yuba Board of Supervisors

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

BY: _____

ANGIL P. MORRIS-JONES
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:

BY:



The County of Yuba

151-13

DEPARTMENT OF ADMINISTRATIVE SERVICES

DOUG McCOY - Director

TARA REPKA FLORES - Assistant Director



(530) 749-7880
FAX (530) 749-7884

TO: Board of Supervisors
FROM: Doug McCoy, Administrative Services Director
SUBJECT: Approve Master Agreement with Presidio/INX, Inc.
DATE: April 23, 2013

Recommendation

Approve a Master Agreement with Presidio/INX, Inc., and authorize chair to execute same.

Background

IT Infrastructure

The networking equipment at HHS needs to be replaced and upgraded in order to support current initiatives at Health and Human Services. There are many projects and ongoing operations which are supported by this project. This equipment was included in a larger analysis of countywide IT equipment, and more details will be coming forward on the rest of the County project at a later date. The HHS portion of the project is being brought forward now due to business need, and availability of funding.

Discussion

We have worked on network design concepts with multiple different vendors, and have selected the design which best fits the needs of the organization.

We would like the Board to authorize the Chair to execute the Master Agreement. A resolution delegating authority to accept the quote for the HHS specific project and complete other necessary paperwork was previously brought to your Board by HHS.

There is a larger related County project to replace IT infrastructure work that will also be done under this master agreement. Quotes, financing and detailed information on projects outside of the HHS project will be presented to your board at a later date.

Committee Action This presentation has been prepared for the full board, and has not been presented to committee, due to time constraints involved in completing this project this year. There is a 4-6 week lead time to get this amount of equipment ordered and delivered in support of HHS.

Fiscal Impact

Health and Human Services has funding to pay for this contract in the 2012-2013 fiscal year.

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PRESIDIOTM

MASTER SERVICES & PRODUCT AGREEMENT

THIS MASTER SERVICES & PRODUCT AGREEMENT (the "Agreement"), is entered into this 23rd day of April, 2013, by and between INX LLC., a Delaware limited liability company, and a wholly owned subsidiary of Presidio Networked Solutions, Inc., with offices located at 1955 Lakeway Drive, Suite 220, Lewisville, Texas 75057 ("INX or PRESIDIO") and County of Yuba, a political subdivision of the State of California, located at 915 8th Street, Marysville, CA 95901 ("CLIENT"). CLIENT and PRESIDIO shall collectively be referred to as the "Parties" and individually, as a "Party."

WHEREAS, CLIENT requires certain knowledge, services and/or consultation regarding telecommunications and/or networking infrastructure ("Services") and product, software, hardware and/or peripherals (the "Products"); and

WHEREAS, PRESIDIO is in the business of and is willing to provide such Services;

NOW THEREFORE, for the consideration hereinafter described herein, the receipt and sufficiency of which is hereby acknowledged, CLIENT and PRESIDIO agree as follows:

ARTICLE 1: DUTIES AND RESPONSIBILITIES OF PRESIDIO

PRESIDIO shall undertake to provide those services specified on the attached Proposal or in any future Proposal ("Proposal") which is agreed to in writing by PRESIDIO and CLIENT.

PRESIDIO agrees that the person identified in any Proposal made a part of this contract will be the contact person for information, billing, and other administrative purposes.

PRESIDIO agrees that PRESIDIO will use commercially reasonable efforts to perform its duties described in any Proposal or Project Change Request (described herein) thereto.

ARTICLE 2: COMPENSATION/FEES

A. The compensation to be paid to PRESIDIO by CLIENT for its Services will be as set forth in the applicable Proposal. Should additional work beyond the scope of the Services detailed herein by PRESIDIO be requested by CLIENT, fees for such additional Services will be negotiated with CLIENT prior to performing such work and will be memorialized in writing between the Parties by utilizing a Project Change Request form ("PCR") or an additional Proposal, as appropriate.

B. CLIENT shall make payment to PRESIDIO within thirty (30) days from date of invoice from PRESIDIO and/or (30) days following the completion of any Services described in any Proposal and/or PCR or otherwise and/or the termination of the contract, whichever is earlier. Invoices shall be mailed to:

County of Yuba Administrative Services, Attn: Accounts Payable, 915 8th Street, Suite 119, Marysville, CA 95901.

C. PRESIDIO shall use reasonable efforts to maintain records which serve as the basis for any fees charged, expenses, if applicable, or other charges to CLIENT for a period of two years following date of performance.

D. CLIENT shall pay PRESIDIO for Products within thirty (30) days of shipment of Products to CLIENT. Pricing for Products purchased hereunder are listed on **Attachment A** and/or on an applicable PRESIDIO Quote or Proposal, attached hereto and incorporated herein. Products are deemed automatically accepted on date of delivery.

E. Outstanding balances are subject to an interest charge of 1 1/2 % per month, or the maximum rate allowable by law, until CLIENT shall have satisfied in full all of its obligations to PRESIDIO.

ARTICLE 3: DELIVERY AND ACCEPTANCE

A. Submission of an invoice by PRESIDIO is confirmation by PRESIDIO that PRESIDIO has performed the Services ordered or shipped the Products ordered pursuant to the applicable Quote, Proposal and/or Purchase Order.

B. Products are deemed automatically accepted on date of delivery.

C. The Services performed by PRESIDIO shall be deemed accepted as performed unless otherwise established in an applicable, mutually agreed upon Proposal.

ARTICLE 4: TERM OF AGREEMENT; TERMINATION

This Agreement shall commence upon the execution of this contract and shall remain in effect until either Party provides the other Party with written notice of termination. Either Party may terminate this contract, with or without cause, by giving the other Party thirty (30) days prior written notice of same. In the event that CLIENT fails to pay PRESIDIO for its Services on a timely basis, PRESIDIO may immediately terminate this contract. If CLIENT terminates this Agreement and/or any associated fixed price Proposal(s), CLIENT agrees to pay PRESIDIO an hourly billing rate ("Effective Billing Rate") outlined in an individual Proposal for services performed by PRESIDIO up to the date of termination.

ARTICLE 5: INSURANCE REQUIREMENTS

A. PRESIDIO shall maintain at its expense Commercial General Liability and Automobile Liability policies with minimum limits of \$1,000,000.00 for Bodily Injury and \$1,000,000.00 for Property Damage per occurrence (to include contractual liability on a blanket basis for liability assumed hereunder), \$1,000,000 aggregate and excess liability insurance.

B. PRESIDIO shall use reasonable efforts to provide certificate of insurance evidencing the above to CLIENT upon thirty (30) days written notice.

C. **Waiver of Subrogation.** CONSULTANT hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against COUNTY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any

endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not COUNTY has received a waiver of subrogation endorsement from the insurer.

ARTICLE 6: INDEPENDENT CONTRACTOR STATUS

It is expressly agreed that PRESIDIO, its employees, agents and/or subcontractors are independent contractors of CLIENT and nothing in this Agreement shall create any sort of partnership or joint venture relationship between PRESIDIO and CLIENT. Each Party shall be solely responsible for the payment of all applicable taxes, compensation and/or benefits owed to their respective employees, agents and/or subcontractors. Further, neither Party has the authority to bind or act on behalf of the other Party hereto or to otherwise obligate such Party to any third party that is not a signatory to this Agreement.

ARTICLE 7: ASSIGNMENT OF CONTRACT

The Parties understand and agree that its duties and responsibilities under this Agreement shall not be assigned, transferred, or shared by either Party with any other person, corporation, or entity without the prior notification and written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, CLIENT agrees that PRESIDIO may assign this Agreement without such consent in connection with a merger, acquisition, consolidation, corporate reorganization, sale of a substantial block of its stock, or the sale of all or substantially all of its assets. The Parties acknowledge and agree that PRESIDIO may use subcontractors to perform all or a portion of its services/duties hereunder.

ARTICLE 8: COMPLIANCE WITH ALL LAWS

All Parties hereto agree that each will comply with all laws, ordinances, rules, regulations and orders of any state or federal jurisdiction and/or any private or public authority bearing on the performance by the PRESIDIO and/or CLIENT of the terms of this Agreement.

ARTICLE 9: OWNERSHIP OF REPORTS

Any deliverables generated pursuant to this Agreement ("Deliverables") are deemed works made for hire as defined by U.S. Code Title 17, 101. Delivery of the same to CLIENT shall constitute a transfer to CLIENT by PRESIDIO of all rights therein, including all copyrights. Neither PRESIDIO nor its employees shall have any ownership rights in the materials produced hereunder at any time. Any inventions or ideas in whole or in part conceived or made by PRESIDIO or its employees during or after the term of this Agreement which are made through the use of any of the Confidential Information or any of CLIENT'S equipment, facilities, trade secrets, computer information systems, or which result from any work performed for CLIENT shall belong exclusively to CLIENT. Nothing in the foregoing Section 9 shall in any way divest or limit PRESIDIO from its intellectual property, including but not limited to patents, trademarks, patents in progress, or trademarks in progress.

ARTICLE 10: PROPRIETARY AND CONFIDENTIAL INFORMATION

PROPRIETARY INFORMATION AND TRADE SECRETS NOTICE: The attached Proposal contains valuable trade secrets and confidential and proprietary information of PRESIDIO, including but not limited to many of PRESIDIO's methodologies and protocols for accomplishing the project. The

methodologies and other information contained within this Proposal, have been developed by PRESIDIO over long periods of time at considerable expense, and are confidential and proprietary to PRESIDIO.

Confidential Information means any information disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party"), either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Confidential Information shall also include any information which in good faith and good conscience should be treated as confidential information including, without limitation, information relating to software developed by PRESIDIO and submission and proposal procedures of PRESIDIO, and may include information disclosed to the Disclosing Party by third parties. Confidential Information shall not, however, include any information which (i) is already publicly known and generally available in the public domain at the time of disclosure by the Disclosing Party; (ii) becomes publicly known and generally available after disclosure by the Disclosing Party to the Receiving Party through no act or omission of the Receiving Party; (iii) is already in the possession of the Receiving Party at the time of disclosure by the Disclosing Party, as evidenced by the Receiving Party's contemporaneous written records; (iv) is obtained by the Receiving Party from a third party without a breach of such third party's obligations of confidentiality; or (v) is independently developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information. In addition, the Receiving Party shall not be in breach of this Agreement if it discloses Confidential Information that is, on the advice of the Receiving Party's counsel, required to be disclosed pursuant to a binding legal requirement of a governmental agency or law; provided, the Receiving Party first provides the Disclosing Party with prompt written notice of such requirement prior to any such disclosure in order to provide the Disclosing Party or its clients an opportunity to seek an appropriate protective order. If, in the absence of a protective order or other relief, the Receiving Party is nonetheless compelled to disclose Confidential Information by a court or governmental body having the apparent authority to order such disclosure, then the Receiving Party may disclose the Confidential Information without liability hereunder.

The Receiving Party shall not use any Confidential Information of the Disclosing Party for any purpose except to evaluate and engage in discussions concerning this Agreement or a Proposal. The Receiving Party shall not disclose the other party's Confidential Information to its employees, agents or contractors except to those employees, agents or contractors who are required to have access to the information in order to evaluate or engage in discussions concerning this Agreement or an Proposal, who have been informed of the confidential nature of such Confidential Information and who are bound by obligations of confidentiality to the Receiving Party with respect to such Confidential Information, which obligations are no less restrictive than those of this Agreement.

The Receiving Party shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information of the Disclosing Party. Without limiting the foregoing, the Receiving Party shall protect the Confidential Information of the Disclosing Party with at least the same degree of care as it normally exercises to protect its own confidential information of a similar nature, but with no less than a reasonable degree of care. The Receiving Party shall not make any copies of the Confidential Information of the Disclosing Party without the prior written approval of the Disclosing Party. The Receiving Party shall reproduce the Disclosing Party's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original.

All documents and other tangible objects containing or representing Confidential Information which have been disclosed by the Disclosing Party and all copies thereof which are in the possession of the Receiving Party shall be and remain the property of the Disclosing Party and shall be promptly returned to the Disclosing Party upon the Disclosing Party's written request.

EXCEPT TO THE EXTENT BOTH PARTIES AGREE TO PUBLICIZE THE TRANSACTION, UNDER NO CIRCUMSTANCES IS ANY PART OF THIS DOCUMENT TO BE DISCLOSED TO

ANY THIRD PARTY, OR USED FOR ANY PURPOSE OTHER THAN THE EXECUTION OF THIS PROJECT BY PRESIDIO AND CLIENT, WITHOUT THE PRIOR WRITTEN CONSENT OF PRESIDIO.

U.S. GOVERNMENT RESTRICTED RIGHTS. For U.S. Government customers, this Proposal and all products and services provided hereunder are provided with RESTRICTED RIGHTS. Use, reproduction or disclosure is subject to restrictions set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software Restricted Rights clause at DFARS 252.227-7013 or the Commercial Computer Software Restricted Rights clause at FAR 52.227-19 subdivision (c)(1) and (2), as applicable. Contractor/manufacturer is PRESIDIO LLC., 1955 Lakeway Drive, Suite 220, Lewisville, Texas 75057.

ARTICLE 11: WARRANTY AND INDEMNITY

EACH OF THE SIGNATORIES HERETO WARRANTS AND REPRESENTS THAT IT HAS THE RIGHT AND AUTHORITY TO ENTER INTO THIS AGREEMENT AND TO PERFORM THE SERVICES AND/OR OTHERWISE PERFORM HEREUNDER AND EACH FURTHER WARRANTS AND REPRESENTS THAT IT HAS THE KNOWLEDGE AND/OR ABILITY TO PERFORM HEREUNDER.

PRESIDIO WARRANTS ALL SERVICES WILL BE PROVIDED IN A PROFESSIONAL AND WORKMANLIKE MANNER CONSISTENT WITH INDUSTRY STANDARDS.

DISCLAIMER OF WARRANTIES. ALL PRODUCTS PROVIDED BY PRESIDIO ARE PROVIDED "AS IS", WITH ALL FAULTS. PRESIDIO DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSES, OR NON-INFRINGEMENT. ANY AND ALL ORIGINAL EQUIPMENT MANUFACTURER WARRANTIES, CERTIFICATIONS AND GUARANTEES ARE PASSED THROUGH TO CLIENT. PRESIDIO SERVES AS A SINGLE POINT OF CONTACT BETWEEN THIRD PARTY OEMS AND CLIENTS TO ENFORCE SUCH PASSED THROUGH WARRANTIES, IF ANY.

EACH PARTY ("INDEMNIFYING PARTY") SHALL DEFEND AND INDEMNIFY THE OTHER PARTY ("INDEMNIFIED PARTY") AGAINST ANY LIABILITY, DAMAGE, OR EXPENSE WHICH THE INDEMNIFIED PARTY MAY SUSTAIN, INCUR, OR BE REQUIRED TO PAY, ARISING OUT OF OR IN CONNECTION WITH CLAIMS FOR PERSONAL BODILY INJURY OR WRONGFUL DEATH OR DAMAGE TO REAL OR TANGIBLE PERSONAL PROPERTY RESULTING FROM ANY NEGLIGENT ACT, OMISSION OR BREACH OF THIS AGREEMENT BY THE INDEMNIFYING PARTY ACTING WITHIN THE SCOPE OF HIS/HER EMPLOYMENT IN THE PERFORMANCE OF SERVICES, COVENANTS OR CONDITIONS CONTAINED IN THIS AGREEMENT.

ARTICLE 12: LIMITATION OF LIABILITY

Presidio's entire liability and client's exclusive remedy for damages from any cause whatsoever, including, but not limited to, nonperformance or misrepresentation, and regardless of the form of actions, shall be limited to the policy limits of the insurance coverage required pursuant to this agreement.

ARTICLE 13: PURCHASE OF PRODUCT

Any Products purchased hereunder will be subject to the terms and conditions of the CLIENT Return Material Authorization Policy, attached hereto and incorporated herein as **Attachment B**. Unless otherwise agreed to in writing between the Parties, this Agreement shall apply to and control all purchase orders that CLIENT may submit to PRESIDIO for Products during the term of this Agreement, including those purchase orders with preprinted terms and conditions on the back. A warehousing fee may be charged to CLIENT in certain instances. In occurrences where shipment of Products is received into PRESIDIO warehouse and cannot be configured and/or delivered immediately due to project constraints by CLIENT, PRESIDIO will charge CLIENT a monthly warehousing fee calculated at a rate of \$75 per square foot after Products have been received into PRESIDIO warehouse for more than fifteen (15) days. A minimum, one-time \$300 charge will be assessed for each warehousing instance. PRESIDIO reserves the right to bill CLIENT upon shipment of Product from vendor, whether to PRESIDIO warehouse for staging or to CLIENT and/or CLIENT'S designated site.

All Products delivered to CLIENT hereunder shall be shipped FOB origin, freight collect. Title and risk of loss shall pass to CLIENT at point of origin.

ARTICLE 14: CONDUCT ON CLIENT PREMISES

PRESIDIO shall use commercially reasonable efforts to comply with CLIENT's policies regarding conduct on its premises including, but not limited to: (1) no smoking; (2) drug-testing for cause; (3) specified dress code; (4) all safety and security policies including a prohibition against weapons. CLIENT may require PRESIDIO to immediately remove any of its employees that do not, in CLIENT's sole judgment, comply with these policies or who are otherwise objectionable to CLIENT.

ARTICLE 15: PUBLICITY

Upon execution of this Agreement and/or a Proposal (collectively "Transaction" for the purposes of this Article 15 only), PRESIDIO may submit a proposed press release announcing the Transaction to the CLIENT for review and approval. In such event, CLIENT agrees to respond to PRESIDIO in writing within ten (10) business days, and either grant approval to PRESIDIO or propose changes to PRESIDIO's proposed press release. In the event CLIENT does not respond to PRESIDIO regarding the proposed press release within such timeframe, and in order to reasonably promote PRESIDIO, the Services and/or Products in the ordinary course of its business, PRESIDIO will be permitted to issue the press release announcing the Transaction, place such press release on its web site, and use CLIENT's name and logo in other customer presentations referencing the Transaction. Once the press release has been mutually approved in writing or is otherwise allowed to be issued per above, either Party may issue or post such press release, or use the other Party's name in reference to the Transaction for the limited purpose described above.

Notwithstanding the foregoing, both Parties agree to submit to the other Party all other general advertising, promotion and publicity relating to the Transaction wherein the other Party's name is mentioned, and each Party further agrees not to publish or use such additional advertising, promotion or

publicity, without the prior written consent of the other Party. Any rights granted to either Party pursuant to this section will automatically end upon the termination of this Agreement.

ARTICLE 16: RIGHT TO AUDIT

A. PRESIDIO shall maintain accurate records of all amounts billable to and payments made by CLIENT hereunder in accordance with recognized accounting practices for a period of two (2) years from date of performance of Services in a format that will permit CLIENT to audit said records.

B. Upon reasonable written notice to PRESIDIO, but no less than thirty (30) days prior written notice, CLIENT shall have the right to audit records relevant to the performance of Services hereunder of PRESIDIO. PRESIDIO may assist in the audit process. PRESIDIO agrees that such records will be available for audit by CLIENT or its agents during normal business hours.

ARTICLE 17: SEVERABILITY

The provisions of this Agreement are severable. If any one or more of the provisions of this Agreement or its application to any person or circumstance are held to be invalid, illegal, or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality, or unenforceability, shall not affect any other provision or obligation contained herein and the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected.

ARTICLE 18: AGREEMENT NOT TO SOLICIT EMPLOYEES AND/OR OTHERS

During the term of the Agreement between the undersigned Parties, and for a period of 12 months thereafter, both Parties agree not to solicit for a permanent or other position any employee or subcontractor of the other party to whom that party was introduced or who worked on a project involving the Parties pursuant to this Agreement.

The Parties acknowledge that in the event that either Party breaches the agreement not to solicit above, that the other Party would be irreparably damaged and such Party consents to injunctive relief being entered against it in favor of the non-breaching Party without the necessity of posting a bond in any court of competent jurisdiction which includes, but is not limited to, Dallas County, Texas.

ARTICLE 19: NON- INTERFERENCE/CIRCUMVENTION AGREEMENT

During the term of this Agreement and for a period of 12 months thereafter, PRESIDIO agrees not to circumvent and/or interfere with existing contractual relationships CLIENT has with any of its' customers or clients by directly soliciting business from any customer or client without the consent of CLIENT. This covenant shall not apply where PRESIDIO has previously and/or is currently doing business with such customer/client described herein, or in the event such customer/client has distributed a request for proposal.

ARTICLE 20: DATA RECONSTRUCTION

CLIENT is responsible for maintaining their own procedures for the reconstruction of lost or altered files, backup or saving of data or programs to the extent deemed necessary by CLIENT and for actually reconstructing any lost or altered files, data or programs. PRESIDIO assumes no responsibility for the protection of CLIENT's data. PRESIDIO is not liable for damage to software or data caused by

service to the computer hardware equipment. CLIENT agrees that it shall have the sole responsibility for safeguarding the software and data during service work performed by PRESIDIO. PRESIDIO is not liable for software damage due to any outside factor, i.e. software virus.

ARTICLE 21: FORCE MAJEURE:

PRESIDIO shall not be liable for delays or failure to perform or deemed to be in default with respect to this agreement due to (i) causes beyond its reasonable control, (ii) acts of God, terrorism, epidemics, war, riots, delays in transportation or car shortages, or (iii) inability for causes beyond its control to obtain necessary labor, materials, or manufacturing facilities, or delays caused by CLIENT due to similar causes. In the event of any such delay, the date of performance shall be extended for a period equal to the time lost by reason of the delay.

ARTICLE 22: MAINTENANCE SERVICES

CLIENT will indicate on the applicable Proposal whether or not it agrees to purchase maintenance and support services for the Products from PRESIDIO, and such services will be provided by the applicable original equipment manufacturer (OEM) to CLIENT. CLIENT will also indicate on the applicable Proposal whether or not it agrees to, if applicable, the automatic renewal of such services. If CLIENT declines to purchase such services, CLIENT acknowledges and agrees that it will only receive the applicable OEM warranty, and that it will only be able to receive hardware or software technical support, software upgrades, or replacement hardware from the OEM at the then-current OEM rates and minimum time periods.

ARTICLE 23: EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

PRESIDIO is an Equal Opportunity/Affirmative Action Employer committed to providing equal employment opportunity without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status or any other protected status with respect to recruitment, hiring, upgrades, training, promotion, and other terms and conditions of employment. PRESIDIO shall abide by the Americans with Disabilities Act, and any other Federal, State, or local regulations regarding the rights of individuals or groups in the performance of this Agreement.

ARTICLE 24: EXPORT LAW COMPLIANCE

CLIENT has been advised that Products and Confidential Information are subject to the U.S. Export Administration Regulations. CLIENT agrees to comply with all applicable United States export control laws, and regulations, as from time to time amended, including without limitation, the laws and regulations administered by the United States Department of Commerce and the United States Department of State. CLIENT shall not export outside the United States directly or indirectly, if a United States company or citizen, or re-export, if a foreign company or citizen, any Products or Confidential Information or direct product thereof, and will not cause, approve or otherwise facilitate others such as agents or any third parties in doing so, except as permitted by the laws and regulations of the United States and by PRESIDIO in writing.

ARTICLE 25: MISCELLANEOUS PROVISIONS

A. This Agreement: (1) supersedes all prior agreements between the Parties with respect to the same subject matter, and fully sets forth the understanding of the Parties with respect to the subject hereof; (2) shall not be modified except by written agreement of the Parties; (3) shall be interpreted in

accordance with the laws of the State of California, the United States of America; (4) shall be terminable by either Party forthwith in the event the other shall seek the protection or be placed under the jurisdiction of any bankruptcy court, shall be or become insolvent or shall make an assignment for the benefit of creditors; and (5) shall control the resolution of a conflict between the terms and conditions of this Agreement and any Proposal.

B. The failure of either Party at any time to require the performance by the other of any of the terms or provisions hereof shall in no way affect the right of that Party to enforce the same; nor shall the waiver by either Party of any breach of any of the terms or provisions hereof be taken as a waiver of the term or provision itself.

C. Any dispute, directly or indirectly, relating to this agreement shall be brought in a court of competent jurisdiction in California and the Parties hereto consent to such jurisdiction and venue as the exclusive venue for all such disputes.

D. No purported waiver by any Party of any default by any other Party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving Party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein.

E. The Yuba County Standard Terms and Conditions ("Standard Terms") that the Parties agreed to are incorporated here by reference and if any Standard Term conflicts with the terms of this Agreement, these terms will supercede and govern over the Standard Terms.

This Agreement is executed the day and year first above written.

COUNTY OF YUBA

INX LLC.

Authorized Signature

Printed or Typed Name
Chair

Title

Date

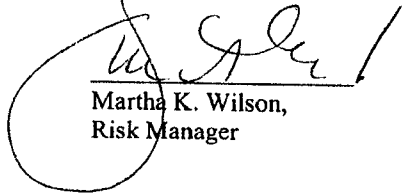
Authorized Signature
Paul Klotz

Printed or Typed Name
Sr. Vice-President, Operations

Title

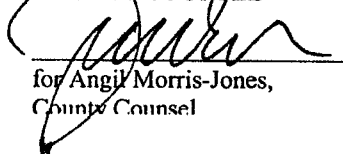
Date

INSURANCE PROVISIONS APPROVED



Martha K. Wilson,
Risk Manager

APPROVED AS TO FORM
COUNTY COUNSEL



for Angil Morris-Jones,
County Counsel

Insurance Requirements for Professional Services

CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CONSULTANT, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.

3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

(Not required if CONSULTANT provides written verification it has no employees)

4. **Professional Liability** (Errors and Omissions) Insurance as appropriate to CONSULTANT's profession, with limits no less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate.

If the CONSULTANT maintains higher limits than the minimums shown above, COUNTY requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

COUNTY, its officers, officials, employees, and volunteers are to be covered as additional insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of CONSULTANT; and on the CGL

policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, **CONSULTANT's insurance coverage shall be primary** insurance as respects COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by COUNTY, its officers, officials, employees, or volunteers shall be excess of CONSULTANT's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the COUNTY.**

Waiver of Subrogation

CONSULTANT hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against COUNTY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not COUNTY has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by COUNTY. COUNTY may require CONSULTANT to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the COUNTY.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date,**

CONSULTANT must purchase "extended reporting" coverage for a minimum of **five (5)** years after completion of contract work.

Verification of Coverage

CONSULTANT shall furnish COUNTY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT's obligation to provide them. COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

CONSULTANT shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Special Risks or Circumstances

COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

**ATTACHMENT A
PROPOSAL AND PRICING**

PRESIDIO

PACKARD - ROUTING AND SWITCHING

County of Yuba

PRESIDIO

PACKARD - ROUTING AND SWITCHING

County of Yuba

Proposal Team

Name	Company/Function	Phone	E-mail
Tara Flores	Assistant Director	530-749-7880	Tflores@co.yuba.ca.us
Joseph Oates	Supervisor Network & Comm	530-749-5626	joates@co.yuba.ca.us
Brad Bacon	Presidio/Account Manager	916-979-6959	bbacon@presidio.com
Greg Schumacher	Presidio/Consulting Engineer	916-979-6935	gschumacher@presidio.com

Revision History

Revision	Revision Date	Name	Notes
0.1	2/21/2013	Greg Schumacher	Technical Information
1.0	3/7/2013	Brad Bacon	Presented proposal to client
2.0	4/4/2013	Brad Bacon	Revised for Execution phase only

Notices:

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Other product and company names mentioned herein may be the trademarks of their respective owners.

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1. Executive Overview

1.1. Introduction

INX LLC, a wholly owned subsidiary of Presidio Networked Solutions, Inc. ("INX LLC" or "Presidio") is pleased to propose the following solution to Yuba County. This Proposal summarizes the results of the Envisioning and Proposal Phases and details the efforts and conclusions of the Vision and Proposal Teams. This document provides a roadmap for the proposed solution and a foundation for the Planning Phase.

1.2. Situation

Yuba County continues to grow and implement new technologies. A key element of Yuba County's strategy is to evolve from the current end-of-supported LAN equipment located at the Packard Building to an infrastructure derived of the latest supported LAN equipment that will achieve the following objectives:

- Support the continued growth of the data and voice network.
- Support future 10 gig on the metro WAN network.
- Reduce system downtime by improving the level of service, reliability, availability, and resilience within the network.

1.3. Client Considerations

Because of limited resources Yuba County is asking that Presidio provide pricing for an end-to-end solution. The design will meet the current needs of Yuba County while providing growth for users and future technologies. The County is looking to emplant this solution during the 2013-2014 fiscal year.

1.4. Solution Overview

In December 2012 a network assessment was performed on the Yuba County LAN network. In analyzing the assessment Presidio recommended that the County replace out of support switches with newer and faster switches. In addition is has been recommended that the County upgrade the metro WAN links between The Packard Building, Courthouse and Government Center to 10gig.

The design proposed will focus on the Packard building. The solution will utilize Cisco Catalyst 6500 and Catalyst 4500 series switches at the core and access layer. Three Cisco Catalyste 3560 series switches will be installed to support DCSS. A single 6500 series switch with dual power supplies and supervisor modules will be located in the MDF and be configured as the core and aggregation point. The County has a prerequisite that the data and voice applications reside on separate ports. This in turn increased the ports necessary to support the data and voice applications. To help compensate for the increased port density that could not be supported by a single chassis switch, additional Cisco Catalyst 4500 series switches will be installed. The 4500 series switches will be configured for layer 2 connectivity with support for both the data and voice applications. All of the IDF's will have multiple 4500 series switches supporting both the data and voice applications.

The 3560 series switches for DCSS will be configured as layer 2 devices and a separate VLAN. These switches will up link to the core 6500 switch.

1.5. Project and Deployment Strategy

The plan is for the Cutover Phase to occur over one or two weekends. Each of the switches will be staged and configured with the appropriate configuration during the Execution Phase during normal business hours. It is likely that the old equipment will need to be removed before the new equipment can be rack mounted.

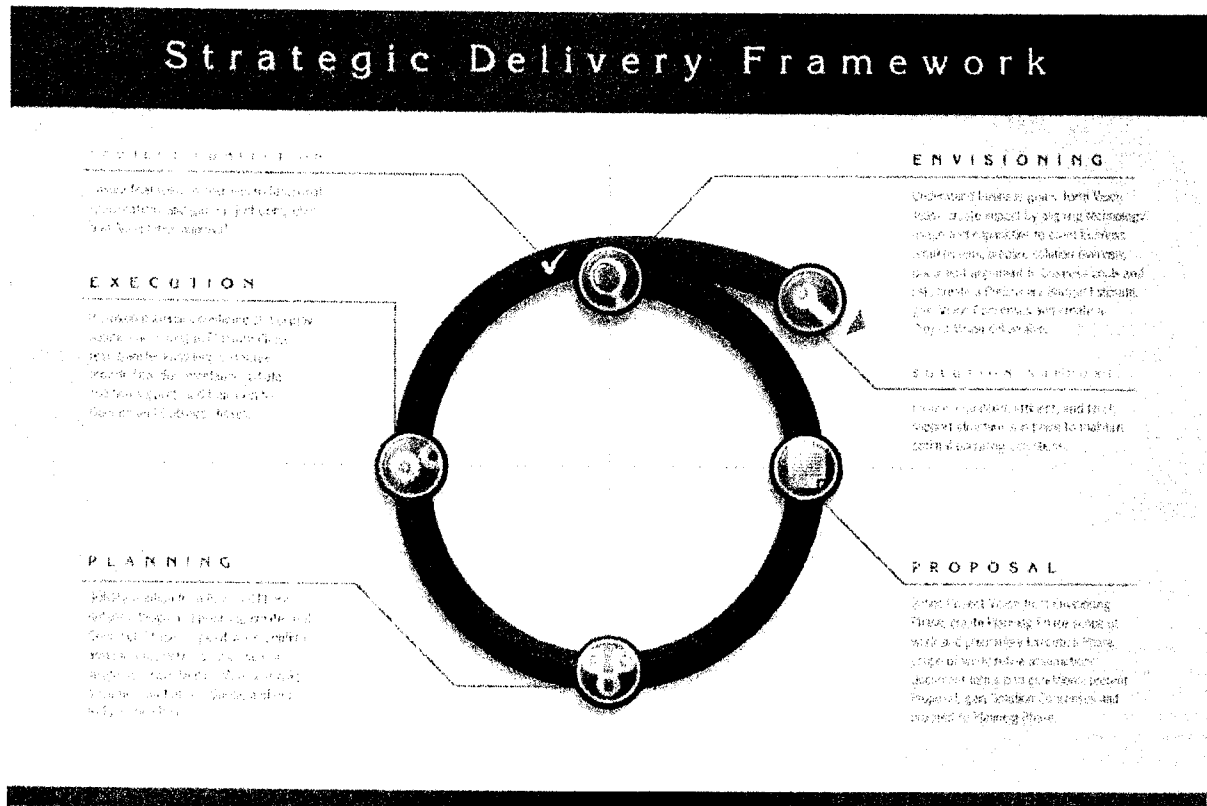
1.6. Impact

This project is recommended as a means of achieving critical company goals and objectives at Yuba County. The investment in the proposed solution will provide the County with the latest switching equipment and remove the existing equipment that is no longer supported by the manufacture. The solution being proposed allows for growth in data center and collaboration.

2. Strategic Delivery Framework

Presidio's Strategic Delivery Framework (SDF) is used in collaboration with Presidio clients to ensure better business results with minimal risk. To accomplish this, initiatives are broken down into activities, tasks and deliverables in a series of phases that start with aligning needs of the business to the capabilities of technology solutions and evaluating for positive impact into the organization (Envisioning). Once vision consensus is achieved the solution is refined and proposed (Proposal). Capabilities of solutions are then further mapped into the technical and user environments and a detailed design and project plan is developed (Planning). With a clear understanding of business impact, risks and rewards, and with a comprehensive design and plan in place the solution is implemented into the client environment (Execution). Once the solution is in place it is important to ensure a qualified, efficient, and timely support structure is in place to maintain optimal operating conditions (Operate) and that the solution continues to add value over time (Optimize). These phases combine to form the SDF. By partnering with Yuba County and focusing on envisioning and planning, Presidio is able to confidently execute a Yuba County focused business technology solution and significantly reduce financial/organizational risk.

The following is a high level diagram of Presidio's Strategic Delivery Framework:



2.1. Teaming

To create the best possible business outcome with the lowest exposure to risk, SDF fosters a teaming approach during each phase of the project lifecycle. Teaming means that both Yuba County and Presidio will have joint tasks and responsibilities. Teaming also may incorporate vendor or another third party representation when appropriate.

Each team is comprised of subject matter experts that come together in a synergistic fashion to the benefit of Yuba County. Presidio typically leads the team as a subject matter expert in technology, where Yuba County is obviously the expert in matters that pertain to their own business and industry, as well as the way that technology is used to the benefit of the business.

2.2. Envisioning Phase

The goal of the Envisioning Phase is to align technology usage to business needs. The Vision Team, comprised of both Presidio and Yuba County experts, is created to facilitate this process.

Understanding business needs extends far beyond the function of a proposed technology into an awareness of the environment, type of industry, strategic objectives and tactical challenges of the organization. Determination of a possible solution's value to the organization is made quickly. If a potential technology application does not add positive impact, valuable time and resources are not wasted pursuing it. Envisioning is critical to the success and impact of a project. The Project Vision is the main Vision Team deliverable, and is used to document the work done in the Envisioning Phase. Once Vision Consensus is achieved the next step is to move forward to the Proposal Phase.

2.3. Proposal Phase

The goal of the Proposal Phase is to refine and formalize the Project Vision in a proposal. The Proposal Team, comprised of both Presidio and Yuba County experts, is created to facilitate this process. The Proposal incorporates the work done during the Envisioning Phase and includes a quote for the Planning Phase, key assumptions, and project terms and conditions. A budget estimate for the Execution Phase and a preliminary bill of materials may also be included. While the Execution Phase is a budget estimate, Presidio provides assurance that any remaining conjecture will be eliminated during the Planning Phase.

2.4. Planning Phase

The goal of the Planning Phase is to assess and mitigate risk by documenting the project plan and creating a detailed design that considers all known issues that pertain to the technology solution, the client's business and the end users. The Planning Phase work incorporates both industry and vendor best practices as well as previous Presidio real world execution experience. The Planning Team, comprised of both Presidio and Yuba County experts, is created to facilitate this process. This work is centered on the discovery of the existing environment and integrating the solution into the organization. The Planning team creates the following Planning Phase documents and deliverables: System Engineering Report, Project Scope and Schedule, final Bill of Materials, and final Services Agreement to execute the solution. The work done in the Planning Phase significantly lowers risk by addressing all open issues and finalizing the fixed scope and budget before executing on the final decision.

2.5. Execution Phase

The goal of the Execution Phase is to perform the scope of work developed and finalized in the Planning Phase. This is the phase where the actual deployment of the solution takes place. The Execution Team is comprised of both Presidio and Yuba County.

2.6. Operate Phase

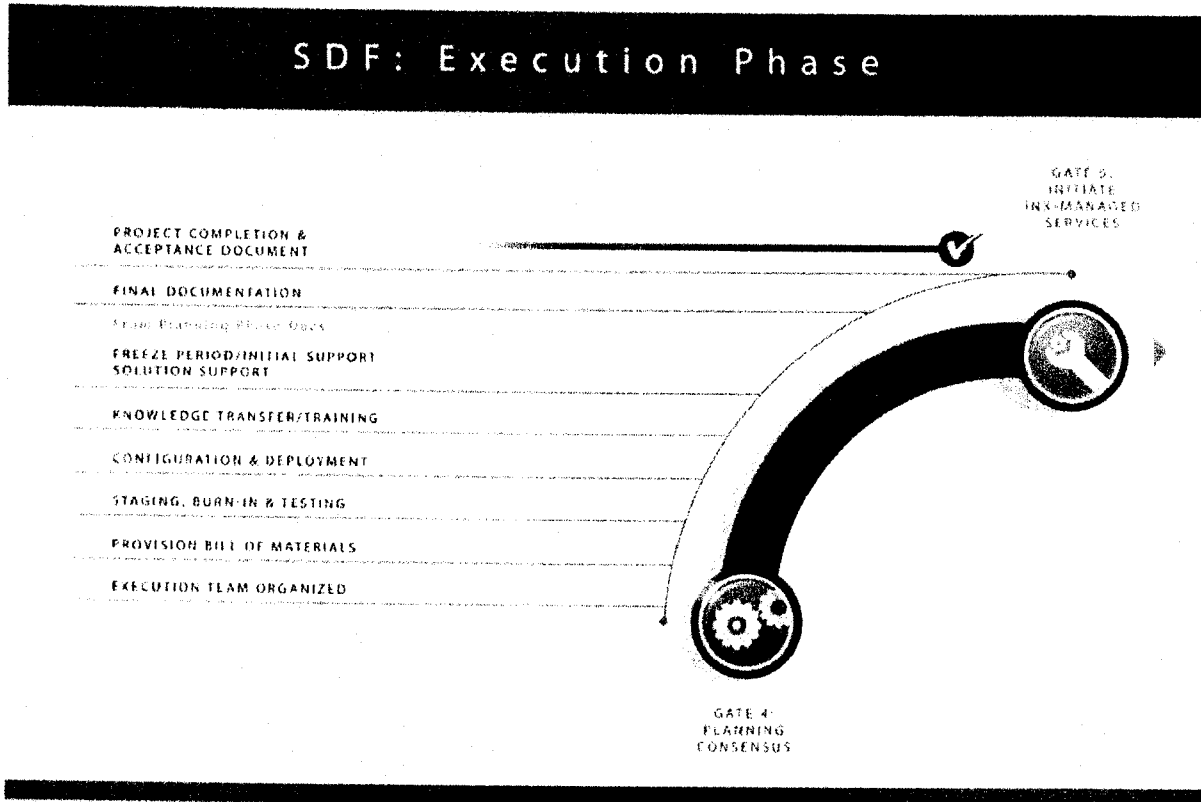
The goal of the Operate Phase is to ensure a qualified, efficient, and timely support structure is in place to maintain optimal operating conditions.

2.7. Optimize Phase

The goal of the Optimize Phase is to assure that the solution continues to add value to Yuba County over time.

3. Execution Phase

The following is a detailed diagram of the Execution Phase of Presidio's Strategic Delivery Framework:



3.1. Introduction

The Execution Phase of this project consists of performing the detailed scope of work which will be developed and finalized in the Planning Phase. The Execution Team is comprised of both Presidio and Yuba County experts, and is created to facilitate this process. During the Execution Phase, risk is continually mitigated by strong project management, technical leadership, detailed documentation, training, knowledge transfer tasks and a defined "freeze period" that fine tunes the solution and assures that the solution operates to functional specifications before project completion and handoff to the Day 2 support team(s). This is all done to ensure client satisfaction and unity with business goals and objectives.

Presidio approaches project execution from a skills-based perspective. Our Execution Team is made up of individuals who have specific skill sets that will be utilized at different times during a given project. This allows us to provide a very specialized workforce to Yuba County and utilize the appropriate resource for the task required.

3.2. Execution Phase Preliminary Scope of Work

The following Execution Phase tasks will be performed during this phase:

3.2.1. Switching

- Install and configure switches
- Verify/Upgrade Native IOS
- Configure advanced switching features/security mechanisms
- Configure High Availability features
- Configure QoS
- Configure IP Services

3.2.2. Routing

- Configure Layer 3 on the core switches
- Configure network addressing according to the plan created during the Planning Phase
- Configure High Availability features
- Configure QoS
- Configure IP Services

3.2.3. Best Practices

- Document proposed configuration vs. Cisco best practices documentation
- Recommend options for remediation of circumstances that do not meet best practices

3.2.4. Initial Support (Freeze Period)

- Provide initial solution support
- Institute Freeze Period change control process

3.3. Execution Phase Deliverables

The following deliverables will be created by Presidio and provided to Yuba County as part of the Execution Phase of this project:

Key Focus	Key Activities	Deliverables
Execution	Installation Configuration Testing Go Live Freeze Period	Final Project Documentation

Project Completion	Communicate project completion	Project Completion and Acceptance document
--------------------	--------------------------------	--

3.4. Change Management Process

Presidio emphasizes detailed planning and design prior to any complex systems project. One of the reasons for this approach is to avoid any change orders during the Execution Phase that could affect budget, schedules, or business interruptions. During and upon completion of the Planning Phase Presidio will review all detailed system design and features so that when implementation begins there will be no surprises. However, there are times when a change order will be requested by the client upon completion of the Planning Phase and if this happens the change request will be considered an addendum to this proposal and the Planning documents and will be performed accordingly.

4. Assumptions

The following project assumptions are made and will be verified in the Planning Phase:

Sites

1. This project involves the following Yuba County location: Parkard Building

Data Network (Core, Distribution and Access Layers)

2. Yuba County will configure all network equipment currently in production and not included in this Proposal as needed to support this project.
3. Yuba County is responsible for the configuration of IP Services on the network, including DNS, DHCP and NTP. These services will be deployed within the Yuba County environment and will be in a stable state prior to beginning the installation
4. Yuba County will work with Presidio to perform any desired device labeling or cable labeling/management

Facilities

5. Yuba County will comply with all physical and environmental requirements per vendor specifications and will provide all racking, cabling, power, and UPS needed for this project
6. Yuba County will have the proper patch panels and termination points to connect to the new equipment
7. All patch cables will be provided by Yuba County

Quality of Service

8. Identified applications will be tested to ensure QoS is properly categorizing traffic and assigning traffic to the appropriate queues
9. All other application traffic will be directed to the best effort queue
10. Presidio's responsibility for voice Quality of Service issues is limited only to devices installed and configured by Presidio personnel. Presidio will not make any changes to the existing phone system or its end devices
11. Presidio is not responsible for troubleshooting issues with the existing VoIP phone system

Policies and Access

12. Yuba County will provide to Presidio during the Planning Phase any change management policy and procedure that will need to be followed as part of the Execution Phase. Yuba County will manage the internal change management process and any communications to end users.
13. Remote access will be provided to Presidio in support of this project

Training

14. No training has been specified for this project. If training on the new equipment is desired a change order can be created.

15. Presidio will provide 1 day of initial support / freeze period as part of this project

16. Unless previously agreed upon all activities during the Planning Phase will be performed during normal business hours: Monday through Friday, 8:00AM to 5:00PM. All activities requiring after-hours work in the Execution Phase will be identified during the Planning Phase and will be incorporated into the schedule. All remaining activities will be performed during normal business hours: Monday through Friday, 8:00AM to 5:00PM.
17. Cisco SMARTnet maintenance is current on any existing Cisco equipment that is part of this project
18. Yuba County will ensure requisite hardware, software, network, and connectivity configurations are acquired, fully licensed and available in support of this project
19. Any Yuba County-provided hardware is Cisco-certified
20. Performance of scope items not included in this Proposal are outside the scope of this project and will necessitate the execution of a Project Change Request and may result in a change of project approach, staffing and/or pricing

5. Pricing

Presidio is providing a Budget Estimate (BE) as part of this Proposal.

Presidio will invoice County of Yuba based on the project milestones listed below:

Billing Milestones	Fixed or Estimated	Amount
Execution Phase Complete**	Estimated	\$ 25,813.00
Bill of Materials Shipped (see attached)***	Estimated	\$390,024.52
Total Solution for Packard Network	Estimated	\$415,837.52.00

*Please note each individual phase subsequent to the Planning Phase is optional and is a standalone activity.

**Execution Phase billing may be broken up into sub phase(s) and the pricing finalized as agreed to in the Planning Completion and Acceptance document.

***Attached BOM will be converted into a Fixed Quote for ordering upon the completion of the Planning Phase.

Invoices shall be sent to the following address:

Yuba County
Attn: Accounts Payable Dept
915 8th Street, Ste 121
Marysville, CA 95901

Expenses

Travel and incidental expenses incurred by Presidio in association with the execution of this Proposal are to be reimbursed to Presidio by Yuba County at actual cost within 30 days of submission of invoice to Yuba County.

6. Terms and Conditions

The following terms and conditions shall govern this Proposal unless a valid Master Services & Product Agreement between the parties, if any, for professional services has been executed and is in force at the time any Proposal is executed; in which case the terms of the Master Services & Product Agreement shall govern to the extent that they are inconsistent with this Proposal.

1. **Purchase Orders, Invoicing, Payment and Acceptance.** Any purchase order submitted by CLIENT in connection with this ORDER/PROPOSAL shall be deemed subject to these Additional Terms and this ORDER/PROPOSAL. Unsigned, electronically submitted purchase orders shall be deemed to include CLIENT's electronic signature and shall be binding to the extent accepted by Presidio. Presidio's performance of such purchase order shall not constitute Presidio's acceptance of new or different terms, including pre-printed terms on such order. In absence of a purchase order, CLIENT agrees that its signature below grants Presidio the right to invoice CLIENT and authorizes payment to Presidio for the amounts owed. Further, CLIENT represents that Presidio can rely on such CLIENT signature for payment.
Presidio shall invoice CLIENT for the Products and/or Services in accordance with the terms stated in the ORDER/PROPOSAL. CLIENT shall make payment to Presidio within thirty (30) days from the date of invoice. Except for taxes due on Presidio's net income, CLIENT shall pay all taxes. Presidio reserves the right to bill CLIENT for additional work requested by CLIENT and performed by Presidio, and for applicable expenses incurred by Presidio pursuant to providing such additional services, which are not described in this ORDER/ PROPOSAL.
Unless otherwise indicated in this ORDER/PROPOSAL, CLIENT agrees that staff augmentation services and services performed on a time and materials basis shall be deemed accepted as performed. Unless otherwise indicated in this ORDER/PROPOSAL, Projects shall be deemed accepted upon the earlier of Presidio's receipt a signed Project Completion and Acceptance document which has been signed and dated by an authorized representative of CLIENT, or sixty (60) calendar days from the date of the delivery of the final Project deliverable.
2. **Purchase of Product.** All Products delivered to CLIENT hereunder shall be shipped FOB origin, freight collect. Title and risk of loss shall pass to CLIENT at point of origin. Products shall be deemed accepted upon delivery.
3. **Limitations of Warranties.** Presidio warrants that Services shall be provided by competent personnel in accordance with applicable professional standards. ALL PRODUCTS PROVIDED BY Presidio ARE PROVIDED "AS IS", WITH ALL FAULTS. Presidio MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ANY AND ALL ORIGINAL EQUIPMENT MANUFACTURER (OEM) WARRANTIES, CERTIFICATIONS AND GUARANTEES, IF ANY, ARE PASSED THROUGH TO CLIENT.
4. **Intellectual Property.** CLIENT acknowledges that Presidio, its vendors, and/or its licensors retain all patents and/or copyrights in and to all proprietary data, processes and programs, if any, provided in connection with Services performed hereunder; any Presidio software provided to CLIENT as part of the Services provided shall be subject to the vendor's, licensor's or OEM's copyright and licensing policy. To the extent such software is prepared by Presidio, it is provided by nontransferable, nonexclusive license for CLIENT'S internal use only, subject strictly to the terms and conditions of this Agreement, and shall terminate upon termination or expiration of this Agreement. CLIENT shall not duplicate, use or disclose for the benefit of third parties, reverse engineer or decompile any such software.
5. **Confidential Information.** The parties agree that Confidential Information means any information disclosed by the disclosing party to the receiving party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment, "CLIENT" lists or other "CLIENT" information not known to the public), which is designated as "Confidential," "Proprietary" or some similar designation, or is the type of information which should reasonably be recognized as Confidential or Proprietary. The receiving party shall not use any Confidential Information of the disclosing party for any purpose except to evaluate and engage in discussions concerning this Proposal. Each party agrees to protect the other party's Proprietary and Confidential Information to the same extent that it protects its own Proprietary and Confidential Information but with no less than a reasonable degree of care.
6. **Limitation of Liability.** IN NO EVENT SHALL Presidio BE LIABLE TO CLIENT FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER, ARISING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Presidio'S ENTIRE LIABILITY AND CLIENT'S EXCLUSIVE REMEDY FOR DAMAGES FROM ANY CAUSE WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, NONPERFORMANCE OR MISREPRESENTATION, AND REGARDLESS OF THE FORM OF ACTIONS, SHALL BE LIMITED TO THE AMOUNT WHICH HAS BEEN ACTUALLY PAID TO Presidio BY CLIENT FOR SERVICES AND/OR PERFORMANCE HEREUNDER. Without limiting the foregoing, Presidio will have no responsibility for the adequacy or performance of (i) any third party software provided to Presidio under this agreement; (ii) any hardware, and (iii) any services provided by any third party.

7. **Non-Solicitation Provision.** During the term of this ORDER/PROPOSAL and for twelve (12) months thereafter, neither party will solicit for a permanent or other position any employee or subcontractor of the other party to whom that party was introduced as a result of this ORDER/PROPOSAL. Should a party solicit and/or hire an employee or contractor from the other party, the soliciting and/or hiring party shall pay to the other party an administrative fee equal to 1 year's salary of the employee's new salary at the soliciting and/or hiring party's new company.
8. **Equal Opportunity/Affirmative Action Employer.** Presidio Inc. is an Equal Opportunity/Affirmative Action Employer. All qualified applicants will receive consideration for employment without regard to race, age, color, religion, gender, national origin, disability, sexual orientation, or veteran status.
9. **Export Law Compliance.** CLIENT has been advised that all Products purchased hereunder and Presidio Confidential Information are subject to the U.S. Export Administration Regulations. CLIENT agrees to comply with all applicable United States export control laws, and regulations, as from time to time amended, including without limitation, the laws and regulations administered by the United States Department of Commerce and the United States Department of State.
10. **Document Control/Responsibility.** CLIENT is responsible for maintaining its own procedures for the reconstruction of lost or altered files, backup or saving of data or programs to the extent deemed necessary by CLIENT and for actually reconstructing any lost or altered files, data or programs. Presidio assumes no responsibility for the protection of CLIENT'S data. Presidio is not liable for damage to software or data caused by service to the computer hardware equipment. CLIENT agrees that it shall have the sole responsibility for safeguarding the software and data during service work performed by Presidio. Presidio is not liable for software damage due to any outside factor, i.e. software virus.
11. **Force Majeure.** Neither party shall be liable for any failure or delay in performance of its obligations hereunder where such performance is prevented or delayed by causes beyond its reasonable control, including without limitation, flood, war, embargo, strike or other labor dispute, riot, acts of God or the intervention of any government authority.
12. **Choice of Law and Venue.** The parties will attempt to settle any claim or controversy arising under this ORDER/PROPOSAL through consultation and negotiation in good faith and a spirit of mutual cooperation. This ORDER/PROPOSAL and all matters relating thereto shall be governed exclusively by the substantive law of the State of Texas. Any dispute relating directly or indirectly to this ORDER/PROPOSAL or any other contract or agreement between the parties which cannot be resolved through the process of consultation and negotiation shall be brought in a court of competent jurisdiction in Dallas County, Texas, that being the exclusive venue for any dispute between or any claims held by any of the parties to this ORDER/PROPOSAL.
13. **CLIENT Credit.** As an inducement to provide the Services and/or the Products, CLIENT hereby represents and warrants that it is solvent, that it pays its obligations as they come due. CLIENT agrees that Presidio that Presidio has the right to obtain the credit history of the applicant and authorizes Presidio to secure such information by its signature herein.
14. **Financing.** In the event CLIENT finances the Products and/or Services on the ORDER/PROPOSAL via a lease, CLIENT shall remain ultimately responsible for all payments to Presidio and for providing all requisite information and documentation to the third party financing/leasing company.
15. **Miscellaneous.** This ORDER/PROPOSAL constitutes the entire agreement of the parties and supersedes all prior written or oral agreements, representations and understandings relating to the subject matter hereof, with the exception of a valid Master Services and Product Agreement between the parties under the terms of which this ORDER/PROPOSAL shall be incorporated. This ORDER/PROPOSAL shall not be amended or modified except by written instrument signed by the parties. Should additional work beyond the scope of the Services detailed herein by Presidio be requested by CLIENT, fees for such additional Services will be negotiated with CLIENT prior to performing such work and will be memorialized in writing between the Parties by utilizing a Project Change Request form ("PCR") or an additional ORDER/PROPOSAL, as appropriate. Presidio will invoice CLIENT for any additional work performed and expenses incurred which are not described in this ORDER/PROPOSAL. The Parties agree that neither may assign its rights or duties under this contract without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Each party has had an opportunity to consult with advisors of its own choosing, including legal counsel and/or accountants and has been advised regarding the legal and/or tax effects of this document.
16. **Severability.** The provisions of this Agreement are severable. If any provision of this Agreement or its application to any person or circumstance is ever held by any court of competent jurisdiction to be invalid for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected.

7. Authorization to Proceed

The use of signatures on this Proposal is to ensure agreement on project objectives and the work to be performed by Presidio.

Presidio signature signifies our commitment to proceed with the project as described in this document. Please review this document thoroughly, as it will be the basis for all work performed by Presidio on this project.

This Proposal is valid for a period of sixty (60) days from the date that this proposal is provided by Presidio to Yuba County unless otherwise agreed to by both parties.

Yuba County

Signature

Date

Printed Name

INX LLC, a wholly owned subsidiary of Presidio Networked Solutions, Inc.

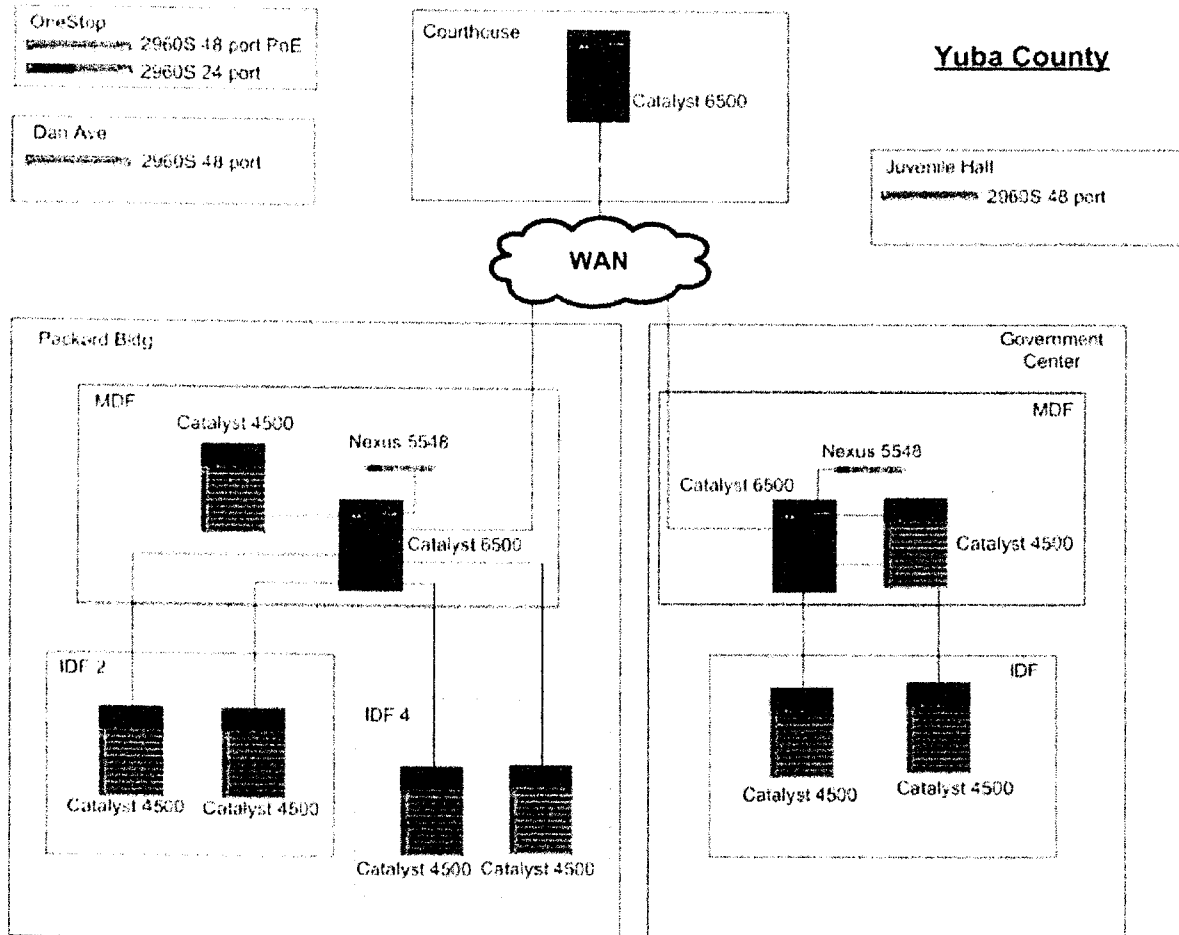
Signature

Date

Printed Name

*Please sign and return the entire document to fax number 916-938-9469 or bbacon@presidio.com.
Thank you!*

8. Attachments



Bill of Materials

PRESIDIO
INX LLC, A Presidio Company

Quote #: 11351042-02

Date: 03/07/2013

Page: 1 of 6

Title: LAN Upgrade - Dual SUPs

To: Tara Flores

County of Yuba
915 8th Street Suite 119
Marysville, CA 95901

From: Brad Bacon

INX LLC, a Presidio Company
2150 River Plaza Dr
Suite 100
Sacramento, CA 95833

Phone: 530-749-7880

Email: tflores@co.yuba.ca.us

Phone: 916.979.6959

Fax:

Email: bbacon@presidio.com

Account Manager: Brad Bacon

#	Part #	Description	Qty	Price	Ext Price
1	WS-C4510R+E	Catalyst 4500E 10 slot chassis for 48Gbps/slot, fan, no ps	1	\$5,797.10	\$5,797.10
2	CON-SNTE-C4510R+E	SNTE	1 for 12 month(s)	\$5,945.00	\$5,945.00
3	WS-X45-SUP7-E	Catalyst 4500 E-Series Supervisor, 848Gbps	1	\$11,597.10	\$11,597.10
4	GLC-SX-MMD	1000BASE-SX SFP transceiver module, MMF, 850nm, DOM	1	\$290.00	\$290.00
5	WS-X45-SUP7-E/2	Catalyst 4500 E-Series Supervisor, 848Gbps	1	\$11,597.10	\$11,597.10
6	GLC-SX-MMD	1000BASE-SX SFP transceiver module, MMF, 850nm, DOM	1	\$290.00	\$290.00
7	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
8	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
9	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
10	C4500E-IPB	Paper IP Base License	1	\$0.00	\$0.00
11	S45EU-33-1511SG	CAT4500e SUP7-E/SUP7L-E Universal Image	1	\$0.00	\$0.00
12	CAB-CON-C4K-RJ45	Console Cable 6ft with RJ-45-to-RJ-45	1	\$0.00	\$0.00
13	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
14	PWR-C45-6000ACV	Catalyst 4500 6000W AC dual input Power Supply (Data + PoE)	1	\$2,317.10	\$2,317.10
15	PWR-C45-6000ACV/2	Catalyst 4500 6000W AC dual input Power Supply (Data + PoE)	1	\$2,317.10	\$2,317.10
16	CAB-US515P-C19-US	NEMA 5-15 to IEC-C19 13ft US	4	\$0.00	\$0.00
17	C4K-SLOT-CVR-E	Catalyst 4500 E-Series Family Slot Cover	4	\$0.00	\$0.00
18	WS-C4510R+E	Catalyst 4500E 10 slot chassis for 48Gbps/slot, fan, no ps	1	\$5,797.10	\$5,797.10
19	CON-SNTE-C4510R+E	SNTE	1 for 12 month(s)	\$5,945.00	\$5,945.00
20	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
21	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
22	C4500E-IPB	Paper IP Base License	1	\$0.00	\$0.00
23	S45EU-33-1511SG	CAT4500e SUP7-E/SUP7L-E Universal Image	1	\$0.00	\$0.00
24	CAB-CON-C4K-RJ45	Console Cable 6ft with RJ-45-to-RJ-45	1	\$0.00	\$0.00
25	PWR-C45-6000ACV	Catalyst 4500 6000W AC dual input Power Supply (Data + PoE)	1	\$2,317.10	\$2,317.10
26	PWR-C45-6000ACV/2	Catalyst 4500 6000W AC dual input Power Supply (Data + PoE)	1	\$2,317.10	\$2,317.10
27	CAB-US515P-C19-US	NEMA 5-15 to IEC-C19 13ft US	4	\$0.00	\$0.00
28	C4K-SLOT-CVR-E	Catalyst 4500 E-Series Family Slot Cover	3	\$0.00	\$0.00
29	WS-X4648-RJ45-E	Catalyst 4500 E-Series 48-Port 10/100/1000 (RJ45)	1	\$3,187.10	\$3,187.10

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69	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
70	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
71	WS-X4648-RJ45-E	Catalyst 4500 E-Series 48-Port 10/100/1000 (RJ45)	1	\$3,187.10	\$3,187.10
72	WS-C4510R+E	Catalyst 4500E 10 slot chassis for 48Gbps/slot, fan, no ps	1	\$5,797.10	\$5,797.10
73	CON-SNTE-C4510R+E	SNTE	1 for 12 month(s)	\$5,945.00	\$5,945.00
74	WS-X4648-RJ45-E	Catalyst 4500 E-Series 48-Port 10/100/1000 (RJ45)	1	\$3,187.10	\$3,187.10
75	WS-X45-SUP7-E	Catalyst 4500 E-Series Supervisor, 848Gbps	1	\$11,597.10	\$11,597.10
76	GLC-SX-MMD	1000BASE-SX SFP transceiver module, MMF, 850nm, DOM	1	\$290.00	\$290.00
77	WS-X45-SUP7-E/2	Catalyst 4500 E-Series Supervisor, 848Gbps	1	\$11,597.10	\$11,597.10
78	GLC-SX-MMD	1000BASE-SX SFP transceiver module, MMF, 850nm, DOM	1	\$290.00	\$290.00
79	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
80	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
81	C4500E-IPB	Paper IP Base License	1	\$0.00	\$0.00
82	S45EU-33-1511SG	CAT4500e SUP7-E/SUP7L-E Universal Image	1	\$0.00	\$0.00
83	CAB-CON-C4K-RJ45	Console Cable 6ft with RJ-45-to-RJ-45	1	\$0.00	\$0.00
84	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
85	PWR-C45-6000ACV	Catalyst 4500 6000W AC dual input Power Supply (Data + PoE)	1	\$2,317.10	\$2,317.10
86	PWR-C45-6000ACV/2	Catalyst 4500 6000W AC dual input Power Supply (Data + PoE)	1	\$2,317.10	\$2,317.10
87	CAB-US515P-C19-US	NEMA 5-15 to IEC-C19 13ft US	4	\$0.00	\$0.00
88	WS-X4648-RJ45-E	Catalyst 4500 E-Series 48-Port 10/100/1000 (RJ45)	1	\$3,187.10	\$3,187.10
89	WS-X4748-RJ45V+E	Catalyst 4500E 48-Port PoE 802.3at 10/100/1000(RJ45)	1	\$5,217.10	\$5,217.10
90	C4K-SLOT-CVR-E	Catalyst 4500 E-Series Family Slot Cover	2	\$0.00	\$0.00
91	WS-C6506-E	Catalyst 6500 Enhanced 6-slot chassis, 12RU, no PS, no Fan Tray	1	\$3,190.00	\$3,190.00
92	CON-SNTP-WS-C6506	SNTP	1 for 12 month(s)	\$7,233.22	\$7,233.22
93	VS-S2T-10G	Cat 6500 Sup 2T with 2 x 10GbE and 3 x 1GbE with MSFC5 PFC4	1	\$16,240.00	\$16,240.00
94	VS-F6K-PFC4	Cat 6k 80G Sys Daughter Board Sup2T PFC4	1	\$0.00	\$0.00
95	VS-SUP2T-10G	Catalyst 6500 Supervisor Engine 2T Baseboard	1	\$0.00	\$0.00
96	MEM-SUP2T-2GB	Catalyst 6500 2GB memory for Sup2T and Sup2TXL	1	\$0.00	\$0.00
97	MEM-C6K-INTFL1GB	Internal 1G Compact Flash	1	\$0.00	\$0.00
98	VS-S2T-10G	Cat 6500 Sup 2T with 2 x 10GbE and 3 x 1GbE with MSFC5 PFC4	1	\$16,240.00	\$16,240.00
99	VS-F6K-PFC4	Cat 6k 80G Sys Daughter Board Sup2T PFC4	1	\$0.00	\$0.00
100	VS-SUP2T-10G	Catalyst 6500 Supervisor Engine 2T Baseboard	1	\$0.00	\$0.00
101	MEM-SUP2T-2GB	Catalyst 6500 2GB memory for Sup2T and Sup2TXL	1	\$0.00	\$0.00
102	MEM-C6K-INTFL1GB	Internal 1G Compact Flash	1	\$0.00	\$0.00
103	WS-X6724-SFP	Catalyst 6500 24-port GigE Mod: fabric-enabled (Req. SFPs)	1	\$8,700.00	\$8,700.00
104	MEM-XCEF720-256M	Catalyst 6500 256MB DDR, xCEF720 (67xx interface, DFC3A)	1	\$0.00	\$0.00
105	WS-F6700-CFC	Catalyst 6500 Central Fwd Card for WS-X67xx modules	1	\$0.00	\$0.00
106	WS-X6724-SFP	Catalyst 6500 24-port GigE Mod: fabric-enabled (Req. SFPs)	1	\$8,700.00	\$8,700.00
107	MEM-XCEF720-256M	Catalyst 6500 256MB DDR, xCEF720 (67xx interface, DFC3A)	1	\$0.00	\$0.00

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108	WS-F6700-CFC	Catalyst 6500 Central Fwd Card for WS-X67xx modules	1	\$0.00	\$0.00
109	WS-CAC-3000W	Catalyst 6500 3000W AC power supply	2	\$1,740.00	\$3,480.00
110	S2TIBK9-15001SY	Cisco CAT6000-VS-S2T IOS IP BASE FULL ENCRYPT	1	\$0.00	\$0.00
111	WS-C6506-E-FAN	Catalyst 6506-E Chassis Fan Tray	1	\$287.10	\$287.10
112	CAB-7513AC	AC POWER CORD NORTH AMERICA (110V)	2	\$0.00	\$0.00
113	WS-X6K-SLOT-CVR	Catalyst 6000 Blank Line Card Slot Cover	2	\$0.00	\$0.00
114	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
115	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
116	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
117	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
118	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
119	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
120	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00
121	GLC-SX-MM=	GE SFP, LC connector SX transceiver	1	\$290.00	\$290.00

Sub Total: **\$390,024.52**

Grand Total: **\$390,024.52**

Additional Terms

The following terms and conditions ("Additional Terms") shall govern this ORDER/PROPOSAL unless a valid Master Services & Product Agreement has been executed between the parties for professional services and/or product and is in force at the time this ORDER/PROPOSAL is executed, in which case the terms of the Master Services & Product Agreement shall govern to the extent that they are inconsistent with this ORDER/PROPOSAL.

1. **Purchase Orders, Invoicing, Payment and Acceptance.** Any purchase order submitted by CLIENT in connection with this ORDER/PROPOSAL shall be deemed subject to these Additional Terms and this ORDER/PROPOSAL. Unsigned, electronically submitted purchase orders shall be deemed to include CLIENT's electronic signature and shall be binding to the extent accepted by PRESIDIO. PRESIDIO'S performance of such purchase order shall not constitute INX LLC's ("INX LLC" or "PRESIDIO") acceptance of new or different terms, including pre-printed terms on such order. In absence of a purchase order, CLIENT agrees that its signature below grants PRESIDIO the right to invoice CLIENT and authorizes payment to PRESIDIO for the amounts owed. Further, CLIENT represents that PRESIDIO can rely on such CLIENT signature for payment.

PRESIDIO shall invoice CLIENT for the Products and/or Services in accordance with the terms stated in the ORDER/PROPOSAL. CLIENT shall make payment to PRESIDIO within thirty (30) days from the date of invoice. Except for taxes due on PRESIDIO's net income, CLIENT shall pay all taxes. PRESIDIO reserves the right to bill CLIENT for additional work requested by CLIENT and performed by PRESIDIO, and for applicable expenses incurred by PRESIDIO pursuant to providing such additional services, which are not described in this ORDER/ PROPOSAL.

Unless otherwise indicated in this ORDER/PROPOSAL, CLIENT agrees that staff augmentation services and services performed on a time and materials basis shall be deemed accepted as performed. Unless otherwise indicated in this ORDER/PROPOSAL, Projects shall be deemed accepted upon the earlier of PRESIDIO's receipt a signed Project Completion and Acceptance document which has been signed and dated by an authorized representative of CLIENT, or sixty (60) calendar days from the date of the delivery of the final Project deliverable.

2. **Purchase of Product.** All Products delivered to CLIENT hereunder shall be shipped FOB origin, freight collect. Title and risk of loss shall pass to CLIENT at point of origin. Products shall be deemed accepted upon delivery.

3. **Limitations of Warranties.** PRESIDIO warrants that Services shall be provided by competent personnel in accordance with applicable professional standards. ALL PRODUCTS PROVIDED BY PRESIDIO ARE PROVIDED "AS IS", WITH ALL FAULTS. PRESIDIO MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ANY AND ALL ORIGINAL EQUIPMENT MANUFACTURER (OEM) WARRANTIES, CERTIFICATIONS AND GUARANTEES, IF ANY, ARE PASSED THROUGH TO CLIENT.

4. **Intellectual Property.** CLIENT acknowledges that PRESIDIO, its vendors, and/or its licensors retain all patents and/or copyrights in and to all proprietary data, processes and programs, if any, provided in connection with Services performed hereunder; any PRESIDIO software provided to CLIENT as part of the Services provided shall be subject to the vendor's, licensor's or OEM's copyright and licensing policy. To the extent such software is prepared by PRESIDIO, it is provided by nontransferable, nonexclusive license for CLIENT'S internal use only, subject strictly to the terms and conditions of this Agreement, and shall terminate upon termination or expiration of this Agreement. CLIENT shall not duplicate, use or disclose for the benefit of third parties, reverse engineer or decompile any such software.

5. **Confidential Information.** The parties agree that Confidential Information means any information disclosed by the disclosing party to the receiving party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment, "CLIENT" lists or other "CLIENT" information not known to the public), which is designated as "Confidential," "Proprietary" or some similar designation, or is the type of information which should reasonably be recognized as Confidential or Proprietary. The receiving party shall not use any Confidential Information of the disclosing party for any purpose except to evaluate and engage in discussions concerning this Proposal. Each party agrees to protect the other party's Proprietary and Confidential Information to the same extent that it protects its own Proprietary and Confidential Information but with no less than a reasonable degree of care.

6. **Limitation of Liability.** IN NO EVENT SHALL PRESIDIO BE LIABLE TO CLIENT FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER, ARISING IN CONTRACT, TORT OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. PRESIDIO'S ENTIRE LIABILITY AND CLIENT'S EXCLUSIVE REMEDY FOR DAMAGES FROM ANY CAUSE WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, NONPERFORMANCE OR MISREPRESENTATION, AND REGARDLESS OF THE FORM OF ACTIONS, SHALL BE LIMITED TO THE AMOUNT WHICH HAS BEEN ACTUALLY PAID TO PRESIDIO BY CLIENT FOR SERVICES AND/OR PERFORMANCE HEREUNDER. Without limiting the foregoing, PRESIDIO will have no responsibility for the adequacy or performance of (i) any third party software provided to PRESIDIO under this agreement, (ii) any hardware, and (iii) any services provided by any third party.

7. **Non-Solicitation Provision.** During the term of this ORDER/PROPOSAL and for twelve (12) months thereafter, neither party will solicit for a permanent or other position any employee or subcontractor of the other party to whom that party was introduced as a result of this ORDER/PROPOSAL. Should a party solicit and/or hire such an employee or contractor from the other party, the soliciting and/or hiring party shall pay to the other party an administrative fee equal to 1 year's salary of the employee's new salary at the soliciting and/or hiring party's new company.

8. **Equal Opportunity/Affirmative Action Employer.** PRESIDIO is an Equal Opportunity/Affirmative Action Employer. All qualified applicants will receive consideration for employment without regard to race, age, color, religion, gender, national origin, disability, sexual orientation, or veteran status.

9. **Export Law Compliance.** CLIENT has been advised that all Products purchased hereunder and PRESIDIO Confidential Information are subject to the U.S. Export Administration Regulations. CLIENT agrees to comply with all applicable United States export control laws, and regulations, as from time to time amended, including without limitation, the laws and regulations administered by the United States Department of Commerce and the United States Department of State.

10. **Document Control/Responsibility.** CLIENT is responsible for maintaining its own procedures for the reconstruction of lost or altered files, backup or saving of data or programs to the extent deemed necessary by CLIENT and for actually reconstructing any lost or altered files, data or programs. PRESIDIO assumes no responsibility for the protection of CLIENT'S data. PRESIDIO is not liable for damage to software or data caused by service to the computer hardware equipment. CLIENT agrees that it shall have the sole responsibility for safeguarding the software and data during service work performed by PRESIDIO. PRESIDIO is not liable for software damage due to any outside factor, i.e. software virus.

11. **Force Majeure.** Neither party shall be liable for any failure or delay in performance of its obligations hereunder where such performance is prevented or delayed by causes beyond its reasonable control, including without limitation, flood, war, embargo, strike or other labor dispute, riot, acts of God or the intervention of any government authority.

12. Choice of Law and Venue. The parties will attempt to settle any claim or controversy arising under this ORDER/PROPOSAL through consultation and negotiation in good faith and a spirit of mutual cooperation. This ORDER/PROPOSAL and all matters relating thereto shall be governed exclusively by the substantive law of the State of Texas. Any dispute relating directly or indirectly to this ORDER/PROPOSAL or any other contract or agreement between the parties which cannot be resolved through the process of consultation and negotiation shall be brought in a court of competent jurisdiction in Dallas County, Texas, that being the exclusive venue for any dispute between or any claims held by any of the parties to this ORDER/PROPOSAL.

13. CLIENT Credit. As an inducement to provide the Services and/or the Products, CLIENT hereby represents and warrants that it is solvent, that it pays its obligations as they come due. CLIENT agrees that PRESIDIO that PRESIDIO has the right to obtain the credit history of the applicant and authorizes PRESIDIO to secure such information by its signature herein.

14. Financing. In the event CLIENT finances the Products and/or Services on the ORDER/PROPOSAL via a lease, CLIENT shall remain ultimately responsible for all payments to PRESIDIO and for providing all requisite information and documentation to the third party financing/leasing company.

15. Miscellaneous. This ORDER/PROPOSAL constitutes the entire agreement of the parties and supersedes all prior written or oral agreements, representations and understandings relating to the subject matter hereof, with the exception of a valid Master Services and Product Agreement between the parties under the terms of which this ORDER/PROPOSAL shall be incorporated. This ORDER/PROPOSAL shall not be amended or modified except by written instrument signed by the parties. Should additional work beyond the scope of the Services detailed herein by PRESIDIO be requested by CLIENT, fees for such additional Services will be negotiated with CLIENT prior to performing such work and will be memorialized in writing between the Parties by utilizing a Project Change Request form ("PCR") or an additional ORDER/PROPOSAL, as appropriate. PRESIDIO will invoice CLIENT for any additional work performed and expenses incurred which are not described in this ORDER/PROPOSAL. The Parties agree that neither may assign its rights or duties under this contract without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Each party has had an opportunity to consult with advisors of its own choosing, including legal counsel and/or accountants and has been advised regarding the legal and/or tax effects of this document.

16. Severability. The provisions of this Agreement are severable. If any provision of this Agreement or its application to any person or circumstance is ever held by any court of competent jurisdiction to be invalid for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected.

Each party has had an opportunity to consult with advisors of its own choosing, including legal counsel and/or accountants and has been advised regarding the legal and/or tax effects of this ORDER.

Customer hereby authorizes and agrees to make timely payment for products delivered and services rendered, including payments for partial shipments

Customer Signature

Date

Presidio Representative

Date

ATTACHMENT B

CLIENT RETURN MATERIAL AUTHORIZATION POLICY

General Return Policy

All returns require a Return Material Authorization (RMA) number. The RMA team in PRESIDIO'S Client Assistance Center (CAC) issues RMA numbers following a review of each RMA request as they are submitted. In certain instances, CLIENT may wish to deal directly with the OEM in order to expedite a return. Each request will be approved or denied on the basis of the following guidelines.

Permissible Timeframe for Return

PRESIDIO provides a fifteen (15) day return policy. All requests for a RMA must be made within fifteen (15) days from the invoice date. RMA numbers issued by PRESIDIO are only valid for ten (10) days and the product must be returned to PRESIDIO within this timeframe. RMA numbers will not be extended or reissued.

The Cisco Trade-In Credit is subject to return of all equipment to Cisco Systems within 30 days of receipt of new Cisco product. Failure to return the trade-in equipment within 30-days will result in forfeit of Cisco Trade-In Credit and payment of credit amount in full is due to PRESIDIO Inc. Any extensions beyond this 30-day timeframe will be considered an exception to PRESIDIO policy, and will be reviewed on a case-by-case basis.

Defective or DOA Product

At PRESIDIO'S discretion, Product that is defective or dead on arrival (DOA) will be repaired, replaced, or credited according to the manufacturer's warranty.

Non-Defective & Stock Balance Returns

Non-defective returns and returns of Product that exceed the actual quantity needed by CLIENT ("Stock Balance Returns") are accepted for credit or exchange at PRESIDIO' discretion. All non-defective returns and Stock Balance Returns must be returned in new, unused condition, without rips, tears, markings, writing, stickers or general defacement of exterior original manufacturer's box with manufacturer's seal left intact and are subject to a fifteen percent (15%) restocking fee.

Ordering Error Return

If incorrect parts/Product(s) are ordered in error by PRESIDIO, the parts/Product may be returned if its condition meets the return standards outlined below. Parts/Product ordered in error by CLIENT are subject to a fifteen (15%) percent restocking fee and must be returned in new, unused condition.

All Products returned **must** be complete. This includes **all** original manufacturer's protective packaging (including electrostatic protection), manuals, software, documentation, cables, or other accessories originally shipped with the product, blank warranty cards, and original UPC codes on the box. Incomplete returns may be returned to the CLIENT or assessed an incomplete return fee of up to twenty-five percent (25%) in addition to any other fee(s).

Returns received with the original manufacturer's box written upon or where the CLIENT did not use an adhesive shipping label will be assessed a defaced carton fee of fifteen percent (15%) in addition to any other fee(s) and may not be subject to return to the original equipment manufacturer for a full refund.

The following is an example of products not authorized for return:

- Hewlett Packard Configure To Order (CTO)
- Build To Client Order (BTCO),
- Opened software
- Software licenses unless first authorized by the manufacturer

- Special order product
- Product with broken manufacturer's seal
- Excessive defacement of OEM packaging
- Discontinued or obsolete product
- Duplicate CD's
- RMA with a total value of less than \$50
- Product not purchased through PRESIDIO

The following is an example of items that will not receive credit:

- Configuration charges
- Freight charges

Shipping Damage

If product arrives with damage that is visible or likely to have affected the contents of the boxes, the preferred method of handling it is to **refuse** delivery of the shipment due to damage by the carrier. The carrier will be responsible for returning it to PRESIDIO. The CLIENT must note the reason for refusal on the carrier's 'attempted delivery' record. If the damaged shipment is accepted, the recipient **must** note **all** known and visible damage on the carrier's 'delivery record' in order for PRESIDIO to file a damage claim. The recipient must save the product and all packing it arrived in and notify their PRESIDIO CAC representative immediately so a carrier inspection and pickup can be arranged. Failure to follow these instructions or to report damage within fifteen (15) days from the invoice date will result in the request being denied as out of return eligibility.

Over-goods

Over-goods are unauthorized returns. Any products returned to PRESIDIO without a valid RMA number will be considered Over-goods. The Over-goods may be returned to the CLIENT and the CLIENT may be charged a \$50 processing fee per shipment returned, plus related freight charges. If the CLIENT refuses the shipment of Over-goods from PRESIDIO or returns the Over-goods to PRESIDIO a second time without PRESIDIO's prior authorization, the CLIENT agrees to relinquish all right and title to and waives all claims against PRESIDIO for credit related to such products.

CLIENT Responsibilities

The PRESIDIO RMA team can be reached at PRESIDIO>Returns@PRESIDIO.com or 469.549.3880 and they will determine if the product is eligible for a RMA. No returns of any type will be accepted without a RMA number. For prompt service, please have as much of the following information available as possible: CLIENT name, CLIENT account number, original invoice number(s), CLIENT purchase order number(s), part number(s), serial number(s), SKU(s) and quantity, product condition, and reason for the return request.

The CLIENT is responsible for shipping charges on returned items and all risk of loss. PRESIDIO recommends that all shipments have full insurance coverage. PRESIDIO will provide prepaid shipping labels or credit CLIENT'S one-way shipping charges for returns that are caused by PRESIDIO error.

If the original box is not suitable for shipping, the CLIENT is responsible for repacking the product to avoid damage to the original packaging and the product itself. Boxes made of thin cardboard with clear plastic wrapping are an example of boxes that may need to be repackaged or over-boxed.

The possibility of restocking fees being assessed should be discussed between the CLIENT and its PRESIDIO RMA representative. The RMA representative will be able to provide the amount of and reason for the fee(s) on a case-by-case basis.

If approved, the RMA team will provide the RMA number, "ship to," and other pertinent information. Clearly mark an adhesive shipping label with this information and place it on the box.

THE ORIGINAL MANUFACTURER'S BOX MUST NOT BE WRITTEN ON

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PRESIDIO

SAMPLE PROJECT CHANGE REQUEST

Project Name: Enter project name here Project Code: Enter project code here		PO #: Enter PO# here	Date: Enter date here
PRESIDIO Project Manager: Enter PSA PM here Client Requester: Enter client requester here		Change in: Schedule <input checked="" type="checkbox"/> Scope <input type="checkbox"/> Performance <input checked="" type="checkbox"/> Pricing <input type="checkbox"/>	
Description of Proposed Change: Enter description of proposed change here			
Reason for the Change: Enter reason for the change here			
Impact of the Change: Enter impact of the change here			
Pricing			
Choose item	Enter amount	Choose item	Enter Qty
Choose item	Enter amount	Choose item	Enter Qty
			Enter Subtotal
			Enter Subtotal
			Enter Total
Approval			
PRESIDIO	Sign:	Print:	Date:
Client	Sign:	Print:	Date:



*ORDINANCES
AND
PUBLIC HEARINGS*

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The County of Yuba

135-13



Office of the County Administrator

Robert Bendorf, County Administrator
John Fleming, Economic Development Coordinator
Russ Brown, Communications & Legislative Affairs Coordinator
Grace M Mull, Management Analyst
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Yuba County Government Center
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Date: April 16, 2013
To: Board of Supervisors
From: Robert Bendorf, County Administrator *RB/gm*
By: Grace Mull, Management Analyst
Re: FY 2013-2014 Consolidated Fee Ordinance

Recommendation

Consider revisions to the Consolidated Fee Ordinance for fiscal year 2013-14.

Background

Departments are tasked to review their fees annually to ensure that fees charged reflect true cost of services. The review process includes adding new fees, deleting obsolete fees, and revising fee titles to accurately describe the fee.

Discussion

The purpose of the Consolidated Fee Ordinance is to allow the public and those doing business with the County to easily access fees associated with various departmental services. The annual revision process provides the Board and the public an opportunity to review and comment on the County's fee structure.

The attached summary displays which fees are proposed to be changed, the amount requested under the new fee, and the reasons for changing the fees. Fee increases reflect the department's full amount of time and costs associated with providing these services, and are meant to be cost covering.

Committee

The Finance & Administration Committee reviewed this item on April 2, 2013 and recommended approval.

Fiscal Impact

The proposed revisions to the Consolidated Fee Ordinance and associated fee schedules represent each department's estimate of the cost to provide services, or are set by state law. Consequently, fee adjustments, either up or down, are meant to eliminate a subsidy or to ensure there is no revenue in excess of the cost of the services provided from the fees being charged to perform the services.

FY 13/14 Master Fee Schedule - Summary of Changes

Code Section & Department		Name of Fee	Old Fee	New Fee	Reason for Change
13.00.032 Agricultural Commissioner	1.1	Liquefied Petroleum Gas Meters	\$175.00	\$185.00	B&P Code Section 12240 Fee Increase
	1.2	Submeters: Utility meters owned by marinas, mobile home parks, recreational vehicle parks and apartment complexes	\$2.00 per device, space, or apartment		B&P Code Section 12240 - Expanded device fees to allow for separate charges. Water submeters: \$2.00 per device, Electric submeters: \$3.00 per device, Vapor submeters: \$4.00 per
	1.3	Vehicle Odometer Certification		\$60.00	B&P Code Section 12240 - New Fee
	1.4	Wholesale Meter (Mobile)	\$25.00	\$75.00	B&P Code Section 12240 Fee Increase
	1.5	Wholesale Meter (Stationary)	\$25.00	\$75.00	B&P Code Section 12240 Fee Increase
	1.6	Prescription/Jewelry Scales	\$25.00	\$75.00	B&P Code Section 12240 Fee Increase
	1.7	Computing Scales (<100 lbs)	\$20.00	\$20.00	B&P Code Section 12240 - Fee description revised to include "<100 lbs"
	1.8	All Other Weighing Devices Not Listed		\$20.00	B&P Code Section 12240 - New Fee
	1.9	Miscellaneous Measuring Devices (≥100 lbs and <20,000 lbs) other than computing, jewelry and prescription scales		\$50.00	B&P Code Section 12240 - New Fee

FY 13/14 Master Fee Schedule - Summary of Changes

Code Section & Department		Name of Fee	Old Fee	New Fee	Reason for Change
Cont. 13.00.032 Agricultural Commissioner	1.10	Weighing Devices (≥2,000 lbs and <10,000 lbs) other than livestock	\$150.00	\$150.00	B&P Code Section 12240 - Title revision from "Misc/Forklift Scales (≥2,000 lbs and <10,000 lbs)" to "Weighing Devices"
	1.11	Weighing Devices (≥10,000 lbs) other than livestock	\$250.00	\$250.00	B&P Code Section 12240 - Title revision from "Misc/Forklift Scales (≥10,000 lbs)" to "Weighing Devices (≥10,000 lbs) other than livestock"
	1.12	Livestock Scales (≥2,000 lbs and <10,000 lbs)	\$100.00	\$100.00	B&P Code Section 12240 - Title revision from "Animal Scales (≥2,000 lbs and <10,000 lbs)" to "Livestock Scales (≥2,000 lbs and <10,000 lbs)"
	1.13	Non-Commercial Device Inspection (1/2 hour minimum)	\$65.00/hour	\$65.00/hour	Added "1/2 hour minimum" to the description
	1.14	Reference at end of fee section regarding "Certified Farmers Markets and Farmers Markets only"	\$20.00 per device	\$20.00 per device plus state admin fee	Description changed from "Certified Growers Market" to "Certified Farmers Market"
	1.15	Registration Requirements for Commercial Weighing and Measuring Devices			Fee revised to add "plus state admin fee"
					New section added to state purpose and definitions of fees and establishes violations for non-registered devices

FY 13/14 Master Fee Schedule - Summary of Changes

Code Section & Department		Name of Fee	Old Fee	New Fee	Reason for Change
13.00.052 Health	2.1	Immune Serum Globulin Shot	\$10.00 to \$25.00**		Delete Fee - Services no longer offered
	2.2	STD Office Visit	\$15.00 to \$65.00**		Delete Fee - Services no longer offered
	2.3	HIV Testing		\$15.00 to \$35.00**	New Fee for HIV Testing based on Medi-Cal sliding scale
	2.4	Pregnancy Counseling	\$25.00		Delete Fee - Services no longer offered
	2.5	Woman, Infants and Children (WIC) check	\$15.00		Delete Fee - Services no longer offered
	2.6	Head Live Detection and Treatment	\$15.00		Delete Fee - Services no longer offered
	2.7	Yellow Fever Vaccine	\$20.00 plus actual cost of vaccine		Delete Fee - Services no longer offered
	2.8	Hepatitis A Immunization (Each Visit-Adult)	\$65.00		Delete Fee - Services no longer offered
	2.9	Twinrix (Hep A + Hep B) (Adult)	\$90.00		Delete Fee - Services no longer offered
	2.10	MMR Immunization (Each Visit-Adult)	\$55.00		Delete Fee - Services no longer offered
	2.11	Typhoid	\$20.00 plus actual cost of vaccine		Delete Fee - Services no longer offered
	2.12	Pneumococcal	\$50.00		Delete Fee - Services no longer offered
	2.13	Varicella (Adult)	\$90.00		Delete Fee - Services no longer offered
	2.14	Human Papilloma Virus Series (Adult)	\$135.00		Delete Fee - Services no longer offered
	2.15	Meningococcal (Adult)	\$111.00		Delete Fee - Services no longer offered
	2.16	Public Health - F.O.R. Families Intake - Individual Assessment - Individual Discharge - Individual Individual Counseling Group Session Non-County Resident DEOJ Fee	\$70.00 Flat Chg \$70.00 Flat Chg \$70.00 Flat Chg \$70.00 Flat Chg \$50.00 Flat Chg \$200.00		Delete Fee - Program Discontinued by State Delete Fee - Program Discontinued by State Delete Fee - Program Discontinued by State Delete Fee - Program Discontinued by State Delete Fee - Program Discontinued by State Delete Fee - Program Discontinued by State
	2.17	After Hours Burial Permit (State Set Fee)	\$13.00	\$11.00	State Set Fee Reduction
	2.18	Certified Copy of Birth Certificate (State Set Fee)	\$16.00	\$20.00	State Set Fee Increase
	2.19	Certified Copy of Birth Government Agency (State Set Fee)	\$10.00	\$14.00	State Set Fee Increase
	2.20	Certified Copy of Death Certificate (State Set Fee)	\$12.00	\$16.00	State Set Fee Increase
	2.21	Certified Copy of Fetal Death Certificate (State Set Fee)	\$9.00	\$13.00	State Set Fee Increase
	2.22	Crossfile Sent Out (State Set Fee - \$3.00 to Receiving Agency)	\$11.00	\$14.00	State Set Fee Increase

ORDINANCE NO. _____

**ORDINANCE REPEALING AND RE-ENACTING CHAPTERS 13.00.032 AND
13.00.052 OF THE YUBA COUNTY CONSOLIDATED FEE ORDINANCE CODE**

The following ordinances consisting of three (3) sections, was duly and regularly passed and adopted by the Board of Supervisors of the County of Yuba, State of California, at a regular meeting of the Board of Supervisors held on _____ day of _____, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Andy Vasquez, Chairman of the Board of
Supervisors of the County of Yuba,
State of California

ATTEST: DONNA STOTTLEMEYER
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM:

By: 
Angil P. Morris-Jones, County Counsel

THE BOARD OF SUPERVISORS OF THE COUNTY OF YUBA, STATE OF CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. This ordinance shall take effect Sixty (60) days after its passage, and shall become operative and in full force on July 1, 2013. Before the expiration of Thirty (30) days after its passage a summary shall be published with the names of the members voting for and against the same, once in a local newspaper of general circulation in the County of Yuba, State of California.

Section 2. Sections 13.00.032 and 13.00.052 of the Yuba County Consolidated Fee Ordinance Code are hereby repealed and re-enacted in its entirety to read as reflected in Attachment "A", hereto and by this reference is incorporated herein as though set forth in full.

Section 3. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

Agricultural Commissioner - Code Section 13.00.032

NAME OF FEE		FEE FY 13/14
Licensed Staff Fee		\$65.00/hour
Information Search of Files & Records		
Files & Records		Direct Cost
Computer Time (1/2 hr minimum)		\$100/hour
Agriculture		
Apiary Registration		\$10.00/State Set Fee
Farm Labor Contractors Registration		\$25.00/State Set Fee
Farmers Market Registration		\$50.00/State Set Fee
PCO Registration		\$25.00/State Set Fee
PCA Registration-Primary		\$10.00/State Set Fee
PCA Registration-Secondary		\$5.00/State Set Fee
Pilot Registration-Primary		\$10.00/State Set Fee
Pilot Registration-Secondary		\$5.00/State Set Fee
Structural Pest Control Registration-Branch 1		\$25.00/State Set Fee
Structural Pest Control Registration-Branch 2 & 3		\$10.00/State Set Fee
Apiary Certification/Inspection/Abatement		\$65.00/hour
Certified Producer Certificate		\$50.00/per cert
Fruit-Nut & Veg. Certification		\$65.00/hour
Phyto Insp. & Certification		\$50 per cert/\$65/hour
Phyto Field Inspection (10 acre minimum charge)		\$7.50 acre/per walk
Quarantine Compliance		\$15.00/per cert
Ag Plan Check/Review		\$65.00/hour
Collect State/Federal Phytosanitary Certificate Fee		State Set Fee - CCR 4603
Collect State Certificate of Quarantine Compliance Fees		State Set Fee - CCR 4603
	Table A	
Weights & Measures		
Business Location Fee		\$100.00 per location
Device Fee		See Table B
	Table B	
CNG Meters		\$20.00
Fabric/Wire/Cord Meters		\$20.00
Grease/Lube Meters		\$20.00
Liquified Petroleum Gas Meters		\$185.00
Retail Motor Fuel Meters		\$20.00
Retail Meters		\$20.00
Submeters: Utility meters owned by marinas, mobile home parks, recreational vehicle parks & apt. complexes		Cost per device, space or apt. as specified below
Water Submeters		\$2.00
Electric Submeters		\$3.00
Vapor Submeters		\$4.00
Tanks (liquid test)		\$20.00

Agricultural Commissioner - Code Section 13.00.032

NAME OF FEE		FEE FY 13/14
Taximeters		\$20.00
Vehicle Odometers B&P 12240 g,r & s, apply		\$60.00
Vehicle Meters		\$75.00
Wholesale Meters (mobile)		\$75.00
Wholesale Meters (stationary)		\$75.00
Prescription/Jewelers Scales		\$80.00
Computing Scales (<100 lbs)		\$20.00
All Other Weighing & Measuring Devices Not Listed		\$20.00
Misc. Measuring Devices (≥100 lbs and <20,000 lbs) other than computing, jewelry and prescription scales		\$50.00
Weighing Devices (≥2,000 lbs and <10,000 lbs) other than livestock		\$150.00
Weighing Devices (≥10,000 lbs) other than livestock		\$250.00
Livestock Scales (≥ 2,000 lbs and and ≤10,000 lbs)		\$100.00
Livestock Scales (≥10,000 lbs)		\$150.00
Non-Commercial Device Inspection (1/2 hour minimum)		\$65.00/hour
Heavy Capacity Scale Truck-Non-Commercial/Re-Test		\$50.00/Hour and \$2 mile
Collect State Device Registration Administrative Fees		State Set Fee - CCR 4603

For Certified Farmers Markets and Farmers Markets only, the fee shall be only the annual registration fee. If the device is brought into the office of the Sealer of Weight and Measures for testing. \$20.00 per device plus state admin fee.

Payment of the annual device registration fee shall be due upon receipt of the billing. Payments delinquent sixty (60) days or more will incur a penalty charge of fifty (50%) of the fee due plus collections fees and fines, if any.

Agricultural Commissioner - Code Section 13.00.032

NAME OF FEE		FEE FY 13/14
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REGISTRATION REQUIREMENTS FOR COMMERCIAL WEIGHING AND MEASURING DEVICES

PURPOSE

The purposes of this chapter are to establish a system for registration of weighing and measuring devices and to recover the costs of inspecting and testing such devices, as provided for by Business and Professions Code sections 12240 through 12246.

DEFINITIONS

As used in this chapter, the following terms and phrases have the following meanings:

- (A) "Weighing and measuring devices" means the following devices and any other device classified by the State Director of Food and Agriculture as coming within Business and Professions Code section 12240.

- (1) Electric meters
- (2) All cord/wire and fabric meters
- (3) Liquid meters
- (4) Liquified petroleum ("LP") meters
- (5) Taximeters
- (6) Vapor meters
- (7) Water meters
- (8) Monorail and meat beam scales
- (9) Platform scales
- (10) Jewelers scales
- (11) Hanging scales
- (12) Odometers
- (13) Vehicle scales
- (14) Hopper scales

NOTE: For electric and vapor meters, each Business is considered 1 (one) location

- (B) "Commercial purposes" has the meaning assigned to it by Business and Professions Code section 12500.
- (C) "Director" means the director of weights and measures appointed by the Yuba County Board of Supervisors and his duly authorized agents.
- (D) "Location" means the room, enclosure, building, space or area where one or more commercial weighing and measuring devices are located or operated.
- (E) A commercial device is considered registered when annual registration fee is paid in full to the Director.

Agricultural Commissioner - Code Section 13.00.032

NAME OF FEE		FEE FY 13/14
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REGISTRATION OF DEVICES

All weighing and measuring devices used for commercial purposes within the County of Yuba shall be registered annually with the Director. Every owner of such weighing and measuring devices used or located within, or dispatched or operated from any location within the County of Yuba on the effective date of this chapter shall register such devices with the Director within sixty (60) days from the effective date of this chapter. Every owner of such measuring or weighing device acquired for use within the County of Yuba after the effective date of this chapter shall register the new locations with the Director within sixty (60) days of relocation.

The requirements imposed by this section shall not apply to the following devices:

- (A) Farm milk tanks.

In addition, for LP-gas vapor meters, registration shall be issued on an annual count of each LP-gas dealer's meters located in the County, and if the number of meters change during the year, no additional registration(s) shall be required.

UNREGISTERED DEVICES UNLAWFUL

No person may use, operate, or own any commercial weighing or measuring device required to be registered with the Director.

TERM OF REGISTRATION

A registration remains valid only so long as the holder pays the annual registration fees. Failure to pay such fees when due results in automatic termination of registration.

VIOLATIONS

Violation of this chapter is unlawful as either a misdemeanor or an infraction, at the discretion of the district attorney. Violation of this chapter shall be punishable as follows:

- (A) Every person convicted of an infraction shall be punished by a fine not exceeding one hundred dollars (\$100) upon a first conviction, by a fine not exceeding two hundred dollars (\$200) upon a second conviction of the same provision within a period of one year, and a fine not exceeding five hundred dollars (\$500) upon a third or any subsequent conviction of the same provision within a period of one year. For purpose of this subsection, a bail forfeiture shall be deemed to be a conviction of the offense charged.
- (B) Every person convicted of a misdemeanor shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment in the Yuba County Jail for not more than six (6) months or by such fine and imprisonment.

Health - Code Section 13.00.052

NAME OF FEE	FEE FY 13/14
Miscellaneous	
Copies of Medical Records (First four pages, no charge)	.25 per page
Kids in Safety Seats Program	\$0.00
Medical Marijuana ID Card	\$126.00*
* Fee Reduced by Half if Medi-Cal Beneficiary	
Aids Court Mandated Class - Non-County Resident Fee	\$70.00
Public Health - Clinic Services	
Tuberculosis Skin Test	\$10.00 to \$25.00**
HIV Testing	\$15.00 to \$35.00**
Immunizations (Children)	\$10.00 to \$25.00**
** Indicates a Sliding Fee Schedule	
Miscellaneous Clinic Services Fee	\$20.00
Drug Testing - Urine (12 Panel)	\$15.00
Alcohol - Saliva (Single)	\$15.00
Buprenorphine - Urine (Single)	\$15.00
Immigration Medical Exam (includes Tuberculosis skin test)	\$175.00
Public Health - Adult/Travel Immunizations	
Tetanus (Adult)	\$25.00
Tetanus-Diphtheria Immunization (Adult) Tdap	\$40.00
Hepatitis B Immunization (Each Visit - Adult)	\$55.00
Influenza (Adult)	\$10.00
Public Health - Vital Records	
After Hours Burial Permit (State Set Fee)	\$11.00
Burial Permit (State Set Fee)	\$11.00
Certified Copy of Birth Certificate (State Set Fee)	\$20.00
Certified Copy of Birth Government Agency (State Set Fee)	\$14.00
Certified Copy of Burial Permit (State Set Fee)	\$1.00
Certified Copy of Death Certificate (State Set Fee)	\$16.00
Certified Copy of Fetal Death Certificate (State Set Fee)	\$13.00
Certified Copy of Out of Country Letter (State Set Fee)	\$10.00
Crossfile Received (State Set Fee)	\$3.00
Crossfile Sent Out (State Set Fee-\$3.00 to Receiving Agency)	\$14.00
Public Health - California Childrens Services	
Annual Assessment Fee	\$20.00
Annual Enrollment Fee	\$60.00-\$1200.00**
* Fee Reduced by Half if Medi-Cal Beneficiary	
** Indicates a Sliding Fee Schedule	

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The County of Yuba

Community Development & Services Agency

Kevin Mallen, Director

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HOUSING AND COMMUNITY SERVICES
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PUBLIC WORKS • SURVEYOR
749-5420 • Fax 749-5424

FINANCE AND ADMINISTRATION
749-5430 • Fax 749-5434

TO: Board of Supervisors

FROM: Wendy Hartman, Planning Director *WH*
Kimberly Grimes, Housing Program Manager *KG*

SUBJECT: **ADOPT RESOLUTION TO AMEND THE COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) HOUSING REHABILITATION, HOMEOWNERSHIP
ASSISTANCE AND BUSINESS ASSISTANCE LOAN PROGRAM GUIDELINES**

DATE: April 23, 2013

Recommendation:

It is recommended that the Board of Supervisors adopt a resolution to amend "CDBG Housing Rehabilitation, Homeownership Assistance and Business Assistance Loan Program Guidelines" to adhere to the most current State of California, Department of Housing, and Community Development (HCD) policies and procedures.

Background:

Yuba County administers Community Development Block Grant (CDBG) Loan Programs funded by grants from the U. S. Department of Housing and Urban Development (HUD) through the State of California Housing and Community Development and Services Agency (HCD).

Grantees receiving CDBG funds are required to hold Public Hearings to invite citizen comment at various stages of a CDBG grant including but not limited to project design, application submittal, before making amendments to program guidelines and program income reuse plans, at the end of the program year and at the end of the CDBG contract term.

Discussion:

In April 2012, the County of Yuba, in coordination with YSEDC, applied for a \$300,000 Enterprise Fund Community Development Block Grant to be used for business loans to Yuba County businesses and a \$600,000 Housing Combo – Housing Rehabilitation/Homeownership Assistance grant to be used for housing loans to low income residents of Yuba County. In November 2012, HCD officially notified the County of Yuba it was awarded. Eligible business loan activities include building or land acquisition, working capital, inventory, equipment, supplies, marketing or other ongoing business or start-up costs. Eligible housing loan activities include rehabilitating owner-occupied and renter occupied homes in need of repair and down payment assistance to first time homebuyers.

To access the funds, the County must clear Special Conditions with HCD. Part of that

process is the review of the County's Program Income Reuse Plan and associated Business Assistance Loan, Housing Rehabilitation and Homeownership Assistance Program Guidelines to assure they adhere to current HCD policy.

The necessary changes have been made to the CDBG Housing Rehabilitation, Homeownership Assistance and Business Assistance Loan Program Guidelines per HCD suggestions and have set up this public hearing to allow public comment on the changes.

Fiscal Impact:

There will be no cost to the General Fund.

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

**ADOPT AN AMENDED “CDBG)
CDBG Program Housing Rehabilitation,)
Homeownership Assistance and Business)
Assistance Loan Program Guidelines”)**

RESOLUTION NO. _____

WHEREAS, the “CDBG Program Housing Rehabilitation, Homeownership Assistance and Business Assistance Loan Program Guidelines”, was approved by the Board of Supervisors on June 1, 2011; and;

WHEREAS, the California Department of Housing and Community Development (HCD) has recently developed a new guidelines format; and

WHEREAS, pursuant to CDBG regulations, the public has been invited to comment on the proposed Guidelines during a noticed public hearing, as well as to submit written comments; and

NOW, THEREFORE, BE IT RESOLVED, The Yuba County Board of Supervisors hereby adopt the “CDBG Program Housing Rehabilitation, Homeownership Assistance and Business Assistance Loan Program Guidelines,” which has been revised and is attached hereto as Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California on the 23rd day of April, 2013 by the following vote:

AYES:

NOES:

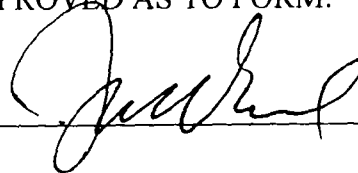
ABSENT:

ABSTAIN:

Chairman

ATTEST: DONNA STOTTLEMEYER
CLERK OF THE BOARD OF SUPERVISORS

ANGIL P. MORRIS-JONES
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:



YUBA COUNTY

Homeownership Assistance

For:

Community Development Block Grant
(CDBG) Program and
HOME Investment Partnerships Program

HOME Approved 6/1/11

EXHIBIT A

HOMEBUYER PROGRAM GUIDELINES

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HOMEBUYER PROGRAM GUIDELINES

1.0. GENERAL

The above-named entity, hereinafter referred to as the "Sponsor," has entered into a contractual relationship with the California Department of Housing and Community Development ("HCD") to administer one or more HCD-funded homebuyer programs. The homebuyer program described herein (the "Program") is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as "housing units", located within the Program's eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment "silent" second priority loans as "Gap" financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence. The Program will be administered by YUBA COUNTY.

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.
- B. The Program Operator will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. The Sponsor maintains a waiting list of applicants. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Completed applications are processed on a first-come-first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete. Preferences for Applications received within any given month period shall be given to the following order:
1. Low and Extremely Low Income applicants,
 2. Current Residents of Yuba County,
 3. Individual employed by Yuba County,
 4. Individuals employed by businesses in Yuba County.
- B. Once the applicant's name comes to the top of the waiting list, their Program eligibility is confirmed and they are invited to a briefing regarding participation in the Program. At the briefing the application is reviewed and the potential homebuyer is given a "Preliminary Eligibility Letter" for the Program along with the following forms: Program Brochure, Attachment (G) Instructions to Home Buyer, List of Participating Lenders, Attachment (E) Sellers Lead-Based Paint Disclosure and the EPA Booklet (Protect Your Family from Lead in Your Home) and (F) Notice to Seller.
- If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there is income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.
- C. Each applicant must participate in individual Homebuyer Counseling provided by the Program Operator and receive a certificate of completion.
- D. The potential homebuyer is given 90 days in order to find a qualified home and begin securing a primary loan for the housing unit. If during the 90-day time frame, the potential homebuyer is unable to purchase a home, an extension may be given. However, if it appears the potential homebuyer cannot participate in the Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

DEBT SERVICE
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH

HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS	
Principal & Interest Payment	\$ 865	\$1,180	Housing
Insurance	82	+200	Other Debt Service
Taxes	<u>233</u>	\$1,380	Total Debt Service
Total Housing Expense	\$1,180	(Overall debt service per month is 41% of \$3,388)	
(PITI is 35% of \$3,388)			

OTHER HOUSEHOLD DEBT SERVICE

Car Payment	\$ 150
Credit Card Payment	<u>50</u>
Total Other Debt	\$ 200

An \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30 year term.

SUBSIDY CALCULATION
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH

Purchase Price of Property	\$ 280,000
Less Primary loan amount	143,000
Less down payment of 1%	<u>2,800</u>
 Equals "GAP"	 \$ 134,200
 Plus estimated allowable settlement charges	 <u>8,400</u>
 Equals Total Subsidy	 \$ 142,600

B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:

- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
- 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
- 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards.
- 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);
- 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
- 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for three months prior to submission

- of the purchase offer.
- 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.
- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- D. Program Operator, where Program Operator is not the Sponsor, submits recommendation to the Sponsor for approval or denial, including the reasons for the recommendation. Sponsor determines Applicant's approval or denial, and instructs Program Operator to notify Applicant. Program Operator provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
- E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.
- F. At the time of escrow closing, the Sponsor shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the Sponsor as insured is also required.
- G. Any work to be completed after purchase will be undertaken through the Program's housing rehabilitation program. Note: For HOME the housing unit must meet code no later than two years after transfer and be free from health and safety.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the Sponsor. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.
- B. Homebuyer funds shall be used in the following order:
- 1) Down payment – must contribute a minimum down payment of three percent (3%) of the purchase price, but may contribute more if desired.
 - 2) To the extent possible after satisfying 1), above, appraisal fee; cost of Credit report; the loan origination fee; discount points customary Homebuyer closing costs; homebuyer's customary portions of the escrow fees; title insurance; and, the establishment of impound accounts for property taxes and insurance.

- 3) After 1) and 2), above are satisfied, any balance of homebuyer funds may be applied to either the purchase price or to reduce the interest rate of the primary loan as necessary.

C. Sponsor will not provide more than fifty percent (50%) of the down payment required by the primary lender (CDBG requirement). Sponsor may also provide sufficient assistance, as Program loan principal, to reduce the monthly payment for PITI to an affordable level of household income. The subsidy will write down the cost of the primary lender's loan so that the payments of PITI are within approximately 30 to 35% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program.

1.5. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Sponsor, Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a Sponsor-approved homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.6. CONFLICT OF INTEREST REQUIREMENTS

When the Sponsor's program contains Federal funds, the following shall be addressed: in accordance with title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, administrative agent, contractors and similar agencies) in connection with the planning and implementation of the Program shall directly or indirectly be eligible for this Program. Exceptions to this policy can be made only after public disclosure and formal approval by the governing body of the locality.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD. (Attachment C).

2013 Median Family Income for Yuba County

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$32,100	\$36,700	\$41,300	\$45,850	\$49,550	\$53,200	\$56,900	\$60,550

Household: One or more persons who will occupy a housing unit. Unborn children don't count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/fa/cdbg/GuideFedPrograms.html>, will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when

calculating income.

The link to Annual Income Inclusions and Exclusions is:

http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixB_AnnualIncomeInclusionsExclusions.doc

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

NOTE: Non-occupant co-signers will not be required to submit income and asset documentation. Co-signers will not be included in the household income determination. Co-signers are acceptable as long as their names do not appear on the Grant Deed or Deed of Trust.

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets, however, is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings, and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset.

The Link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/fa/cdbg/FedProgGuideDocs/AppendixC_AnnualIncomeAssetInclusionsExclusions.doc

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

An eligible homebuyer is an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property. Documentation of homebuyer status will be required for all homebuyers. Note: Jurisdictions with CDBG-funded programs may assist eligible homebuyers who are not "first-time" homebuyers. HOME and Cal Home-funded Programs are required to use the following definition of an eligible homebuyer, which is a "first-time homebuyer" from 8201(k) Title 25 California Code of Regulations:

"First-time homebuyer" means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a

consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;

2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: "Within the unincorporated areas of the County of Yuba." Examples of eligible areas are: Camptonville, Challenge-Brownsville, Dobbins, Linda, Loma Rica, Olivehurst, Plumas Lake, and Smartsville.
- B. Housing unit types eligible for the homebuyer Program are new or previously owned single-family residences; condominiums; or manufactured homes in mobile home parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow manufactured homes unless on a permanent foundation system.
- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the County of Yuba as loss payee in order to close escrow.

3.2. CONDITIONS

- A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) The Program Operator's construction inspector will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of

code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller.

- 2) When the Sponsor's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.E will apply.
- 3) A clear pest inspection report will be required for each housing unit. Smoke detectors will be installed if there are none in place. The Program Operator will encourage each homebuyer to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.
- 4) Upon completion of all work required by the Program Operator, Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

- B. After a home is purchased using this Program (unless a commitment is made to rehabilitate the home in conjunction with the purchase) such home shall not be eligible for the Sponsor's housing rehabilitation program, if any, for the relevant period of affordability. ***Note: All three HCD programs allow purchase and rehabilitation concurrently.***

Note: For HOME-funded programs – during the first year after the rehabilitation program is complete, the Sponsor may commit additional funds to a project. After the first year, no additional HOME funds may be provided during the period of affordability (except a homebuyer may be assisted to acquire a unit previously assisted with HOME funds).

- C. If the assisted homebuyer is acquiring and rehabilitating a home with Program funds:

- 1) The housing unit must be free from any defects that pose a danger to the Health and safety of occupants before occupancy (and for HOME-funded Programs any deficiencies must be corrected not later than six months after the transfer is made to the owner). The construction inspector must inspect the housing unit again at the project completion. The housing unit must meet written rehabilitation standards and local codes and ordinances at project completion (and for HOME within two years of property transfer to the owner).

- 2) The Sponsor's Housing rehabilitation Guidelines will be adhered to.

- D. Generally, this means not more than two

- E. Lead-Based Paint Hazards: All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work

consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;

2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

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- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: “Within the unincorporated areas of the County of Yuba.”
- B. Housing unit types eligible for the homebuyer Program are new or previously owned single-family residences; condominiums; or manufactured homes in mobile home parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow manufactured homes unless on a permanent foundation system.
- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the County of Yuba as loss payee in order to close escrow.

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- A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) The Program Operator’s construction inspector will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor

to be negotiated with the seller.

- 2) When the Sponsor's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.E will apply.
- 3) A clear pest inspection report will be required for each housing unit. Smoke detectors will be installed if there are none in place. The Program Operator will encourage each homebuyer to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.
- 4) Upon completion of all work required by the Program Operator, Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

- B. After a home is purchased using this Program (unless a commitment is made to rehabilitate the home in conjunction with the purchase) such home shall not be eligible for the Sponsor's housing rehabilitation program, if any, for the relevant period of affordability. ***Note: All three HCD programs allow purchase and rehabilitation concurrently.***

Note: For HOME-funded programs – during the first year after the rehabilitation program is complete, the Sponsor may commit additional funds to a project. After the first year, no additional HOME funds may be provided during the period of affordability (except a homebuyer may be assisted to acquire a unit previously assisted with HOME funds).

- C. If the assisted homebuyer is acquiring and rehabilitating a home with Program funds:

- 1) The housing unit must be free from any defects that pose a danger to the Health and safety of occupants before occupancy (and for HOME-funded Programs any deficiencies must be corrected not later than six months after the transfer is made to the owner). The construction inspector must inspect the housing unit again at the project completion. The housing unit must meet written rehabilitation standards and local codes and ordinances at project completion (and for HOME within two years of property transfer to the owner).

- 2) The Sponsor's Housing rehabilitation Guidelines will be adhered to.

- D. Generally, this means not more than two

- E. Lead-Based Paint Hazards: All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS

safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. HOME and CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

- 1) **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet "*Protect Your Family From Lead in Your Home*" (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment H).
- 2) **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer.
- 3) **Inspections:** The Inspector shall conduct a "Visual Assessment" of all the dwelling unit's painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor's and workers' appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.

- F. The Program Operator will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser's file (see Attachment I).

3.3 ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with Sponsor's relocation plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including CDBG and HOME) is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME or CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME or CDBG assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.4. PROPER NOTIFICATION AND DISCLOSURES

- A.** Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.
- B.** All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded programs).

4.0. PURCHASE PRICE LIMITS

The purchase price limits for this Program by number of units in the home, are as follows: One-family the greater of \$322,757 or 95 percent of the area median purchase price calculated and HOME approved before loan committee review- Attachment C.

Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS

*Sponsor will update these limits annually as HCD provides new information.

5.0. THE PRIMARY LOAN

Prior to obtaining a loan from the Sponsor, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the "primary loan").

5.1. QUALIFYING RATIOS

Primary loans underwritten by FHA, USDA Rural Development, Fannie Mae, Freddie Mac, or CalHFA will be acceptable to establish creditworthiness, repayment ability, and dependability of income: Note: If none of the above primary loans are used, it will be up to the Sponsors to establish the front-and back-end ratios that will be allowable in their program. The ratios are calculated on the borrower's fixed monthly expenses to the household's gross monthly income.

The front-end (housing) debt-to-income ratio shall be between 28% and 35% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of PITI (loan principal and interest payment + property taxes + property insurance).

The back-end (total) debt-to-income ratio shall be between 30% and 55% and is the percentage of a borrower's gross monthly income that would cover the cost of PITI, plus any other monthly debt payments like car or personal loans and credit card debt.

5.2. INTEREST RATE

The rate of interest shall be fixed (not an adjustable rate of mortgage, ARM) at the current market rate. If "Risk Rates" are applied (an interest rate that reflects the primary lender's loan risk) each loan shall be evaluated by the Sponsor on a case by case basis.

Note: for HOME-funded programs, upon approval of revised regulations expected to be adopted in April, 2004, the current market rate must be evidenced by the Effective Rate plus 50 basis points listed in the Federal Housing Finance Board's most recent Monthly Interest Rate Survey for the San Francisco District and no temporary interest rate buy-downs are permitted.

C. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

Note: one exception under CDBG Cal Home funded Programs are that sponsor may incorporate into its guidelines a shorter term for loans to purchase manufactured homes not on permanent foundations.

D. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

6.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

The amount of Program assistance to a homebuyer toward purchase of a home shall be \$60,000, not exceed the maximum HOME subsidy limit for Sponsor's County per bedroom as designated by Section 221(d) (3) **See Attachment C.** Any approved "grant" amount for lead-based paint evaluation and reduction activities or for relocation assistance shall be included in this amount. Note: The Cal Home and CDBG Programs do not have a specific subsidy limit, but Sponsor must establish a subsidy limit for the local Program. The following HOME subsidy limits (updated each year by HUD) control the amount of the HOME Program assistance that may be provided to a Program homebuyer. The loan amount may be lower than the County's HUD-published limits.

Attachment D: HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d) (3)

6.2 NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan.

6.3. AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.1. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The primary lender will use the "front-end ratio" of housing-expense-to-income to determine the amount of the primary loan and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus closing costs) less down payment, and the amount of the primary loan.

6.4. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL). Below in A and B are the two types of interest that are allowed on the Program loan. The Sponsor may elect to do both types of interest but not on the same loan. The homebuyer may either be offered type A or B (explained below) on their Program loan.

A. The program loan's term shall be at least as long as the primary loan. The interest rate shall be 3%. The Program loan's term shall be a minimum of 30 years and shall not extend beyond the maturity of the loan. All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan.

B. Option for Shared Net Appreciation

Shared net appreciation may be offered as an alternative to the standard loan terms in Section 6.4.A., above, only with the following terms:

- 1) Gross appreciation is calculated by subtracting the original sales price from the current sales price or the current appraised value if the loan accelerating event is other than the sale of the property.
- 2) Net appreciation is calculated by subtracting the seller's applicable closing costs, seller's cash contribution in the original purchase transaction, the value of seller's sweat equity, if applicable, and the documented value of capital improvements from the gross appreciation amount;
- 3) The Sponsor may only claim repayment of the principal and a portion of the net appreciation. That maximum portion of the net appreciation which may be claimed by the Sponsor is equal to the percentage of the value of the home financed by the Program loan. That is, if the loan equals 20% of the initial value of the home, a maximum of 20% of the net appreciation may be charged by the sponsor;
 - The shared appreciation obligations, as described above, shall be reduced by 10% on the first day of every year following the recordation of the respective loan. On the last day of the tenth year the appreciation obligation shall be forgiven and only the principal loan and the accrued interest shall apply from there on.
- 4) In any loan where the HOME Program loan is the only subsidy, the borrower cannot be restricted from selling the home at its fair market value at anytime;
- 5) Loans shall have a term at least as long as the Primary Loan.

C. Option for Primary Loans with Shared Net Appreciation

In the case where the borrower's primary loan has an unforgivable shared appreciation clause (i.e. USDA Development Loan) the County shall waive the Programs equity share provision in lieu of a higher interest rate of 5%.

All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. Loan principal shall not be forgiven, and the loan period cannot be extended.

6.5. LOAN-TO-VALUE RATIO

The loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price plus a maximum of up to 3 percent of the sales price to cover actual closing costs.

7.0. PROGRAM LOAN REPAYMENT

7.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time, Notification to and approval of the **Sponsor**.

7.2. RECEIVING LOAN PAYMENTS

- A. Program loan payments will be made to:

**County of Yuba
Community Development Department
915 8th Street, Suite 130
Marysville, CA 95901**

- B. The Sponsor will be the receiver of loan payments or recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's Program Income Account, as required by HCD programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the Sponsor. The Sponsor may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

7.3. DUE UPON SALE OR TRANSFER

- A. Loans are due upon sale or transfer of title (unless assumable as in B below) or when borrower no longer occupies home as his/he principal residence or upon loan maturity date. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment E on loan defaults for further information on property restrictions costs.
- B. Program loans may or may not be assumable according to the HCD program and the loan documents.

7.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

7.5. LOAN MONITORING PROCEDURES

Sponsor will monitor Borrowers and their housing units yearly to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

A. Loan Processing

All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the Sponsor's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the Sponsor's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the Sponsor and documentation of such maintained in the loan file. The Sponsor may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's application packet, the Program Operator will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the Program Operator will do an income certification (using most recent HCD program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any

contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed the Program Operator will submit it to the Sponsor for approval. Sponsor will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth in Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

8.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. SUBORDINATE FINANCING

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

Requests for Subordination

When a Borrower wishes to refinance the property, they must make a request a subordination request to the Lender. The Lender will only subordinate their loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third party debt offs or additional encumbrance on the property above traditional refinance transaction

costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender. The County will not provide any funds for the subordination escrow process.

The Lender will only subordinate a fixed rate loan at current market rates. Loan duration must be equal to or greater than the period remaining on borrower's primary mortgage.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

10.1. DEFINITION OF EXCEPTION

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

10.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for a decision.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the Sponsor's governing body. Final appeal must be filed in writing with HCD within one year after denial.

12.0 AFFORDABILITY PERIOD AND ELIGIBILITY FOR FUTURE HOME ASSISTANCE

The HOME-assisted housing unit must meet the affordability requirements for not less than the applicable period specified in the following table beginning after project completion, or until the County's secondary financing loan is fully repaid inclusive of all applicable interest and/or fees.

Amount of HOME Assistance	Period of Affordability in Years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

Additional affordability terms in excess of the above may be applicable should other financing sources make it a condition of financing. After a period of one (1) year from the project completion no additional HOME assistance may be provided until the expiration of the affordability period.

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS**Part 5 Inclusions**

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 exclusions

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

5. Income of Live-In Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain Increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:</p> <ul style="list-style-type: none"> ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977; ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▶ Payments received under the Alaskan Native Claims Settlement Act; ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▶ Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes; ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs; ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program);

- ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR YUBA COUNTY (HOME Value Limits as of 3/29/2012)

COUNTY NAME	One-Family
YUBA	\$322,757

HOME SUBSIDY LIMITS PER UNIT – SECTION 221(d) (3) FOR YUBA COUNTY (Limits are effective 6/22/12)

COUNTY NAME	O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
YUBA	\$132,814	\$152,251	\$185,136	\$239,506	\$262,903

INCOME LIMITS FOR YUBA COUNTY* (Limits are effective 3/15/13)

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$32,100	\$36,700	\$41,300	\$45,850	\$49,550	\$53,200	\$56,900	\$60,550

*Sponsor will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is:

<http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>

ATTACHMENT D

LOAN SERVICING POLICIES AND PROCEDURES FOR YUBA COUNTY

The Yuba County, hereafter called "Lender," has adopted these policies and procedures in order to preserve its financial interest in properties whose "Borrowers" have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes (or Lender will use _____ loan collection Company to collect payments). Late fees will be charged for payments received after the assigned monthly due date.

For Notes which are deferred payment loans, the Lender must accept voluntary payments on the loan. Loan payments will be credited to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee in first position or additional insured if the loan is a junior lien. If borrower fails to maintain the necessary insurance, the Lender may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming Yuba County as additional insured will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Lender encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans, the Lender will require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. Some loans may have income and housing cost evaluations, which require a household to document that they are not able to make amortized loan payments, typically every five years. These loan terms are incorporated in the original Note and Deed of Trust.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Lender in writing of any change. Lender and borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. In some cases the Borrower may move and turn the property into a rental unit without notifying the Lender. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee (depends on the HCD program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Lender allow for a partial conversion where some of the residence is used for a business but the

household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Lender. The Lender will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means that there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate, and the total indebtedness on the property should not exceed the current market value.

Also, provisions of Section 5.0.B and 5.0.C of these guidelines still apply, which state that the loan must:

- a) be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
- b) not have a temporary interest rate buy-down;
- c) have a term "all due and payable" in no fewer than 30 years; and;
- d) not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; 4) default on senior loans, the Lender will send out a letter to the Borrower notifying them of the default situation. If the default situation continues then the Lender may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, the Borrower can provide future payments. If this is the case then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lien holder before five (5) days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lien holder

When the Lender is first position as a senior lien holder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender's staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- 2) Can the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 4) Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- 5) Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Lender may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Lender of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

8 Process for Reconveyance:

Once the loan has been paid in full, the Lender has an obligation to reconvey the deed of trust in a timely manner. The following outlines the process:

1. The Title Company or realtor will send written request for payoff to the Lender.
2. The Lender provides a disclosure of the repayment payoff amount
- 3 The title company issues a repayment check to the Lender.
4. When the Lender has received payment in full, the necessary forms will be initiated for example:

Short Form Deed of Trust

Assignment of Rents

Request for Notice

5. Lender will complete applicable forms and forward to Title Company to execute and record Reconveyance of the Deed of Trust for the property. The title company will send bill to the Lender.

When the loan has been paid in full, the Lender provides the original documents to the borrower giving him the title free of the lien.

ATTACHMENT E
SELLERS LEAD-BASED PAINT DISCLOSURE
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) _____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) _____ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) _____ Purchaser has received copies of all information listed above.

(d) _____ Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.

(e) _____ Purchaser has (check (i) or (ii) below):

(i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of Lead-based paint and/or lead-based paint hazards (NOT PERMISSIBLE FOR HOME AND CDBG).

Agent's Acknowledgment (initial)

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____ Seller	_____ Date	_____ Seller	_____ Date
_____ Purchaser	_____ Date	_____ Purchaser	_____ Date
_____ Agent	_____ Date	_____ Agent	_____ Date

ATTACHMENT F

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer

DECLARATION

This is to inform you that _____ would like to purchase the property, located at _____, if a satisfactory agreement can be reached. We are prepared to pay \$_____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, _____ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor _____ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$_____ and was estimated by _____, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at: _____. If you have any questions about this matter, please contact _____ at _____.

Sincerely,

Title

Buyer

Date

Buyer

Date

Form continues on next page with Seller's Acknowledgment

Acknowledgement

As the Seller I/we understand that the _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the County's program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

☐ Vacant at least 3 months; ☐ Owner-occupied; ☐ New; or ☐ Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and ☐ a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose ☐ to withdraw or ☐ not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

ATTACHMENT G

YUBA COUNTY

INSTRUCTIONS TO HOMEBUYER

- A. Participant works with lender of choice to obtain the primary lender's pre-qualification letter.
- B. After consultation with Program Operator regarding approved bedroom and bathroom maximums (always 3 bedrooms and 2 bathrooms unless extenuating circumstances justify more to be approved), participant works with real estate agent to select home. Program disclosures are reviewed with agent for presentation to seller. The HOME Program allows only homes vacant for three months or more prior to the date of the purchase contract, unless the current tenant is purchasing the home.
- C. Participant selects home and enters into a purchase contract (contingent upon receiving Program loan approval). Lender provides the Program Operator with a copy of:
 - real estate sales contract
 - residential loan application and credit report
 - verified income documentation
 - disclosure statement
 - proof of personal funds for participation in program
 - breakdown of closing costs
 - structural pest control clearance
 - appraisal with photos and preliminary title report
- D. Program Operator reviews paperwork to determine program eligibility and financing affordability for participant.
- E. Program Operator staff meets with qualified applicant to provide information relative to the program requirements, the lending process, and homeownership responsibilities.
- F. Program Operator has home inspected to document health & safety and code compliance. Notice of any deficiencies or needed corrections are given to participant's real estate agent, with recommended course of action.
- G. Program Operator requests loan approval from Sponsor's Loan Review Committee. Following loan approval, Program Operator prepares Deed of Trust, Promissory Note, Request for Notice of Default, Grant Agreement, Owner-Occupant Agreement with Yuba County, and Escrow Instructions, and requests check and deposit same into escrow.
- H. Escrow company furnishes Program Operator with proof of documents to be recorded, and any escrow closeout information. After receipt of recorded loan documents, Final HUD-1, Insurance Loss Payee Certification and Final Title Insurance Policy (Program Operator) closes out the loan file.

ATTACHMENT H
LEAD-BASED PAINT
VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:			No LBP found or LBP exempt <input type="checkbox"/>
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found.	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption:	

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types.	
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information		Organization:
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

ATTACHMENT I

Homebuyer Program Lead Compliance Document Checklist

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

Document Name	Purpose	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

<http://www.hud.gov/offices/cpd/affordablehousing/training/leadsafe/usefulforms/index.cfm#crosscutting>

**HOUSING REHABILITATION GUIDELINES
FOR
County of Yuba
(12-CDBG-8424)**

I. ELIGIBILITY

A. Conflict of Interest

No member of the governing body of the County and no other official, employee, or agent of County who exercises policy, decision-making functions or responsibilities in connection with planning and implementation of the program shall directly or indirectly be eligible for this program, unless the application for rehabilitation assistance has been reviewed and approved according to applicable California Department of Housing & Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual's relationship with the County of Yuba ends.

B. Income

- 1) Owner-Occupant - To be eligible, household income must not exceed 80% of the Yuba County median income (See Attachment #1 for current HCD Income Guidelines). The owner will be required to provide income documentation.

The calculation of income eligibility will not include assets except to the extent that such assets produce income (such as interest or rent). The County may consider assets, however, in its evaluation of the total application.

- 2) Investor - There are no restrictions on the income of the investor.
- 3) Tenants - If a rental is currently occupied, the tenant's household income must not exceed 80% of Yuba County median income (See Attachment #1 for current HCD Income Guidelines). Tenant(s) will be required to cooperate by providing income documentation.

C. Property

To be eligible for program financing, properties must comply with the following criteria:

- 1) Be located within a target area designated for program assistance, unless otherwise approved by HCD.
- 2) Need repairs in order to comply with Section 8 Housing Quality Standards and correct health and safety hazards.
- 3) Life Estate - Applicants meeting all other eligibility criteria that hold a

Life Estate on the property and reside on the property are eligible for a rehabilitation loan. Income eligibility will be determined by the income of the occupant/holder of the Life Estate. The holder of the Fee Simple Estate will be required to sign all documents. The loan conditions will provide that the loan is due and payable upon sale or transfer of the property and upon termination of the Life Estate of the current occupant. (In making loans to Life Estate holders, the County will regularly monitor such loans to verify the status of the occupant.

- 4) Living Trust - Applicants meeting all other eligibility criteria and who currently reside on a property with a title held by a living trust are eligible for a rehabilitation loan. Income eligibility is determined by the income of the applicant/occupant. Loan conditions are based on the continued occupancy of that specific occupant in the residence.

II REHABILITATION STANDARDS

At a minimum, all Health and Safety hazards must be eliminated. All repair work shall comply with Section 8 Quality Standards and the following provisions:

A. General Requirements

The purpose of each rehabilitation project will be to assure a living unit that provides for a healthful environment and complete living facilities arranged and equipped for suitable and desirable living conditions commensurate with the type and quality of the property under consideration. It is also a purpose of the rehabilitation project to provide each living unit with space necessary for suitable living, sleeping, cooking and dining accommodations as well as sanitary facilities.

- 1) Independent facilities shall be provided for each living unit except that common facilities such as laundry and storage space or heating may be provided for each property.
- 2) Each living unit shall contain provisions for each of the following, yet shall in no way be in violation of minimum standards as outlined in the California State Health and Safety Code and/or the current Civil Code:
 - a) A continuous supply of hot and cold water.
 - b) Sanitary facilities and approved method of sewage disposal.
 - c) Heating adequate for healthful and comfortable living conditions as per the current California Building Code.
 - d) Domestic hot water
 - e) Electricity for lighting and for electrical equipment used in the dwelling.
 - f) Effective waterproofing and weather protection
- 3) Clothes closet space should be provided with bedrooms or conveniently located nearby.

- 4) Entry/Exit doors that swing shall be equipped with an operable deadbolt lock. The lock shall not be key operated on the interior side of the dwelling and shall be installed per the most current vision of the California Building Code and the California Civil Code.
- 5) Attics and under floor area shall have proper access and insulation as required by local codes.
- 6) Every dwelling unit shall be supplied with a means of disposal or removal of trash and garbage that is inaccessible to rodents. Trash shall not be allowed to accumulate for more than seven consecutive days as per County ordinance.

B. Access to the Building

Walkways and steps shall be provided for all-weather access to the building and constructed so as to provide safety and reasonable durability.

C. Grading

Any deficiencies in grading or paving adjacent to the building shall be corrected to assure surface drainage away from foundations and basement walls. Retaining walls shall be maintained in adequate repair and must be provided where necessary to protect the structure, driveway and walls and to prevent soil erosion.

D. Unacceptable Features

Features which are not ordinarily acceptable in a property, or are in violation of applicable housing codes and standards, must be corrected if determined necessary and feasible by a program assigned contractor.

- 1) Buildings that do not have adequate attic and/or under floor space ventilation to prevent conditions conducive to dampness, decay, fungi and/or insect infestation and deterioration of the structure.
- 2) Buildings constructed on and supported by an unapproved wood foundation system resting directly on the ground.
- 3) Crawl space with less than 12" clearance between bottom of floor joists and grade.
- 4) Foundations with top of stem wall less than 6 inches above finished grade.
- 5) Any wood member of the building that is in contact with the ground.

E. Structural Soundness

All structural components of the dwelling shall be in sound condition and considered serviceable for the expected useful life of the rehabilitated building. Sagging floors, fireplaces, partitions, stairs and exterior walls shall be restored, if practical, to an acceptable level or plumb position, and supported or braced so as to prevent a reoccurrence of these conditions. Stairs and stair railings shall be structurally sound and rigid. Individual structural members in a seriously deteriorated condition shall be replaced and loose or damaged joints between structural members shall be corrected. This may be addressed in the required termite report.

F. Inspections and Correction

A careful inspection by a program assigned contractor of buildings and accessory structures on each property for evidence of actual or potential insect or rodent infestation or access channels will be conducted by a program assigned contractor. Defects in an existing building that allows and/or encourage the entry of rodents, termites or other vermin will be corrected by appropriate preventive measures; damaged or deteriorated structural members will be replaced as necessary. Preventive and protective measures against several forms of infestations shall be as determined by the County with or without the aid of additional professional findings, and may include the following:

- 1) Window or other openings near grade shall have tight fitting screens.
- 2) Exterior doors to fit tightly and be flashed or caulked at sill.
- 3) Opening for pipes or ducts through floors, walls or ceiling shall have tight fitting collars.
- 4) Cracks and crevices in foundations and above-ground walls may be effectively sealed by filling with mortar or other approved materials.
- 5) Cracked, broken or decayed wood surfaces shall be replaced or repaired.
- 6) The application of precautions or corrective actions as recommended by licensed professional exterminators. NOTE: All chemical treatments shall be conducted by same licensed exterminators.

G. Exterior and Interior Finishes

Exterior and interior finishes shall assure that building finishes will be adequate to prevent the entrance or penetration of moisture and weather; protect from damage by decay, corrosion, insects and other destructive elements; and provide reasonable durability and economy of maintenance. *In addition, projects constructed prior to 1978 and there are child/children under the age of six residing or there is a possibility a child/children under the age of six may reside in it, then a Lead Hazard Evaluation Report must be obtained and lead hazards must be addressed accordingly.*

H. Exterior Appurtenances

All exterior appurtenances or accessory structures that serve no useful purpose or those in a deteriorated condition, which cannot be economically repaired, may be removed. Such structures include porches, terraces, entrance platforms, garages and carports, walls, fences and miscellaneous sheds. Please note that removal of such appurtenances may be subject to approval by the State Office of Historic Preservation or the Yuba County Planning Department.

I. Foundation

All masonry or concrete foundation walls shall be improved to a structurally sound condition and where practical, the top of the wall shall be not less than 6 inches above finish grade where practical. All wood foundation posts, sills, girders and plates showing signs of rot, decay, infestation or structural failure shall be replaced with new suitable materials of proper design. This will be as determined and directed by a program assigned contractor and may be in conjunction with other professional findings.

J. Exterior Walls

Wood siding materials and trim that are broken, split or damaged, so as to permit the entrance of weather or which show signs of decay or insect infestation, shall be replaced. Where required, all existing wood surfaces shall be suitably prepared for painting and receive a primer coat and finish coat of quality exterior house paint. New wood siding materials shall be protected by appropriate finishes. Composition sidings, including mineral surfaced fiber-board, mineral surfaced asphaltic siding, asbestos-cement types, etc., which show deterioration, damage or joint failure so as to permit the entrance of weather or adversely affect the appearance of the dwelling may be required to be repaired or replaced with new suitable siding materials.

K. Interior Walls and Ceilings

- 1) All loose and broken wallboard shall be adequately affixed or replaced, and refinished. All loose and broken plaster shall be soundly patched and repaired. Where deterioration is so extensive that patching is impractical, the entire wall or ceiling area shall be re-plastered or covered with acceptable drywall materials. 1 NOTE: Installation of new wallboard may have to be preceded by the removal of the existing plaster.
- 2) All walls and ceilings shall be properly prepared and painted or receive other appropriate finish.
- 3) Interior doors, jambs, and trim which show excessive deterioration, abuse and patching may be replaced where needed. Existing and/or new interior millwork shall be properly prepared and receive the appropriate protective finish. All broken or missing hardware shall be replaced.

L. Finished Floor

- 1) Bathroom/toilet compartments and kitchen floors shall be provided with approved underlayment, approved waterproof floor covering materials and appropriate base molding.
- 2) Floors in other areas of the living unit which show excessive wear, shrinkage, cupping or other serious damage shall be, if possible, replaced or covered with acceptable finish flooring materials properly installed. Sound wood floors showing normal wear and discoloration may be refinished.¹
- 3) Finish flooring shall be appropriate to the use of the space, be in good condition and provide low maintenance service life.

M. Roof Drainage

Each dwelling shall have a controlled method of disposal of water from roofs to prevent damage to the building and property.

N. Roof

All roofs and flashing shall be replaced or repaired to the extent necessary to protect the building against leakage.

O. Gutters, Cornices and Exterior Details

Gutter, down spouts, eaves, rafter ends, fascias, soffits and cornices, molding, trim, etc., showing evidence of deterioration shall be replaced with new material suitably protected against deterioration. Repairs shall be completed as necessary and in such a way as to prevent recurrence of the deterioration.

P. Chimneys

Chimneys, brickwork, or fireplaces showing signs of deterioration shall be repaired, replaced or removed so as to eliminate a possible hazardous condition.

Q. Windows, Doors and Other Openings

Existing windows and doors, including their hardware, shall function properly and give evidence of continuing acceptable service. Defective glass or locking mechanisms shall be replaced or repaired. Windows, doors, and their frames which show signs of decay, deterioration, excessive warping, racking or misalignment shall be repaired or replaced and adequately protected with appropriate finish materials and flashings, against further deterioration.

¹ Wherever deteriorated walls, ceilings or other areas are suspected of containing asbestos materials, precautionary protective measures will be taken to protect workers and residents from harmful dust. These measures may include full abatement procedures as provided by trained personnel. Dwellings which are over 15 years of age and are occupied by children under the age of seven will be evaluated to determine the existence of chipping or peeling lead-based paint. The occupants of all units rehabilitated through the CDBG program will receive a Lead-Based Paint Warning advising parents of the possible need to have children evaluated for possible lead poisoning. In incidents where lead-based paint poisoning has been determined, or where problems are believed to be likely, HUD-approved abatement procedures will be followed in cooperation with the local Health Department.

R. Electrical Wiring

All habitable rooms shall contain, at a minimum, both convenience receptacles and lighting fixtures. Each habitable room may be equipped with at least two (2) receptacles or one (1) duplex receptacle and one lighting fixture. All 120 volt receptacles shall be replaced with 3-pronged grounding receptacles and meet current California Electric Code provisions.

S. Plumbing

All plumbing fixtures shall be appropriately connected to approved drain, waste, vent and supply lines. All leaking, deteriorated or clogged piping shall be replaced or restored to a condition which will provide safe and adequate service for the plumbing fixtures or gas-fired equipment to which they are connected.

T. Heating and Ventilation

No unvented fuel-burning heater will be permitted. All heating devices and appliances shall be of the type approved for the location. Each living unit shall have properly vented domestic water heating equipment capable of adequately supplying hot water, as defined in the California Plumbing Code, with properly installed safety devices in place.

U. Porches and Steps

All unsafe or unsound porches and steps will be removed and/or replaced and protected from deterioration with paint or other acceptable finish. Where required, approved handrails, and guardrails shall be provided.

V. Fences and Gates

Dilapidated wood fencing/gates that constitute a safety hazard shall be removed or replaced.

W. Yard Areas

Trees that are undermining the structural integrity of the dwelling shall be removed. All debris, lumber, and trash shall be removed.

X. Painting and Decorating

Where necessary, a protective and decorative finish coating shall provide: (1) adequate resistance to weathering; (2) protection of finished surfaces from moisture or corrosion; (3) an attractive appearance; and (4) reasonable durability. Where painted surfaces are in a well-maintained condition and not disturbed by the rehabilitation work, painting and decorating is not required.

Y. Expansion of Dwelling

Room additions or expansions may be allowed when necessary to correct overcrowding conditions. For the purpose of a bedroom addition, overcrowding will be defined as follows:

- Opposite sex children less than 6 years of age may share a bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom.
- 5 or more people - a second bathroom may be added.
- 10 or more people - a third bathroom may be added.
- Same rules apply to manufactured home units.

Unit Size	Maximum No. of Persons in the Household
SRO	1
0-BR	1
1-BR	2
2-BR	4
3-BR	6
4-BR	8
5-BR	10
6-BR	12

Z. Energy Conservation Measures

Applicants that commit to fulfilling the Energy Efficiency State Objective will be required to maintain evidence that all required energy efficiency criteria were met. Such evidence may include purchase order information from contractors, maintaining detailed work write-ups that include all criteria, pictures, inspections, etc.)

NA	Use plant and tree species that require low water use in sufficient quantities.
NA	Install irrigation system using only low-flow drip, bubblers, or low-flow sprinklers.
Materials and Resources:	
X	Use engineered lumber - a. Beams and Headers b. Wood I-Joists or web trusses for floors and ceilings
X	Use Oriented Strand Board (OSB) for floor, wall, and roof

	sheathing.
X	Provide effective air sealing – <ul style="list-style-type: none"> a. Seal sole plates. b. Seal exterior penetrations at plumbing, electrical, and other penetrations. c. Seal top plate penetrations at plumbing, electrical, cable, and other penetrations. d. Weather-strip doors and attic access openings. e. Seal penetrations in interior equipment closets and rooms. f. Seal around bathtub drain penetrations in raised floors.
X	Install and flash windows in compliance with window installation protocols.
X	Exterior Doors – <ul style="list-style-type: none"> a. Insulated or solid core. b. Flush, paint or stain grade shall be metal clad or have hardwood faces. c. Factory primed on six sides with a one year warranty.
X	Select durable non-combustible roofing materials which carry a three-year contractor installation guarantee – <ul style="list-style-type: none"> a. 20-year manufacturer's warranty; or b. 30-year manufacturer's warranty.
Energy Efficiency:	
X	Install ENERGY STAR® Ceiling Fans in living areas and all bedrooms; install a whole house fan with insulated louvers; or install an economizer.
X	Install ENERGY STAR® Appliances (where applicable)
X	Install gas storage water heater with an Energy Factor (EF) of 0.62 or greater and a capacity of at least 30 gallons for one- and two-bedroom units and 40 gallons for three-bedroom units or larger.
Water Efficiency:	
X	Use water-saving fixtures or flow restrictors. <ul style="list-style-type: none"> a. Kitchen and Service Areas < 2 gallons per minute (gpm). b. Bathroom Sinks < or = 1.5 gallons per minute (gpm). c. Showers and Bathtubs < or = 2.5 gallons per minute (gpm).
Indoor Environmental Quality:	
X	Use Low-VOC paint and stain. <ul style="list-style-type: none"> a. Flat interior wall/ceiling paints & stains < 50gpl VOCs. b. Non-flat wall/ceiling paints & stains < 150gpl VOCs
NA	Provide window coverings – <ul style="list-style-type: none"> a. Drapes or blinds may be fire retardant.

X	<p>Floor coverings –</p> <ul style="list-style-type: none"> a. Light and medium traffic areas shall have vinyl or linoleum at least 3/32" in thickness. b. Heavy traffic areas shall have vinyl or linoleum at least 1/8" in thickness. c. Carpet shall comply with U.S. Department of Housing and Urban Development/Federal Housing Administration UM 44C, or alternatively, cork, bamboo, linoleum, or hardwood floors shall be provided in all other floor areas.
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AA. Incipient Violations

Rehabilitation assistance may be used for rehabilitation work necessary to correct incipient, as well as actual violations of Housing Quality Standards. An incipient violation exists if it is thought that the physical condition of an element in the structure will deteriorate into an actual violation in the near future or an improvement that will extend the useful life of the property.

BB. Building Permits and Related Fees

Rehabilitation assistance may provide funds to cover the cost of building permits and related fees that are required to carry out the proposed rehabilitation work.

CC. Ineligible Cost

Except as provided for herein, a rehabilitation loan shall not be used for:

- 1) New construction, substantial reconstruction, expansion of the structure, or the finishing of unfinished spaces (except in documented overcrowded conditions), or the finishing of unfinished spaces including the finishing of work where the unfinished or incomplete work commenced under a previous contract and or permit.
- 2) New Construction, reconstruction and /or substantial improvement to dwellings or structures on parcels located within a flood plain or flood that are subject to the provisions of Chapter, Section 10.30 of Title X of the Yuba County Ordinance Code – Ordinance No. 1248.
- 3) General property improvements will not be allowed unless they are replacing existing items that are damaged and are directly connected to a health and safety item involved in the project. Other items which will not be allowed include, but are not limited to: personal property, microwave ovens, garbage compactors, installation of automatic garage door openers, draperies, burglar alarms or security systems, television antennas and items which do not improve the real property for which the loan is secured.
- 4) Acquisition of land.
- 5) Building permits fees that contain penalties or any enforcement costs. Fees prescribed by any Agency, Department or any person, entity, corporation or firm.
- 6) Manufactured homes where the manufactured home cannot be secured to the real

- property on which it is located.
- 7) Manufactured homes older than 10 years.

III REHABILITATION FINANCING

A. Owner-Occupant

1. Limits

An eligible owner may qualify for the full cost of the rehabilitation work needed to comply with Section 8 Standards. **Maximum assistance with CDBG funds is \$60,000. In cases of severe life safety issues, loans exceeding the maximum of \$60,000 maybe allowed with the approval of the Loan Committee.** If total indebtedness against the property exceeds 95% of the after rehabilitation value, the following considerations will apply:

- i. The County of Yuba would be in no less than second position.
- ii. Any existing mortgages to be fully amortized and current in payments.
- iii. Property values will be determined based on professional appraisals.
- iv. The applicant(s) must have an excellent credit rating, with no derogatory accounts unpaid collections or judgments at time of application to the County.
- v. The borrower(s) sign an acknowledgment at close of escrow stating that they are aware that the property will be encumbered for more than it is currently projected to be worth, and that they are proceeding with the County of Yuba loan of their own free will.

Rehabilitation costs for CDBG-funded jobs may be supplemented with personal financing or with other loan or grant programs, which are sources of leverage for the County. Borrowers with deferred loans will be evaluated every five years for income eligibility. Those borrowers who no longer qualify for a deferred loan will have their loans amortized at that time. After rehabilitation, owner-occupants will be expected to maintain their property in good repair. Annual verification of housing standards, adequate hazard and flood insurance, and current property taxes will be conducted. Rehabilitation Assistance Agreements will include requirements to maintain housing standards, insurance and taxes. Owners delinquent in these areas will have their loans accelerated if the problem is not corrected within 60 days of notification.

2. Types of Financing and Terms

- i. Deferred Payment Loans - DPL's are loans secured by a Deed of Trust with no payback required until the participant sells, transfers title, discontinues residence in the dwelling or dies. When that occurs, the DPL becomes

immediately due and payable. Payments may be made voluntarily on a DPL.

- ii. Grants will be allowed for a maximum amount of \$2,000. each for emergency repairs or handicapped retrofitting for disabled or very low-income elderly persons.
- iii. All loans (both deferred and amortized) will bear a simple interest rate of 3%. Whenever possible, loans will be amortized. The maximum term of all amortized loans will be for **15 years** unless a longer period is deemed necessary to protect the integrity of the loan. There will be no prepayment penalty.

3. Determining Eligibility

All owner-occupant participants with incomes below 50% of the median income for Yuba County (based on household size) are eligible for Deferred Payment Loans, which will not exceed current equity. On a case-by-case basis, other hardship expenses such as medical and housing expenses in excess of 30% of the household's gross monthly income may be considered in determining the need for a deferred loan.

4. Reconstruction Policy

The reconstruction of existing Targeted Income Group (hereafter referred to as TIG) owner/occupied single-family residential structures may be authorized when:

- The dwelling is considered unsuitable for rehabilitation according to the State's definition: "A dwelling is considered unsuitable for rehabilitation when the dollar amount of code work exceeds the current appraised value of the occupied dwelling."²
- The estimated cost of reconstruction is at least 15% less than the estimated cost of purchasing comparable newly constructed housing in the locality's jurisdiction;
- The estimated cost of the reconstruction (excluding demolition, site preparation and temporary relocation) is less than the fair market value of the reconstructed housing;
- The amount of CDBG funds used for reconstruction (excluding demolition, site preparation and relocation) is 15% less than the amount of funds from all sources needed to substantially rehabilitate the existing dwelling;
- The family is not spending more than 30% of their gross household income on housing costs (for purposes of reconstruction, housing costs will consist of principal and interest on all loans against the property including the CDBG loan, property taxes and hazard insurance);

² "Dwelling means a structure or unit within a structure with cooking, eating, sleeping and sanitation facilities which have been legally occupied as a residence. Legal occupancy and residential use shall have been established for a minimum of six months.

- Proof that the dwelling has been occupied for the preceding twelve (12) consecutive months by a TIG owner/occupant unless the dwelling was ordered vacated by order of the local building official within the last six (6) months. Utility bills will be used as proof of occupancy;
- Building plans for reconstruction should meet new construction building and zoning standards for room size, setbacks and off-street parking areas.

B. Investor

1. Limits

An investor may be eligible for a loan for the full cost of the rehabilitation work needed to comply with Section 8 Standards. **Maximum assistance from CDBG funds is \$40,000 each for 1 or 2 units. A maximum of \$15,000 per unit for three units or more is allowed.** Total indebtedness against property will not exceed 90% of the after-rehabilitation value. Rehabilitation costs for CDBG funded jobs may be supplemented with personal financing or with other sources of leverage.

2. Types and Terms of Financing

- Amortized loans-Below Market Interest Rate loans (BMIR) at **3% interest**, secured by a Deed of Trust and with a term of **15 years**.

NOTE: Deferred Payment Loans (DPLS) are not available to investors. Grants are not available to investors.

3. Restrictions

- Rent Limitation Agreement (RLA) - An investor who elects to rehabilitate a rental unit with CDBG financing must sign a Rent Limitation Agreement which will be recorded. This Agreement will specify:
 - In no instance shall rents exceed the U.S. Department of Housing and Urban Development Fair Market Rent (FMR) schedule while the RLA is in effect.
 - Base Rent - Vacant Units: If the house is vacant, rent charges shall not exceed 30% of 80% of county median income for the appropriate household size in that unit. Investors shall affirmatively seek low income households by contacting the local housing authority. Where such contact does not result in eligible low income tenants, the investor shall contact the County of Yuba for guidance.
 - Base Rent - Occupied Units: If the house is occupied, rent charges will not exceed 30% of the existing tenants' household income; or, where before rehabilitation, rents already exceeds 30% of the existing

tenants' income, no rent increases shall be allowed which provide for rents plus utilities over 30% of the tenants' income.

- Terms: Adherence to these rent limitation provisions shall be for five years from date of Notice of Completion of construction. The RLA may be extended in five-year increments up to the life of the loan in order to maintain the BMIR for the loan.
 - Compliance: Failure to comply with these terms and conditions will result in the loan becoming due and payable. If necessary, foreclosure proceedings will be instituted.
- ii. Tenant Certification - An annual certification form will be sent to the owner of rental properties to verify that no tenant has been forced to move without cause during the previous years, that tenants satisfy required income criteria, and that rents do not exceed the terms of the RLA.

4. Maintenance Agreement

As specified in the Rehabilitation Assistance Agreement, an investor who participates in the Loan Program must maintain the property at post-rehabilitation conditions for a minimum of five years. Should the property not be maintained accordingly, the loan will become due and payable, and if necessary, foreclosure proceedings will be instituted.

IV OCCUPANCY REQUIREMENTS

A. Owner-Occupants

1. In the event that an owner-occupant sells, transfers title or discontinues residence in the rehabilitated property for any reason, the loan is due and payable.
- i. If, however, the owner-occupant who qualifies for CDBG financing dies, and if the heir to the property lives in the house and is income-eligible, the heir may be permitted, upon approval of the County of Yuba, to assume the loan at the ratio and terms he/she qualifies for under current participation guidelines.
 - ii. If the owner-occupant who qualifies for CDBG financing dies and the heir is not income-eligible, the loan is due and payable.
 - iii. If the owner-occupant who qualifies for CDBG financing dies and the heir is not income-eligible, but he/she chooses to rent the unit to a low income family and agrees to comply with owner-investor restrictions (i.e. Rent Limitation Agreement), the heir may be permitted, upon approval of the County of Yuba to assume the loan at the same rate and terms offered investors under current program guidelines. If the heir does not comply with investor restrictions, the loan is due and payable.
 - iv. If an owner-occupant wants to convert the rehabilitated property to a rental unit, he/she must notify the County of Yuba in advance. If the

County approves the conversion of an owner-occupied unit to a rental, the owner will be required to comply with the provisions of the investor guidelines, including rent limitation provisions and financing arrangements.

- v. If an owner wants to convert the rehabilitated property to any commercial or non-residential, the loan is due and payable.
- vi. If an owner wants to sell or transfer title to the property to another party (including a future heir) during the owner's lifetime, the loan is due and payable and may not be assumed unless the new owner meets all of the eligibility requirements of these guidelines, submits proof of such eligibility, pays all fees and costs associated with the assumption and is approved by the Loan Committee.

B. Investor

- 1. If an investor sells or transfers title to the rehabilitated property for any reason, the loan is due and payable.
- 2. An investor may convert a rental property to his/her personal residence if:
 - They can prove that the previous tenant was not evicted without cause.
 - They are income-eligible.
 - They request approval from the County of Yuba.
- 3. If an investor converts a rental property rehabilitated with CDBG funds to his/her personal residence, but they are not income-eligible, the loan is due and payable.
- 4. If an investor wants to convert the rehabilitated property to any commercial or non-residential use, the loan is due and payable.

V. OWNER PARTICIPATION OR SELF HELP LOANS

The purpose of the housing rehabilitation program is to improve the housing conditions of low income residents in the housing rehabilitation program target area. Three important considerations in achieving this purpose are: (1) the work should be done in a timely manner; (2) the work should meet certain basic standards of quality; and (3) work must comply with the rehabilitation standard established by the Program (Section 8 Housing Quality Standards).

In situations where a homeowner is also a construction contractor or can provide references establishing a history of working in residential construction, the property owner may complete some or all of the tasks required to rehabilitate his/her property if he/she has the degree of skill required to perform the work involved. Self-help is usually appropriate for the accomplishment of tasks of an unskilled nature such as general clean-up, demolition of small buildings, removal and disposal of debris or for work which involves minimum use of costly materials and equipment, such as exterior and interior painting. Work of a skilled nature is appropriate only if the owner has a license to perform such tasks.

Owners who participate in the housing rehabilitation programs on the basis of performing some or all of the work themselves, which is known as providing "owner participation" or "self-help", will be expected to comply with the guidelines outlined below.

A. Evaluation

An evaluation form must be submitted to the program to allow a determination of the applicant's suitability for owner participation. The option to allow owners to do the work themselves may be provided at the sole discretion of the program.

B. Work Schedule

Borrowers approved to provide owner participation will be required to submit a detailed work schedule in accordance with deadlines established by the program. This work schedule must include the following:

1. A complete list of materials which will be required for the project.
2. A precise cost estimate of materials to be purchased. This estimate must be based on actual costs.
3. A detailed list (company names, addresses and telephone numbers) of places where materials are to be purchased.
4. A specific list of individuals (contractors, subcontractors and/or laborers) who will be needed to assist the owner in completing the project. This list should include contractors' license numbers, addresses, telephone numbers and specific amounts to be paid.
5. A detailed time schedule showing the dates when work will be started, when work will be done on each task and when all work will be completed.

C. Permits

It is the responsibility of the owner to contact the appropriate governmental offices to determine whether building permits or other permits will be required. Failure to do this may result in loan cancellation or demands that work be started over and corrected. Whatever local requirements prevail for permit issuances, the owner will be expected to comply with those requirements.

The work being allowed by this program is for health and safety purposes. A building permit is mandatory for all code-related items. Building permit fees, where applicable, are reimbursable items; therefore, they should be included in the original Work Schedule.

D. Disbursements

Any disbursements made from the owner's loan shall be done in accordance with the work schedule approved by the program. Any obligations incurred which are not in accordance with the work schedule may be denied for payment. Disbursements shall be authorized jointly by the homeowner and a duly authorized representative of the housing rehabilitation program. All disbursements must be justified by original receipts that are legible, state the material purchased or labor provided, and they must be otherwise traceable by the program. Disbursements will be for eligible materials only.

E. Prohibition Against Cash Refunds

Homeowners are reminded that it is a violation of program policy for cash refunds to be received for materials purchased or labor secured. In cases where materials are to be returned and cash is to be received, all cash must be immediately returned to the owner's escrow account.

F. Labor Construction Certification

By allowing work to be done on an owner participation basis, it is expected that certain savings will result to the housing rehabilitation program and to the owner's loan. The method of keeping track of work done is the "Labor Contribution Certification".

VI. APPLICATION PROCESSING AND SELECTION

A. Application Processing

The Housing Rehabilitation Staff shall gather any necessary financial information to determine applicant eligibility and repayment ability. An application consists of:

1. A form containing financial and household information regarding the property owner.
2. A form containing necessary income and household information when either owner-occupied or rental properties are involved. Owner-occupant and tenant income will be verified by use of one or more of the following forms:
 - i. Verification of Employment
 - ii. Verification of Public Assistance
 - iii. Income tax information (1040's, etc.)
 - iv. Benefit letters for sources of public assistance or pensions
 - v. Copies of recent benefit or pay checks
3. Credit evaluations and income, employment and mortgage verifications as obtained by staff.
4. Title Report (Full or Limited Coverage) and Appraisal/Estimate of current market and after-rehabilitation market values.
5. A preliminary work description and cost estimate of required rehabilitation work as prepared by program staff and approved by applicant. NOTE: Work descriptions and cost estimates will be similarly prepared from a computer database (library) that contains hundreds of construction specifications.
6. All loans shall be secured by a Promissory Note and a Deed of Trust, regardless of the position of the security interest.
7. Appraisals shall be required if deemed necessary.
8. Loans shall not be subject to a prepayment penalty.
9. An optional contingency (depending on the project complexity) may be included in each loan. Unused funds will be returned to the County and accordingly applied to the loan principal.
10. Termite inspections and clearances shall be obtained when so required.

11. Loan processing fees (as appropriate) may be included in each loan. In the event that an application is denied, the County shall absorb these costs in its CDBG administrative budget. Other costs, such as termite reports, appraisal fees, legal fees, etc., may also be included in the loan.

When appraisals, legal fees, termite inspections, asbestos inspections or other extraordinary costs must be incurred prior to loan approval, the County may, after consultation with the CDBG area representative, enter into a pre-construction agreement. Under the terms of this agreement, the County shall agree to advance funds for these costs with the understanding that, if the loan is not approved, the County will absorb these costs; but, if the potential borrower withdraws from the program after incurring these costs, the applicant will repay the County. Whether this debt is repaid in a lump sum or through small amortized payments at 3% interest for a term of five years will depend upon the ability of the homeowner to pay and the recommendations of the CDBG area representative, and the Loan Committee.

Investors who withdraw after incurring costs shall, with the approval of the CDBG area representative, repay the County for all such costs plus the cost of escrow, title reports, credit reports and program delivery costs within 60 days. Failure to repay within the time allowed will result in further action which may include executing a lien on the property for the amount owed, plus interest accrued, legal costs and additional recording fees.

12. Tenants will receive information regarding fair housing rights and an authorization form for signature which states that the tenant understands that he/she may be inconvenienced by the necessary repairs and the he/she agrees to authorize inspectors and repair persons to enter his/her living quarters at reasonable daytime hours.

B. Application Selection

A Loan Commitment Request (LCR) will be prepared for all loan applications determined by staff to be eligible for a housing rehabilitation loan. The LCR and the application will be brought before the Housing Rehabilitation Loan Committee for approval.

All recommendations for loans shall be developed by County staff and/or Consultant and submitted to the Housing Rehabilitation Loan Committee. Recommendations shall be in written form and shall propose the terms of the loan, interest rate, special conditions and whether the loan should be approved or denied. All applications shall be submitted for consideration regardless of whether the recommendation is for approval or denial.

C. Loan or Grant Approval

All loans or grants must be approved by the CDBG Loan Committee. In order to obtain CDBG financing, applicants must meet all property and income eligibility guidelines in effect at the time of loan approval. Applicants will be provided written notification of

approval or denial. Reason for denial will be provided to the applicants in writing.

VII. INSURANCE

A. Fire Insurance

The applicant must maintain fire insurance on the property for the duration of the loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the County of Yuba as Loss Payee for the amount of the loan(s). A binder shall be provided by the County.

B. Flood Insurance

In areas designated by the U.S. Department of Housing and Urban Development (HUD) as flood prone, the owner is required to maintain flood insurance in an amount adequate to secure the Rehabilitation Loan. This policy must designate the County of Yuba as Loss Payee. The premium may be paid by the Rehabilitation Loan for one year.

VIII. TEMPORARY RELOCATION

Tenants will be informed of their eligibility for temporary relocation if occupancy during rehabilitation constitutes a substantial danger to health and safety of tenant or public danger or is otherwise desirable because of the nature of the project. Relocated tenants will receive housing costs, payment of moving and related expenses and appropriate advisory services, as detailed in the County of Yuba's "Residential Antidisplacement and Relocation Assistance Plan", attached to these guidelines as Attachment #2. Owner-occupants are not eligible for temporary relocation benefits except in extreme cases such as reconstruction.

IX. COMPLAINT AND APPEAL PROCEDURE

The borrower will be required to follow the process outlined below as a condition of receiving a CDBG loan. The process sets forth the steps for resolving homeowner/contractor conflicts both during and after the completion of construction.

By entering into a rehabilitation assistance agreement, the borrower agrees to follow this dispute resolution process. If the borrower refuses to follow this process, the lender reserves the right to inspect contractor work for compliance with CDBG and applicable code requirements and authorize contractor payment without the owner's consent if the work has been found satisfactory. If the borrower follows the dispute resolution process, but is unable to reach agreement with the contractor on disputed work, the lender reserves the right to inspect the work for compliance with CDBG code, and contract requirements. If the lender finds the contractor work in compliance, the lender may authorize payment without the borrower's consent. In no case will the lender unilaterally authorize a contractor payment without first notifying the borrower.

Complaint and Appeal Procedure

The Housing Rehabilitation Program acts as a lender for and a facilitator of the rehabilitation. The

primary responsibility of the Program Representative (County of Yuba's staff and/or consultant) is to ensure that the rehabilitation process meets the procedural and substantive requirements of state and federal regulations. The Program Representative is not your agent or employee. You, the homeowner, have the primary responsibility of ensuring that the contractor completes the work in a satisfactory manner according to the specifications of the approved bid and in compliance with applicable building codes. While the County is providing funds to make the repair of your home possible, the County is not responsible for enforcing your contract with the contractor you select to rehabilitate your home. The County is responsible for inspecting the contractor's work for compliance with applicable building codes, **but you are responsible for ensuring that work is completed to your satisfaction.** This is an important distinction, because it is possible for rehabilitation work to comply with the minimum requirements of the building code but not comply with the terms of your contract or not be satisfactory with respect to your expectations.

Instances may arise, however, in which a dispute or difference of opinion cannot be resolved strictly between the homeowner and the contractor. In such instances, a Program Representative will mediate the dispute according to the following procedures. On condition of your loan is that you agree to abide by the following dispute resolution process.

This process may be used at any time during or following the completion of construction. Before contacting your Program Representative, you must first communicate your dispute to the contractor and attempt to have the contractor resolve your complaint. It will be helpful if you list your problems with the contractor's work in writing and give the contractor a copy of this list. We advise you to immediately communicate to your contractor any problems you may have with his/her work, as delay may increase the difficulty or expense involved in correcting the problem.

STEP ONE: Submit a Written Complaint to the Program Representative

If you are unable to reach an acceptable resolution of your problem with the contractor, then you may request your Program Representative to act as a mediator. If your problem involves a question of building code compliance, however, your dispute should be brought to the attention of the Building Department Inspector, who can be reached at (530) 749-5440.

Complete the disputed resolution within five working days after you have requested the contractor to address your complaint. Your Program Representative will respond in writing to your complaint within ten working days after its receipt. The response will indicate the course of action the Program Representative will take, which will include one or more of the following:

- X direct contact with contractor to correct the problem;
- X arrangement of a meeting to inspect the problem, with subsequent action to follow;
- X arrangement of a meeting between the Program Representative, the homeowner and the contractor to resolve the dispute.
- X other action, as the Program Representative deems appropriate, or
- X no action.

STEP TWO: Contact County of Yuba Staff Person in Charge of Program

If the written response and subsequent action of the Program Representative is not satisfactory, you may

contact the Director of Planning, which is the County staff position in charge of the Rehabilitation Program. You must file a written complaint with the County indicating what part or parts of your dispute were not, in your opinion, adequately addressed by the Program Representative. This written complaint must be filed within five working days after you receive your written response from the Program Representative.

A written response from the County will be returned within ten working days after your complaint is received. The response will explain the follow-up action that will be taken.

Your complaint must be filed at the following address:

Community Development & Services Agency
c/o Director of Planning
915 8th Street, Suite 123
Marysville, CA 95901
(530) 749-5470

STEP THREE: File an Appeal with the County

If the written response and subsequent action of the County staff person in charge of the Program is not satisfactory, you may appeal in writing within fifteen days of the decision to the Board of Supervisors. You must file and appeal in writing indicating the exact nature of your dispute and the specific unresolved portions of the dispute you are appealing.

Your appeal must be filed at the following address:

Yuba County Board of Supervisors
c/o Clerk of the Board
915 8th Street, Suite 109
Marysville, CA 95901

NOTE: The Board of Supervisors decision is final; further disputes must be settled through court action.

X. DEFAULT AND FORECLOSURE

A. Policy

The County acknowledges that circumstances beyond a borrower's control may temporarily limit his/her ability to meet loan terms; it should in no way be misunderstood. Loan terms must be fulfilled. The County will pursue all legal means to ensure fulfillment of loan terms.

B. Procedure

- 1) Thirty (30) and sixty (60) day delinquencies. The County shall send the borrower a letter noting the amount of delinquent or performance default. This letter shall be followed by a telephone call reminding the borrower of the loan amount and due date or performance default.

- 2) Ninety (90) day delinquency. The County shall send a certified letter noting the amount delinquent or performance default. In this letter, a date and time shall be set for a meeting between the borrower and a member of County staff. At this meeting, the following will be discussed:

- reasons for delinquency or default
- any changes in borrower's health, family circumstances or financial status that limits their repayment ability
- amount in arrears

At the conclusion of this meeting, the following will be determined:

- how and when the amount in arrears will be paid
- how performance defaults will be remedied
- if a personal emergency (loss of job, loss of spouse or co-borrower, serious illness) has restricted repayment ability

If, because of such an emergency, the borrower cannot fulfill the term(s) of the loan or afford to pay the full monthly installment, the County may exercise one or more of the following options:

- i. Extend the time of payment or otherwise alter the terms of any of the indebtedness;
- ii. Accept additional security therefore of any kind, including trust deeds or mortgages;
- iii. Alter, substitute or release any property securing the indebtedness.

Any action taken as a result of this meeting shall be documented and recorded in the required fashion.

- 3) If the borrower does not appear for the 90-day delinquency meeting, and does not contact the County to reschedule the meeting, staff may immediately begin foreclosure proceedings.
- 4) Any borrower who participates in the process outlined above and then becomes 90 days delinquent within two years of renegotiating their loan terms may be subject to immediate foreclosure.

XI. AMENDMENTS

Amendments to these guidelines may be made by the County and will be submitted to the California Department of Housing and Community Development for approval.

XII. ATTACHMENTS

The following documents are attached and form a part of these guidelines:

- X Income Guidelines

X Residential Anti-Displacement and Relocation Assistance Plan

AMENDMENT #1 to Program Guidelines

(Procurement of Contractors for Rehab projects)

The County of Yuba advertises on an annual basis for licensed general contractors to participate in our housing rehabilitation program. We encourage minority-owner and women-owned companies to apply.

All interested applicants fill out an “interest form” (attached), detailing pertinent information regarding license and insurance. This list of contractors is retained “on file” and is added to, as new interest forms are received.

Once a “comparative bid” is prepared, a PRE-BID CONFERENCE is scheduled with the applicant. Contractors are invited to these opportunities to bid the job. All bids received by the due date are forwarded to the applicant(s), who then decides which contractor they prefer to complete their home improvement project.

If the loan is approved by the Loan Committee, we then verify and/or require proof of the following eligibility qualifications prior to issuance of the building permit:

- 1) Current, active and in good standing California General Contracting License (B)
- 1) Current Workers’ Compensation Insurance Policy (or Proof of Exemption if no employees)
- 1) Current General Liability Insurance (minimum \$500,000)
- 1) NOT on Federal Debarred Lists 1 and 2

Guidelines

For

Business Assistance Loan Program

Funded By

County of Yuba

With

Community Development Block Grant Funds

Adopted by County: _____

HCD Approval Letter Dated: _____

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) BUSINESS ASSISTANCE LOAN PROGRAM GUIDELINES

1.0 INTRODUCTION

The County of Yuba here after called "Lender" has established a Business Assistance Loan Program, here after called "the Program". The Program is designed to stimulate economic growth and create jobs that will improve the living conditions of residents in the community. The Program provides affordable non-conventional financing to eligible businesses and development projects. Businesses and development projects receiving these funds will be required to develop a sufficient number of net new jobs, or in the case of business preservation, retain existing jobs. These Program guidelines have been formally adopted by the Lender and shall be approved by the state CDBG program.

2.0 BUSINESS ASSISTANCE PROGRAM OVERVIEW

2.1 Program Administrator

The Lender will secure the services of a qualified program administrator here after called "the Administrator" who has experience in originating business assistance loans and is familiar with state CDBG requirements. The Administrator's detailed scope of services will be negotiated and included in a formal agreement for services executed between the Lender and Administrator. In general, the Administrator will market the Program, accept and process applications, underwrite and recommend approval of loans, ensure proper loan closing and disbursement of funds, maintain loan files and fiscal records and support the Lender's staff in administration of state grants and program income used to fund this program. The Administrator will follow and ensure compliance with these guidelines.

2.2 Program Service Area

Financing under this Program is available to all eligible businesses located in the jurisdictional limits of the Lender. State CDBG funds may not be used in urban areas that receive CDBG funds annually from the federal Department of Housing and Urban Development (HUD) entitlement program.

2.3 Source of Program Funds

The Program is capitalized with CDBG funds provided by HUD to the State of California Department of Housing and Community Development (Department). CDBG funds are federal funds and as such have a number of federal requirements that must be met, as described below. CDBG funds come to the Lender from two sources: 1) Department awards grants to the Lender that are administered under a state grant contract; 2) loan funds repaid from previous CDBG activities (grant and program income loans), called CDBG program income funds, administered under a Lender adopted program income reuse plan. As loans are originated under this program the repayments from those loans are returned and re-loaned out again to other eligible businesses.

2.4 Eligible Loan Applicants

Loan applicants for the Program must be existing legal businesses with a proper local business license, proper insurance and required permits per state and federal requirements. The business may be a tenant leasing space or the owner of the property where the business is located. The existing business must create new permanent full time equivalent (FTE) jobs. The business may also qualify by showing job retention and sufficient documentation the business will be closing down or reducing staff if not for the investment of CDBG funds. Retention applicants are businesses that will be shutting down permanently or moving operations to another labor market as defined in HUD guidelines.

Loan applicants may also be commercial developers or commercial property owners constructing a new building or completing tenant improvements in an existing commercial space. Funds can also be used to pay for off-site infrastructure costs of a new construction development project. For these projects, the developer must be underwritten and each business locating in the development must be underwritten in accordance with these guidelines.

3.0 CDBG PROGRAM REQUIREMENTS

3.1 Eligible Activities

Funds under this program are restricted to certain eligible costs. Some common eligible costs are: 1) operating capital; 2) furniture fixtures and equipment (FF&E); 3) rehabilitation of leased space or owned buildings (including engineering and architectural and local permits or fees); 4) purchase of manufacturing equipment (with or without installation costs); 5) refinancing of existing debt in conjunction with financing other eligible costs; 6) purchase of real property; 7) required off site improvements; or 8) relocation grants for persons displaced due to funding of the project. Loan funds will be disbursed on a reimbursement basis incrementally as eligible costs are verified.

Funds under this Program are provided to eligible businesses as loans. Eligible loans are underwritten with the similar standards and documentation as used by private commercial lenders including review and analysis of credit capacity, equity contributions, historical income and expenses, projected income and expenses, available collateral, and debt coverage. CDBG underwriting may be more flexible in some instances depending on the business and requested loan amount. The terms of the loan are typically more favorable than conventional commercial lenders with lower interest rates and longer terms for repayment. The Administrator will work closely with the eligible businesses to ensure they understand the requirements of the Program and the benefits of participating.

3.2 Ineligible Use of Funds

Projects that do not create permanent full time equivalent (FTE) jobs are not eligible. Projects that are primarily housing in nature are not eligible. Projects not meeting a CDBG national objective or public benefit or federal CDBG underwriting standards are not eligible. Projects must have reasonable assurance of repayment of loan funds.

Funds under this Program will not pay for reimbursement of expenses incurred prior to Department and local loan approval and/or completion of project's environmental review. Pursuant to HUD regulations regarding job pirating, program funds may not be used to facilitate the relocation of a business from one local labor market area to another local labor market area. Once approved, loan funds may not be reallocated from one approved use to another without formal written approval. Non profit organizations are not eligible to use funds for furniture, fixtures and equipment (FF&E) or working capital. Funding a project without Department review and written approval will deem the project ineligible.

3.3 Meeting A National Objective

All CDBG funded loans must meet a CDBG "National Objective" as described in the federal regulations and statutes. Furthermore, state regulations require CDBG economic development funds to meet one of the three CDBG national objectives described below.

Use of funds meeting the National Objective of "benefit to low-moderate income households" will require the business receiving CDBG financing provide fifty one percent (51%) of the jobs created to low-moderate income persons. In order to meet this requirement, a third party designated by the Lender must certify family income levels of newly hired or retained employees to document that over half are qualified as low income. To ensure this requirement is met, the Lender will require low income job creation language and covenants in the loan closing documents. All employee information is confidential and will not be released.

Use of funds meeting the National Objective of "elimination of slums and blight" must show the business being assisted is located in an area designated as blighted. The designated area in which the activity occurs must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law. These designated areas of blight must be approved by Department staff. Documentation of meeting this national objective shall include a resolution formally designating the area of the location of the business as blighted and that the investment of CDBG funds will assist in the prevention and/or elimination of slums and blight.

To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviated existing conditions which the local government certifies and State determines:

Pose a serious and immediate threat to the health or welfare of the community,
Are of recent origin or recently became urgent,
The state grant recipient is unable to finance the activity on its own, and
Other sources of funding are not available to carry out.

A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the state grant recipients certification. *Reference:* 24 CFR 570.483(d).

3.4 Meeting Proper Public Benefit Requirement

In order to meet the Public Benefit Requirement, CDBG regulations require the business to create or retain full time equivalent jobs. HUD federal regulations require that one full time equivalent (FTE) job must be created for each \$35,000 in CDBG assistance provided. In order to qualify as an FTE, 1750 hours per year must be worked and up to four (4) part time staff may be combined to make up one FTE.

To ensure this requirement is met, the Lender will require low-moderate income job creation language and covenants in the loan closing documents. (See **Attachment A** for Sample Employment Projection Chart) All employee information is confidential and will not be released. The loan agreement shall require the business to provide payroll documentation to the Lender or the Administrator showing job creation sufficient to meet the \$35,000 per FTE requirement. Upon review, and confirmation by the lender and the Department that the required number of jobs have been created or retained the business will have satisfied the Public Benefit Requirement. CDBG loans are meant to create long term employment opportunities but ongoing long term monitoring is not required.

All employees retained or hired as a result of CDBG financing must complete a self certification form. The form shall be provided to the Lender and all demographic and income information will be included in the Annual Grantee Performance Report submitted to the Department. (See **Attachment B** for Sample self certification form for new hires or retained employees)

3.5 Other Federal Requirements

There are a number of other federal laws and requirements that are triggered with the use of CDBG funds. The Lender and Administrator will take the lead and ensure compliance with all CDBG regulations in conformance with standards set by HUD.

National Environmental Policy Act (NEPA) regulations require an Environmental Review Record (ERR) be submitted for each project / business funded by CDBG. The Lender is required to complete the proper NEPA review and include in the Loan package. The ERR level of review is based on the type of project proposed and ALL aggregated activities to be undertaken. The Administrator may complete the ERR for the Lender however the Lender must sign the document and take legal responsibility for the review. State CDBG staff must review and approve the ERR prior to commencement of the project and loan approval.

Applicants will be informed of any additional time required for loan processing due to the NEPA review. The ERR will be completed as soon as the Administrator determines the project is eligible for funding. No costs will be charged to the borrower for this process. Once an application is submitted, activity on the project must cease until completion and approval of the ERR. Commencement of a project or additional work performed on a project prior to the approval of the ERR would be a choice limiting action under NEPA regulations and would deem the project ineligible for CDBG financing.

Davis Bacon Federal Prevailing Wage Compliance is required when CDBG funding is used to pay

for construction costs. In addition, state prevailing wage may be triggered with the use of CDBG funding. Loan processing staff will work with loan applicants to ensure projects are in compliance with HUD federal prevailing wage regulations and federal procurement standards. Any additional costs resulting from this regulation will be incorporated into the business loan and may be financed with CDBG funds.

Acquisition and Relocation laws may be triggered when using CDBG funds (24 CFR 570.606). Acquisition laws, both federal and state, must be followed when CDBG funds are used to assist in the purchase of real property. Loan processing staff will work with loan applicants to ensure the business is in compliance with all state or federal acquisition /relocation laws triggered by the project. Applicants will be informed of any additional costs or administrative work required due to acquisition or relocation regulations.

A Data Universal Numbering System (DUNS) number is required by all loan applicants. A DUNS number may be obtained on line at no cost. Prior to funding, the Lender will confirm the business and all owners are not on the federal debarred list. Applicants will be required to obtain all proper licenses and insurance to operate legally in the community. In addition, HUD also requires that the Department and the Lender collect certain income and demographic data from the business and any new hires resulting from the investment of CDBG funds.

In addition to the standard commercial underwriting criteria, projects financed with CDBG funds must adhere to HUD Loan Underwriting Guidelines referenced as **Attachment C**.

3.6 Required Loan Review By Department Staff

Department staff must review each business assistance loan for procedural compliance with federal regulations and adopted program guidelines. Upon review and approval by the Department of local loan underwriting conducted by the Lender or a third party Administrator, a formal written approval letter will be issued by the Department.

Note: It is recommended that the loan approval package be submitted to the Department for review and approval prior to obtaining approval from the local loan advisory board/review committee.

4.0 LOAN PROCESSING AND APPROVAL

4.1 Program Marketing

Program marketing will be conducted by Administrator and Lender staff. The designated staff for the Administrator will arrange local media coverage with ads in local papers. Marketing brochures will be distributed to the local chamber of commerce and business networking organizations. Presentations will be scheduled for rotary and real estate organizations in the area. Local commercial lenders will be contacted and information will be provided. Flyers will be sent to all local business owners in the program's service area. Lender staff will work closely with Administrators to ensure that maximum outreach and program education takes place in the service area and applications are processed in accordance with these locally adopted program guidelines.

4.2 Fair Lending Compliance

This program will be implemented in ways consistent with the Lender's commitment to fair lending laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Program funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause. All personal information of loan applicants will be kept confidential.

4.3 Loan Application Processing

Loan applications will be processed on a first come first served basis. The Administrator will accept loan applications and review for initial eligibility. Applications that do not meet basic requirements of the program will be returned with an explanation in writing outlining the deficiencies of the submittal and a request for additional information.

Loan files will be set up as applications are received and information is gathered. The Administrator will pay a visit to the businesses location and meet personally with the owner(s). Technical assistance will be provided as needed to help the business provide proper information for loan underwriting. The business will be required to provide proper financial information and agree to have credit checks conducted as part of the loan approval process. The Administrator may provide sample financial forms (ie; balance sheets/ cash flows, profit and loss statements, personal financial statements, pro formas) but in no instance will the Administrator's or Lender's staff prepare or complete the financial forms for the applicant. The applicant must be referred to local supporting resources such as local business assistance development organizations that are available to assist applicants in producing proper financial statements, formal business plans, market study or provide financial accounting classes as needed.

Loan applicants are responsible for providing accurate and timely information to the program administration staff as part of the loan process. This includes disclosing any other businesses owners have greater than a 20% ownership interest. All owners of the business, having a greater than 20% ownership position or a material interest in the operation of the business are required to provide information and will be subject to the underwriting process. Borrower(s) will be required to provide security for the loan. Borrower(s) shall provide historical financial information and provide explanations of special circumstances of past performance as needed. Owner(s) must provide information on equity invested in the business to date and any current assets available for equity investment into the project. Borrower will be required to provide financial projections for the business that are reasonable and consistent with the past performance of the business.

Once the Administrator has compiled the required credit, financial, and underwriting information and confirmed the loan is eligible under these guidelines, a Loan Approval Memo will be drafted. The Loan Approval Memo (See **Attachment D** for sample Loan Approval Memo) including all supporting documentation and the Loan Approval Checklist (See **Attachment E** for

State Loan Approval Checklist) and instructions will be submitted to the Department for review. If the Department approves the loan's underwriting the Lender may submit the loan request to the Loan Review Committee (LRC) for approval. Once the loan is approved by the LRC, loan documents may be prepared for loan closing.

4.4 Program Loan Review Committee

The Loan Review Committee (LRC) shall be made up of an odd number of persons. The Lender's staff shall ask LRC members to volunteer for this board. The LRC members may be from local financial institutions, the Lender, or other interested parties who demonstrate the professional capacity to review and evaluate commercial loans.

LRC loan review and approvals will take place after Department review and approval. If the LRC makes significant changes to the approval the loan must be resubmitted to the Department for a second review and final approval prior to funding. LRC meetings will be scheduled by Lender staff in conjunction with Administrator staff once a loan has been underwritten and is ready for review and approval. LRC members are responsible for reviewing each loan application funding proposal and making recommendations to the Lender. The LRC may request additional information or add conditions to the loan request prior to final loan approval.

4.5 Loan Applicant Confidentiality

Persons serving as the Administrator, Lender, and serving on the LRC for this Program will not disclose any of the Borrowers personal confidential information. All confidential information of businesses will only be disclosed to persons required to view the information as part of loan review and approval process. All personal and business confidential information of loan applicants will be kept in a locked secured storage facility and is not available to persons outside of the program. If the Lender, Administrator, or Department receive a request for public records only non-confidential information, as determined by legal counsel, may be provided.

4.6 Applicant Dispute Resolution/Appeals Procedure

Any business applying for assistance through the CDBG program has the right to appeal if their application is denied. The appeal must be made in writing to the Administrator and the Lender. The LRC will schedule a meeting for the appeal to be heard. If the application is denied a second time then the person may ask to have their appeal presented to the Lender's governing body for a final decision.

The Administrator is responsible to the Lender to assure that the Program is implemented in compliance with state and federal regulations. In addition, loans must be underwritten in accordance with proper program guidelines in a timely and responsible manner including developing accurate and professional files, work write-ups and contract documents. The Administrator or their representatives will ensure the funded activities are completed and the jobs are created in accordance with federal regulations.

4.7 No Conflict Of Interest Allowed

In accordance with Title 24, Section 570.611 of the code of federal regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the CDBG program shall directly or indirectly be eligible for this program. Exceptions to this policy can be made only after public disclosure and formal approval by the governing body and authorized in writing by Lender's legal counsel. In the event representatives from the financial community serving on the LRC have a financial interest (excluding regular checking and savings accounts) in a loan application the member will not participate in any discussion or conversation relative to the application or participate in any aspect of the loan the approval process.

4.8 Exceptions / Special Circumstances

Exceptions are defined as any action, which would depart from policy and procedures stated in the guidelines. For example, if the cost of rehabilitation for critical code deficiencies exceeds 100% of the after-rehabilitation value of the property, the LRC can, on a case-by-case basis, accept a partially secured loan.

The Lender or its agent may initiate consideration of an exceptional/special circumstance. A report on the situation will be prepared. This report shall contain a narrative, including the staff's recommended course of action and any written or verbal information supplied by the applicant. The Loan Committee shall make a determination of the exceptional/special circumstances request at a regular or special meeting.

Loan payments may, on a case by case basis, be deferred for a period of time to allow for the start up or expansion of a business.

4.9 Loan Closing Process

Upon approval by the CDBG Program, the Administrator and Lender will prepare all necessary loan closing agreements and documents including title and lien searches, and UCC-1 filings, if appropriate. (See **Attachment F** for Sample Loan Agreement) Lender legal counsel will review all agreements and documents, as necessary. Escrow companies may be used for the loan closing process. Upon execution of the loan documents the Lender may request funds from the Department.

5.0 DESCRIPTION OF LOANS

5.1 Determination of Loan Amount

Loans in excess of \$250,000 must be formally approved by the Department's Economic Development Advisory Committee (EDAC).

Loan amounts will be determined based on the number of jobs to be created or retained, the

ability of the business to service the new CDBG loan payment, and the reasonableness of the costs paid for with CDBG funds. If there are not sufficient CDBG funds for the project the program administrator can assist in locating other public or private funding to leverage the proposed CDBG financing.

5.2 Determination of Loan Term

The term of the loan will be based on the asset being financed. The term generally should not exceed the economic life of the asset being financed. Department Staff will confirm the term is appropriate based on the use of the CDBG funds.

5.3 Determination of Loan Interest Rate

The interest rate for the loan will be based on the underwriting analysis conducted by the Administrator. Some of the factors that will drive the interest rate are: 1) ability of business to service the loan; 2) rate of return the borrower will receive; 3) credit risk factors and management experience. By allowing interest rate flexibility the Lender can tailor the loans under this program to meet the specific needs of the individual businesses.

5.4 Loan Processing Fees

The CDBG program provides general and administration and activity delivery funds to pay for loan processing costs. No direct loan fees will be charged; however, the borrower may be charged a loan servicing fee. Loan servicing fees may not be charged for costs covered and paid for with activity delivery funds. There are no loan pre-payment penalties allowed under this program.

6.0 LOAN UNDERWRITING STANDARDS

6.1 Initial Loan Evaluation

Each project / business will be evaluated based on historical performance and financial projections. Specifically the following questions are examples of some of the questions that may be asked upon receipt of a loan application.

- Will the business create or retain jobs?
- Will project meet a CDBG national objective?
- Is the proposed use of funds CDBG eligible?
- Are the business and all owners' credit worthy?
- If a start up, does business have management capacity?
- If a start up does business have solid business plan and document market demand?
- Does the owner of the business have the financial expertise to operate the proposed business?
- Is the owner(s) contributing a reasonable amount of equity?
- Is the owner able to obtain conventional bank financing, if not, why?
- Has the business been financially viable in the past?
- Are there reasonable financial assumptions for future viability/success?
- Is there enough collateral available to secure the loan funds?

These questions will assist the Administrator in determining what additional information/documentation may be needed to assess the viability of the project and demonstrate the need for CDBG funds.

The following represents some basic underwriting requirements for a typical loan applicant.

6.2 Personal and Business Credit Requirements

A personal credit report will be obtained for all owners of the business with 20 percent or more interest. A Dunn and Bradstreet report and/or business credit report will be obtained for the subject business and all associated businesses wherein the borrower(s) have a 20% or more ownership position.

Most credit reporting services will provide credit scores. If a credit score is not provided a detailed analysis and narrative supporting the credit worthiness of the borrower shall be submitted.

6.3 Personal and Business Financial Information

Personal financial statements will be required for each person who owns 20% or more of the business. Financial statements must include all assets and liabilities. In addition, three (3) years personal federal tax returns are required.

Historical financial information for the business will be required including profit and loss statements and balance sheets. The business will also need to provide three (3) years of financial projections. These will consist of pro formas showing projected revenue and costs for the business on a monthly basis for each fiscal year. Start up businesses will be required to provide projections until the business shows a profit. The cash flow projections will include an analysis comparing the use of CDBG funds versus conventional financing and the impact on the profitability of the business. The pro formas must also show the increase in the costs to the business due to the new jobs created and include the additional debt service associated with CDBG financing.

A sources and uses form must be provided indicating all funding required to complete the proposed project including owner's equity, private bank financing and all other sources of project financing.

Using the information in the financial statements along with any back up documentation required will allow the Administrator to conduct the project's underwriting analysis.

6.4 Collateral Requirements

All loans under this program will be collateralized using standard commercial lending underwriting guidelines. Collateral coverage will be assessed based on assets available as security. CDBG funding is typically in a subordinate position to banks and other lenders. It is the goal of the Program to obtain a favorable lien position to assist in ensuring loan repayments and permanent job creation. Types of collateral may include:

- Secured liens on real property,
- UCC liens on machinery, equipment, or other fixtures,
- Lease assignments, as appropriate,
- Personal and corporate guarantees, as appropriate, and;
- Life insurance and other collateral, as appropriate.

Appraisals may be required in determining the value of collateral used to secure CDBG financing. Combined loan to value ratio on collateral for the typical CDBG loan should not exceed ninety percent (90%). Equipment and inventory secured should be properly discounted to reflect actual liquidation value.

6.5 Business Experience And Management Capacity

The Administrator will obtain and review resumes determining the level of experience of the business owners and their management staff and their ability to operate the proposed business.

7.0 LOAN SERVICING

7.1 Loan Servicing Agent

Program loan repayments will be collected by the Program Administrator. Payments will be provided to the Lender for deposit into the proper CDBG program income revolving loan account(s) in accordance with the currently approved CDBG program income reuse plan. The loan servicing agent will bill the Lender separately for all loan collection activities. Payments to the loan service agent will adhere to the Program Income Reuse Plan's general administration annual allowable costs. The Lender's loan servicing agent will provide an itemized accounting of the source of the loan payments.

The Lender will require periodic financial statements from borrowers (typically annually) that will be reviewed by the loan servicing agent to determine the financial health of the business. This review will allow the Lender to be proactive in providing the business with technical assistance and effectively managing the status of the asset.

7.2 Loan Servicing Policies

The lender has adopted a loan servicing policy that outlines how the loan servicing agent will proceed under varying circumstances. (See **Attachment G** for Sample Loan Servicing Policies) The policy also outlines how loan files will be set up and protected. These policies are available upon request from the Lender.

8.0 PROGRAM OVERSIGHT BY LENDER

8.1 Oversight of Program Administrator:

The Lender's staff, designated by the County Administrator, will serve as the primary contact with the State CDBG program representative for the Program. Lender's staff will be responsible for securing services of a qualified Administrator for implementation of this

Program. The Administrator can be secured via proper CDBG procurement, a subrecipient agreement or a Non-profit Development Organization Agreement.

The Administrator will follow these adopted program guidelines. The Lender's staff will work directly with the Administrator and be kept informed of all marketing efforts and outreach. The Administrator will provide a tracking sheet to the Lender's staff showing all applications received and the current status.

As per the agreement between the Lender and Administrator, all required reports for the Program will be reviewed and approved by the Lender's staff prior to any signatures. For financial reporting, the Lenders staff will ask for the Lender's fiscal staff to review and approve each fiscal report.

Upon completion of the loan underwriting by the Administrator, the Lender's staff will review the loan package and coordinate submittal to the State for review and approval. Upon State CDBG written approval, the Lender's staff will schedule a Loan Review Committee (LRC) meeting. The Lender's staff will ensure all loan documents are properly reviewed by legal staff and meet CDBG requirements prior to borrowers execution of the documents and loan closing.

8.2 Oversight of Loan Servicing Agent

The Lender's staff will be responsible for securing the services of a loan servicing agent. The loan servicing agent will comply with local loan servicing policies when collecting payments. All loan repayments of past CDBG economic development loans will be serviced by an agency experienced in collecting and servicing business loans. The Lender's staff will work closely with the loan servicing agent in monitoring the Lender's existing economic development loans. The loan servicing agent will provide monthly reports on the status of loan payments to be reviewed by the Lender's Program over site staff and fiscal staff.

At each LRC meeting the Lender's staff and loan servicing agent will brief the members on any problems or concerns regarding repayments of existing loans which may include decisions to foreclose and declare defaults. The governing body with direction and consultation provided by staff and legal counsel will make the final decision regarding troubled assets.

Lender's staff and the loan servicing agent will complete the proper semi-annual program income reports for review, approval, signature and submittal by the Lender to the State CDBG program representative.

ATTACHMENT A

SAMPLE EMPLOYMENT PROJECTION CHART

NOTE: This form must be filled out for each business and signed by an authorized business representative.

1. Company Name

2. Current workforce as of date of application:

_____ employees

3. Job Information for created or retained jobs.

		Number of Jobs		TIG	
Classification/Title (Created = [C] or Retained = [R])	Wage	Full-time	Part-time	Y	N
	(Please note whether wage is based on hour, month, or year)	(Minimum 1,750 hours per year)	(Minimum 438 hours per year)		
TOTAL					

4. Number of "full-time equivalent" jobs. _____ (A full-time equivalent" job is up to 4 part-time jobs each a minimum of 438 hours/year, that equals one full-time job of at least 1,750 hours/year.)

(EMPLOYER)

By: _____
Business Owner

Date: _____

By: _____
Business Owner

Date: _____

ATTACHMENT B

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

Arnold Schwarzenegger, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
Community Development Block Grant Section (CDBG)



INCOME SELF-CERTIFICATION FORM FOR NEW HIRES OR RETAINED EMPLOYEES

Grantee Name: _____ Program Operator: _____

Name of Business: _____

Address of Business: _____

State Grant Number or Program Income: _____

PART I: TO BE COMPLETED BY NEW HIRE OR RETAINED EMPLOYEE

Employee Name: _____ Number of Persons in Household: _____

Enter all household member name(s), date(s) of birth, and member's estimated gross annual income below.

	Household Member Name	Date of Birth	Gross Annual Income
Head	_____	_____	\$ _____ -
2	_____	_____	\$ _____ -
3	_____	_____	\$ _____ -
4	_____	_____	\$ _____ -
5	_____	_____	\$ _____ -
TOTAL INCOME:			\$ _____ -

I certify that the information given on this form is true and accurate to the best of my knowledge. I certify that the amount of GROSS Income listed above includes the income (including income from assets) of all adults within the household. I am aware that there are penalties for willfully and knowingly giving false information on an application for Federal or State funds. Penalties for falsifying information may include immediate repayment of all Federal or State funds received and/or prosecution under the law. I understand that the information on this form is subject to verification.

Employee Signature _____ Employee Name Printed _____ Date _____

Employee Home Address _____

PART II: HUD DEMOGRAPHIC AND PERFORMANCE DATA (To be completed by Program Operator)

COMPLETE WITH NEW HIRE/RETAINED STAFF

		<u>Race/Ethnicity</u>			
		Not Hisp	Hisp		
White:				<input type="checkbox"/> Male	<input type="checkbox"/> Female
Black/African American:					
Asian:				Are you head of household?	<input type="checkbox"/> Yes <input type="checkbox"/> No
American Indian/Alaskan Native:				Were you unemployed prior to starting this job?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nat. Hawaiian/Other Pacific Isl:				Are you disabled?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Am. Indian/Alaskan Nat. & White:				Are you homeless?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Asian & White:				Are you over 62 years old?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Black/African American & White:				Do you receive health care benefits?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Am. Indian/Alaskan & Bk/Afrn:					
Other Multi-Racial:					

Date of Hire: _____ # of hours wk'd per WEEK: _____ Rate of Pay: \$ _____ Position: _____	<p style="text-align: center;">INDICATE TYPE OF POSITION BEING FILLED OR RETAINED</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"> Official & Manager Professionals Technicians Sales Office and Clerical </td> <td style="width: 10%; text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </td> <td style="width: 40%;"> Craft Workers (skilled) Operative (semi-skilled) Laborers (unskilled) Service Workers </td> <td style="width: 10%; text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </td> </tr> </table>	Official & Manager Professionals Technicians Sales Office and Clerical	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Craft Workers (skilled) Operative (semi-skilled) Laborers (unskilled) Service Workers	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Official & Manager Professionals Technicians Sales Office and Clerical	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Craft Workers (skilled) Operative (semi-skilled) Laborers (unskilled) Service Workers	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		

PART III: ELIGIBILITY CERTIFICATION (To be completed and signed by Compliance Agency)

Current (2013) HCD Income Limits*

Extremely Low (30%)

Very Low (50%)

Low (80%)

Number of Persons in Household							
1	2	3	4	5	6	7	8
\$12,050	\$13,800	\$15,500	\$17,200	\$18,600	\$20,000	\$21,350	\$22,750
\$20,100	\$22,950	\$25,800	\$28,650	\$30,950	\$33,250	\$35,550	\$37,850
\$32,100	\$36,700	\$41,300	\$45,850	\$49,550	\$53,200	\$56,900	\$60,550

Name: _____

Position Title: _____

Participant Meets HUD definition of low income based on being below current income limits adjusted for family size.:

Yes ___ No ___

Income Level:	Extremely Low <30%	Low 31-50%	Moderate 51-80%	Non-Low +80%
---------------	--------------------	------------	-----------------	--------------

Participant Meets HUD definition of low income based on presumption.:

Yes ___ No ___

Census Tract _____ Block Group _____

Signature: _____

Date: _____

Note: The completed certification must be maintained in the grant file for review at time of monitoring.

ATTACHMENT C

HUD UNDERWRITING GUIDELINES

The County of Yuba has adopted the HUD underwriting guidelines to determine whether a proposed CDBG subsidy is ***appropriate*** to assist the business expansion or retention. In addition, the project will be reviewed to determine that a minimum level of ***public benefit*** will be obtained from the expenditure of the CDBG funds in support of the project.

The objectives of the underwriting guidelines are to ensure:

- that project costs are reasonable;
- that all sources of project financing are committed;
- that to the extent practicable, RLF funds are not substituted for non-Federal financial support;
- that the project is financially feasible;
- that to the extent practicable, the return on the owner's equity investment will not be unreasonable high;
- that to the extent practicable, RLF funds are disbursed on a pro rata basis with other financing provided to the project; and
- sufficient public benefit will be received from the expenditure of RLF funds.

Project Costs are Reasonable

All project costs will be reviewed for reasonableness, and to avoid providing either too much or too little RLF assistance. The amount of time and resources expended evaluating the reasonableness of a cost element shall be commensurate with its costs. In some instances, it will be necessary to obtain third-party, fair-market price quotations or a cost element. Particular attention will be documenting the cost elements in a non-arms-length transactions.

Procedures:

1. Start with Sources and Uses of Funds.
2. For each Use of Funds, determine if costs are reasonable:
 - a. For construction, machinery, equipment. Determine if the costs are estimated by a third-party (e.g. architect, engineer, equipment supplier, etc.) Determine if the estimates are included in the application. Determine if the contingency is adequate.
 - b. For land, determine if the price is based upon fair market value. If not, determine the fair market value and how was price determined. Obtain an appraisal or an opinion of fair market value.
 - c. For development costs (building fees, architectural/engineering costs, financing costs, franchise fees, etc.), determine if these costs are itemized and supported by contracts or other

- documentation.
- d. For working capital, compare the amount of working capital to industry averages, risk, historical needs of the business and the projected need. Analyze business financial statements, projections, operating cycle and financial ratios.
3. A higher level of review will be required if there are no third party estimates.
 4. Sources of information:
 - Sources and Uses of Funds statement
 - Financial Statements and Projections
 - Industry Averages (Robert Morris)
 - Third party costs estimates
 - Building Department/Public Works
 - Realtors
 - Appraisers
 - Architects/Engineers
 - Contractors
 - Equipment Suppliers
 - Other similar projects

Commitment of All Sources of Project Financing

Prior to the commitment of RLF funds to the project, a review shall be conducted to determine if sufficient sources of funds have been identified and committed to the project, and the participating parties have the financial capacity to provide the funds to ascertain if the project is viable and will move ahead in a timely manner. In certain circumstances, the RLF may commit its funds in advance of final commitments from other funding sources. However, to conduct the underwriting analysis, the approximate terms and conditions of the other funding sources should be known. Final commitments from the other funding sources will be required, with the substantially similar terms and conditions as used in the underwriting analysis, will be required prior to any loan closing or disbursement of funds.

Procedures:

1. Start with Sources and Uses Form.
 - a. For all sources of funds, determine if there is evidence verifying commitment or intent to commit.
 - b. For debt sources, be in receipt of letters of intent or interest that specify the level of commitment and terms/conditions of the loan. The proposed terms should be reflected in the business projected debt schedule and in the financial projections. Determine if actual loan packages have been submitted to lenders.

- c. For equity sources, determine if the equity injection is verified on the business or personal financial statements. Or if the equity is provided by an investor, obtain evidence of the level and terms of commitment (e.g. letter of intent with accompanying financial statement verifying availability of funds).

2. Sources of information:

- Sources and Uses of Funds
- Business and Personal Financial Statements
- Letters of intent/interest from lenders, partners and investors

Avoid Substitution of CDBG Funds for Non-federal Financial Support

The project will be reviewed to ensure that, to the extent practicable, RLF funds will not be used to substantially reduce the amount of non-federal financial support for the project to make the most efficient use of the RLF funds.

In order to receive RLF funds a project must have a "financial gap." This gap must be documented. There are three types of financial gaps, two are discussed below, and the third is discussed under the criteria of "Return on Equity Investment." One project may have two different gaps. The types of gaps are as follows:

- A. Unavailability of Capital: The project can afford the cost of financing, but is unable to obtain the funds from either debt and/or equity sources. In regards to debt, the gap may be a result of a lender's loan to value requirements or the inherent risk of the industry or project. For example, the lender will only loan 70% of the project's cost. In this case, the business may not have the cash to bridge the gap, or if the business bridges the gap, its cash flow may be so restricted as to jeopardize the business. In order to document this gap, several steps need to be undertaken. The lender needs to be contacted to determine if there is any ability to increase the size of their loan. Other lending sources, both public and private, need to be explored. This includes looking at the business owner(s) personal financial statements for potential funds, including home equity loans. Finally, in addition to looking at the business and personal financial statements and tax returns, a pro forma cash flow analysis needs to be prepared and analyzed, with and without RLF funds, to demonstrate the gap.

The terms and conditions of a loan under this gap analysis should be comparable to the market.

- B. Cost of Capital: The project cannot support the interest rate, loan term and/or collateral requirements of a lender. In analyzing this gap, discussions with the lender are important to determine any flexibility in terms. A single project may not be able to support the rate, terms and collateral requirements, or may just face a single hurdle. In addition, the gap may only exist in the early years of the project. To determine the gap, business and personal financial statements and

tax returns shall be analyzed. Sources of equity shall be explored. Public and private funding sources that would bridge the gap shall be evaluated. Pro forma cash flow analysis shall be developed with and without the RLF funds to demonstrate the gap. Depending on the gap, the terms or rate shall be adjusted to a rate that allows the project to proceed but are not too generous. Terms can be adjusted to allow for deferrals of principal and /or interest, or to allow loans to be amortized over a longer period. Interest rates can be adjusted, including increases in the rate over time as cash flow allows.

Procedures:

1. Review the Sources and Uses to determine if other sources of funds are available (e.g. SBA, RD, business, personal or investor equity, etc.)
2. If the need for RLF funds is based upon a lender's loan-to-value requirements, determine if this requirement is reasonable and based upon the project's risk and location.
3. If the need is based upon the cost of funds, then conduct a review of the financial information to validate the need for the RLF funds.
 - a. Review historical and projected financial statements.
 - b. Determine if revenues, expenses, debt service, officer's salaries, owner's draw, net operating income are reasonable via a comparison of historical financial information and industry averages (Robert Morris).
 - c. Review projections with and without CDBG funds. Determine if the project can support more debt within prudent underwriting guidelines. Determine if net operating income, owner's draw, and the degree of equity participation is reasonable.
4. Sources of information:
 - Sources and Uses of Funds
 - Financial Statements
 - Projections
 - Industry Averages (Robert Morris)
 - Other Financing Programs
 - Lenders

Financial Feasibility of the Project

Each project will be examined to determine the financial viability of the project, and thus the reasonable assurance that the public benefit will be realized. The current and past financial statements for both the business and individuals must be analyzed, along with tax returns and projections. The assumptions behind the projections must be critically analyzed. Income and

expense costs shall be evaluated and compared historically, where applicable, and compared to industry averages (using guides such as Robert Morris' Annual Financial Statements). Project costs, including both hard and soft costs, must be determined to be reasonable. Accurate project costs are vital to determining project feasibility.

As part of the financial analysis, the past, current, and projected financial data shall be analyzed to determine if the job estimates are reasonable and supportable. Labor costs shall be looked at the break-even point. In addition, labor costs shall be checked against industry averages. Variations should be explained in the loan analysis.

The terms and conditions of the RLF loan must be "appropriate." In general, the interest rate shall be set at a rate where available cash flow is able to meet debt obligations, after other obligations are met, with enough cash flow remaining to operate successfully. The loan term typically is based in the asset being financed. The term should not exceed the economic life of the asset being financed. However, a longer loan amortization schedule, with the loan due at the end of the economic life may be justifiable.

Each loan shall include a written explanation of the "appropriate" analysis that was undertaken, and the reason the terms and conditions of the loan were approved.

Financial Analysis

Historical and projected financial statements will be subject to financial analysis to determine the gap, and structure the terms and conditions of the RLF loan, as discussed above, but also to determine that the project is feasible. In addition, use prudent underwriting guidelines, demonstrating that the proposed loan is of sound value, and note how past earnings and future prospects indicate an ability to meet debt obligations out of profit.

Information that will be required to be submitted by the applicant will be dependent on the project, ownership structure and whether it is an on-going or start-up business. In general, the information required is outlined in the RLF checklist in the exhibits.

The financial analysis will differ depending on whether the business is a start-up or existing business. The analysis will include for existing businesses a spread of the current and financial statements to determine trends. The pro forma statements will then be compared to these past statements. Financial ratios will be analyzed. The statements and ratios will be compared to industry averages. For start-up business the projections will be analyzed and ratios developed, and both compared to industry averages.

Ratios that will be analyzed include:

- Current Ratio: current assets/current liabilities. This ratio is a rough indication of a firm's ability to service its current obligations. A ratio of 2:1 is considered secure.
- Quick Ratio: cash & equivalents plus accounts & notes receivable/current liabilities. This ratio is a refinement of the current ratio. A ratio of 1:1 usually indicates ample liquidity.

- Cash Flow Coverage: net profit & depreciation & depletion-amortization expenses/current portion of long-term debt. This ratio is a measure of the ability to service long term debt.

Another coverage ratio is: earnings before interest & taxes/annual interest expenses. This ratio is a measure of a firm's ability to meet interest payments. A cash flow coverage of 1.25 debt service shall be used as a guideline.

- Debt to Worth: total liabilities/tangible net worth. This ratio shows the relationship between debt and a businesses net worth. A lower ratio is an indication of greater long-term financial safety and greater flexibility to borrow. In general, a debt to worth ratio of higher than 5:1 should not be exceeded as an underwriting policy. There are exceptions when the industry average is high due to its capital intensive nature or when projections show the ratio lowering quickly.
- Collateral Coverage: The value of collateral as compared to the amount of the loan. Typical underwriting guidelines suggest that 125% of loan balance be used. However, this is highly dependent on the quality and security of the collateral. In addition, collateral requirements are a cause of "financial gaps." The RLF shall use 125% as a guideline, which shall only be lowered with specific and detailed analysis and explanation.
- Break-even Analysis: The analysis of the project's ability to support the projected labor costs and additional debt service at its break-even point (BEP) will be analyzed to determine what proportion of the jobs can be supported at that BEP. This will serve as a worst case look at the business' prospects for success, ability to service new debt, etc.

The financial and ratio analyses must be supported by the business plan. The business plan must provide a clear understanding of the project, competition, market strategy, sales estimates, management capacity and other factors.

Lastly, to ensure project feasibility, an evaluation will be conducted of the experience and capacity of the business principals to manage the business and achieve the projections.

Procedures:

1. Perform financial underwriting analysis.
 - a. Spread historical financial statements and projections. Identify any significant differences. Compare to industry averages.
 - b. Review assumptions to projections. Determine if projections are reasonable and supported by market studies, business plan, and historical trends.
 - c. Review financial ratios for project. Compare to industry averages. If significantly different, determine the reasons and impact on feasibility.
 - d. Review cash flow for project. Determine if there is adequate working

- capital.
 - e. Determine break even point for project, and how much the projections are above the break even point. Determine if the public benefit will be realized at the break even point.
2. Review the business plan, market information, historical financial statements, projections, ration analysis, break even analysis, spread sheet analysis and management capacity to determine the project feasibility.
 3. Sources if information:
 - Historical financial statement
 - Financial Projections
 - Business plan
 - Market and industry information
 - Industry Averages

Return on Equity Investment

The return on equity investment is the amount of cash that the investor/business owner is projected to receive in relation to their initial equity. For a sole proprietor, this equates to salary plus net income. To the extent practicable, the RLF should not provide more than a reasonable return on investment to the business owner. This will help ensure that the RLF will maximize the use of RLF funds and not unduly enrich the business owner(s)/investor(s). However, care shall be taken to ensure that the rate of return will not be too low, so that the business owner's motivation remains high to pursue the business with vigor.

If the project's financial returns are projected to be too low to motivate the business and/or investor to proceed with the project then risks of the project outweigh the returns. An inadequate rate of return, adjusted for industry and locational risks, is a third method to determine the gap appropriate to be funded with RLF funds. To analyze this gap, the projected return on investment must be compared to the return on investment on similar projects. If it is shown that a gap does exist, then the RLF financing rate and terms must be set at a rate which provides a return equal to the "market rate." Real estate appraisers and lenders are important sources of information on "market rate" returns.

Procedures:

1. Review projections.
 - a. Review revenues, expenses (including officers' salary/owners' draw), debt service and net operating income. Compare to historical financial information and to industry averages. Determine if these items are reasonable.
 - b. Review indicators of owners' return on equity, including officers' salary, owners' draw, and net operating income. Given the project's risk and local conditions, determine if the return on equity is reasonable

compared to industry averages.

2. Review the business and personal obligations. Determine what return on equity is necessary to meet personal and business obligations.
3. If return on equity is above industry averages, adjusted for risk and local conditions, take steps to reduce the return to within a reasonable rate by restricting owners' draw/officers' salary, or adjusting the RLF loan terms.
4. If return is below average, adjust RLF subsidy to bring the rate of return closer to the industry average.
5. Sources of information:
 - Financial projections
 - Historical financial statements
 - Personal financial statements
 - Industry averages

Disbursement of RLF Funds on a Pro Rata Basis

To the extent practicable, RLF funds should be disbursed on a pro rata basis with other funding sources to avoid placing RLF funds at a greater risk than other funding sources. When it is determined that it is not practicable to disburse RLF funds on a pro rata basis, other steps shall be taken to safeguard RLF funds in the event of a default.

Procedures:

1. Review Sources and Uses of Funds. Determine when RLF funds will be expended as compared to other funds.
2. Determine other funding sources' policies towards expenditure of funds. These policies may require the use of RLF funds first. If so, may need to negotiate with other funding sources.
3. If RLF funds are to be expended first, consider actions to safeguard RLF funds (e.g. performance or completion bonds).
4. Sources of information:
 - Sources and Uses of Funds
 - Construction Contracts
 - Lender Requirements/Policies

Standards for Evaluating Public Benefit

Each project will be reviewed to determine if a minimum level of public benefit will be obtained from the expenditure of RLF funds. The minimum standards are:

- The project must lead to the creation or retention of at least one full-time equivalent job per \$35,000 of RLF funds used; or
- The project must provide goods or services to residents of an area, such that the number of low-moderate persons residing the areas served by the project amounts to at least one low-moderate person per \$350 of RLF funds used.

Procedures:

1. Review historical financial statements.
 - a. Review historical labor costs as a percentage of revenues. Compare the percentage to projected labor costs. Determine if the two figures are consistent. If not, obtain an explanation.
 - b. Determine if the number of projected jobs is consistent with the projected increase in labor costs. Compare the labor cost percentage to industry averages.
2. Review the projections.
 - a. Determine if the assumptions used to project revenues and labor costs are reasonable. Determine if revenues and labor costs are supported by market/ industry information and historical financial statements.
3. Determine if project meets minimum public benefit requirements (one full-time equivalent jobs for every \$35,000 in RLF funds, or one low-moderate resident per \$350 in RLF funds residing in the area served by the project).
4. For infrastructure projects, determine the area of benefit, negotiate fair share contributions, and track jobs from the benefiting business(s) if the projected cost/job is less than \$10,000, or track jobs in the area of benefit if the projected cost per job is \$10,000 or more.

ATTACHMENT D

SAMPLE LOAN APPROVAL MEMO

County of Yuba
CDBG Business Loan Program

BORROWER:

TYPE OF BUSINESS:

OWNERSHIP:

PREPARED BY:

DATE:

PURPOSE:

LOAN REQUEST:

FUNDING SOURCES:

	Amount	Interest Rate	Loan Fee	Term	Monthly Payment
CDBG Business Loan					
Owner					
Other					
Total					

SOURCES AND USES:

	CDBG	Owner	Other (Bank, etc)	Total
Furniture, Fixtures				
Advertising				
Licensing				
Renovation				
Working Capital				
Total				

COLLATERAL:

Second lien position on the residential property located at, owned by with a first lien held by Countrywide Home Loans. The property was purchased in December, 2003 for \$, and the mortgage balance is currently \$. The owners state the value at \$, leaving equity of \$.

Additional collateral will be a blanket UCC filing on all business assets.

CREDIT HISTORY

Based on Equifax Information Services for, indicates that all accounts are paid as agreed and no derogatory reports. They have excellent credit.

BACKGROUND:

Currently there is only one assisted living residential facility located in the County of Yuba. It is licensed for eleven beds and most of the residents share a room.

The House will target seniors who desire more privacy in a more home-like atmosphere, with rooms having private baths. There is also a large outdoor living space which is surrounded by a landscaped back yard, and an area that residents can garden, if they wish. The location is six blocks from the Regional Medical Center and only five blocks from downtown for banking, beauty shops, restaurants, and other amenities.

The licensing is in process and will take approximately four to six months to complete, which will allow time for Matt to complete the renovation work himself. They anticipate needing two full-time and four part-time employees. Matt is requesting \$35,000 to cover equipment and furniture costs, advertising, and working capital.

Matt has lived in for over ten years and owns a tax preparation business and, a retail furniture and decor store. He and his wife have many years of business management experience and Matt was the Director of the Elders Program for the Indian Community, which will be a source of client referrals for The House.

FINANCIAL SUMMARY:

As this is a start-up business, there are no historical financials. Below is a summary of the first three years of income and expense projections prepared by the applicant, with and without the County CDBG loan as required, for comparison purposes.

Income and Expense Projections WITH CDBG loan for First Three Years

	2009-10	2010-11	2011-12
Total Sales			
Cost of Goods Sold			
Gross Profit			
Operating Expenses			
Net Profit			
Owner Draw			
Countrywide – First Lien			
City CDBG Loan			
Cash Flow			

Income and Expense Projections WITHOUT CDBG loan for First Three Years

	2009-10	2010-11	2011-12
Total Sales			
Cost of Goods Sold			
Gross Profit			
Operating Expenses			
Net Profit			
Owner Draw			
Countrywide – First Lien			
Conventional Loan (\$35,000, 10.5%, 5 years)			
Cash Flow			

The following summaries are Return on Investment and Debt Credit Ratio with and without CDBG funding for three years as required.

Return on Investment and Debt Coverage Ratio WITH County of Yuba CDBG Business Loan

	2009-10	2010-11	2011-12
Return on Investment (ROI)			
Net Operating Income (less interest paid on debt)			
Divided by Owners Equity			
ROI			
Debt Coverage Ratio (DCR)			
Available for Debt Service			
Divided by Loan Payments			
DCR			

**Return on Investment and Debt Coverage Ratio
WITHOUT County of Yuba CDBG Business Loan**

	2009-10	2010-11	2011-12
Return on Investment (ROI)			
Net Operating Income (less interest paid on debt)			
Divided by Owners Equity			
ROI			
Debt Coverage Ratio (DCR)			
Available for Debt Service			
Divided by Loan Payments			
DCR			

Personal Tax Return Summary –

	2006	2007	2008
Wages			
Interest Income			
Schedule C – Tax Prep Business			
Schedule C – Bassett's Interiors			
Capital Gain or Loss			
Other Income			
Total Income			
Health Savings Account			
Self-Employment Taxes & Other			
Self-Employment Health Insurance			
Adjusted Gross Income			

Personal Financial Statement, as of _____

ASSETS		LIABILITIES	
Cash		Accounts Payable	
Notes Receivable		Credit Cards	
Real Estate		Real Estate	
Auto			
Personal Property			
Other Assets – Store Inventory			
		Total Liabilities	
		Net Worth	
Total Assets		Total Liabilities/Net Worth	

PUBLIC BENEFIT:

One (1) FTE jobs will be created with this start-up business from the targeted income group.

PROGRAM GUIDELINES:

This loan is within existing loan program guidelines.

REPAYMENT:

Primary: Business Cash Flow.
 Secondary: Sale of Furniture and Fixtures
 Tertiary: Sale of Property

STRENGTHS:

- Owners are experienced in managing and operating successful businesses.
- Owners are well known in the community.
- With no other assisted living facilities in, there is a community need for this business.
- Loan-to-value of 59%

WEAKNESSES:

- This is a start-up business.
- The County of Yuba will be in second lien position on the residential property behind a First Deed of \$.

CONDITIONS:

1. County of Yuba Deed of Trust to be in 2nd lien position, on residential property located at Street.
2. Blanket UCC filing on all business assets.
3. Title insurance insuring County of Yuba lien position.
4. Employment Agreement committing The House to hiring one (1) FTE from members of the low-moderate group.

RECOMMENDATION:

Approval is recommended subject to the above terms and conditions.

NECESSARY AND APPROPRIATE DETERMINATION:

Is this project an eligible use of CDBG proceeds? Yes, this start-up business will create one (1) FTE job from members of the targeted income group.

Does the project meet a national objective? The project will create employment opportunities for members of the targeted income group.

Does the project meet other program requirements?

Davis-Bacon: Prevailing wage statutes do not apply to this project as the owner will be doing all the renovation work himself with no employees. .

Environmental Review: Categorically excluded subject to the 58.5 statues per 24CFR 58.35(a), but requiring no mitigation and has converted to exempt status.

Uniform Act: This economic development project will not displace any families, individuals, businesses, non-profit organizations, or farms, as a result of this loan.

All CDBG funded activities must not discriminate against any person on the grounds of race, color, national origin or sex. There has been no discrimination in the utilization of CDBG loan funds on this project.

National Flood Insurance Program: This project is not located in an area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards.

Use of Debarred, Suspended, or Ineligible Contractors or Subrecipients: Not applicable.

Employment and Contracting Opportunities: Employment opportunities can be arranged with the County One Stop Business and Career Center ensuring compliance with federal non-discrimination requirements.

Is the level of public funds appropriate to the proposed amount of benefit? One FTE job will be created from members of the low-moderate income group.

Are costs reasonable? The cost for goods and business operations appear reasonable and consistent with fair market prices. Documentation is to be provided by the owners as appropriate to CDBG requirements.

Are other identified sources confirmed? Applicant equity injection was evident during site visit to House property. No other lending source is participating in this project.

Is the structure of the financing reasonable? There is no indication that CDBG funds supplement other available funds. The chance for success of the business start-up and creating the new job is not possible without the County of Yuba CDBG business loan.

Are the public benefits carefully assessed? The level of public benefit is appropriate to the level of CDBG funds offered. One new FTE job from members of the targeted income group will be created as a result of the \$35,000 loan.

<u>LOAN REVIEWERS</u>	<u>DECISION</u>	<u>SIGNATURE</u>	<u>DATE</u>
	Approved / Denied	_____	_____
	Approved / Denied	_____	_____
	Approved / Denied	_____	_____
	Approved / Denied	_____	_____

ATTACHMENT E

BUSINESS ASSISTANCE LOAN REVIEW CHECKLIST

INSTRUCTIONS FOR COMPLETION OF CHECKLIST:

1. MAXIMUM LOAN \$250,000
2. ALL loans must have PART ONE AND TWO COMPLETED. ALL DOCUMENTATION FOR THE LOAN MUST BE IN THE JURISDICTIONS LOAN FILE.
3. GRANTEE after completing the loan underwriting process may submit the loan package using the following options:
 - a. If the loan amount is \$70,000 or less, complete Checklist Part One and Part Two and submit ONLY PART ONE including supporting documentation and signed certification or;
 - b. If the loan amount is greater than \$70,000 and less than \$250,000, complete and submit PART ONE AND TWO including supporting documentation.
4. The loan package and all supporting documents must be organized and submitted in the order shown in the checklist and all pages MUST be numbered.
5. Refer to the INSTRUCTIONS and NOTES for completing the checklist and additional information regarding required documentation.

GRANTEE		UNDERWRITER	
Jurisdiction:		Organization Name:	
Name of Contact:		Contact Name:	
Phone:	E-Mail:	Phone:	E-Mail:
BUSINESS NAME:		NAME OF BORROWER(S):	
BUSINESS ADDRESS:			
PURPOSE OF LOAN: <input type="checkbox"/> Start Up <input type="checkbox"/> Expansion <input type="checkbox"/> Retention		Data Universal Numbering System (DUNS #): <i>(Borrower must secure a DUNS # before funds can be disbursed)</i>	
SOURCES OF FUNDS AMOUNT CDBG Open Grant CDBG Program Income Local Public Funds Borrowers Contribution Bank Loans Other (Specify) TOTAL PROJECT COST		DEBARRED STATUS: (EPLS Website: www.epls.gov) Business <input type="checkbox"/> No <input type="checkbox"/> Yes Borrower(s) <input type="checkbox"/> No <input type="checkbox"/> Yes <i>(Borrower's who are on debarred status are not eligible to apply for CDBG funds)</i>	

PART ONE:

1. General Loan Documentation

YES NO

- | | | |
|--|--------------------------|--------------------------|
| a. Attached Loan Committee Memo with Detailed Project Description and Underwriting summary? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Attached completed NEPA review attached with original signatures? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is Prevailing Wage Monitoring triggered? If YES, provide information on wage monitoring consultant. | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Is Real Property to be acquired using CDBG Funds? | <input type="checkbox"/> | <input type="checkbox"/> |
| If YES, has proper CDBG acquisition process followed? | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Is Real Property Acquisition part of the project? | <input type="checkbox"/> | <input type="checkbox"/> |
| If YES, is a proper option to purchase in place? | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Will the Project cause Displacement of any persons or businesses? | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Is the project within jurisdictional boundaries? If NO, attach an explanation and justification. | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Date of Most Recent Program Guideline Approval: | | |

ATTACHMENT E

BUSINESS ASSISTANCE LOAN REVIEW CHECKLIST

2. National Objective (Complete A or B)	YES	NO
A. Documentation of Elimination of Slums and Blight	<input type="checkbox"/>	<input type="checkbox"/>
B. Documentation that Full Time Equivalent (FTE) TIG jobs (51%) will be created or retained	<input type="checkbox"/>	<input type="checkbox"/>
i. Is Employment Agreement for job creation and FTE TIG Certifications prepared and ready for execution?	<input type="checkbox"/>	<input type="checkbox"/>
ii. Total number of FTE jobs created/retained (FTE=1750 Hours Per Year):		
iii. Proposed number of FTE TIG jobs created:		
iv. Proposed number of FTE TIG jobs retained:		
v. Percentage of FTE TIG jobs created and/or retained:	%	

3. Public Benefit		
a. Total number of FTE jobs created:	Total number of FTE jobs retained:	
b. Does total number of FTE jobs support the loan amount? (One FTE required for each \$35,000 of funds)	<input type="checkbox"/>	<input type="checkbox"/>

PART TWO: Loan Underwriting (Loans Greater than \$70,000)		
4. Underwriting Documentation	YES	NO
a. Business Plan with description of business history, management, and marketing plan	<input type="checkbox"/>	<input type="checkbox"/>
b. Documentation of Site Control	<input type="checkbox"/>	<input type="checkbox"/>
c. Detailed Description of Use of CDBG Funds including proposed disbursement schedule	<input type="checkbox"/>	<input type="checkbox"/>
d. Detailed Sources and Uses Table	<input type="checkbox"/>	<input type="checkbox"/>
e. Tax Returns – Attach Business and Personal Tax Returns	<input type="checkbox"/>	<input type="checkbox"/>
f. Debt Coverage Ratio Calculation (DCR)	<input type="checkbox"/>	<input type="checkbox"/>
g. Return on Investment Calculation (ROI)	<input type="checkbox"/>	<input type="checkbox"/>
h. Loan Terms and Conditions – justification of loan terms and conditions	<input type="checkbox"/>	<input type="checkbox"/>
i. Submitted Electronic Files (MSEExcel) – ALL financial information such as historical financial statements, proforma financial projections, ROI, DCR)	<input type="checkbox"/>	<input type="checkbox"/>

5. The Grantee has complied with the following HUD Underwriting Guidelines	YES	NO
Documentation that project costs are reasonable (570.482(e)(2)(i)). Provide third party cost estimates.	<input type="checkbox"/>	<input type="checkbox"/>
Documentation that all sources of project financing are committed (570.482(e)(2)(ii)). Provide third party loan approval letters and documentation.	<input type="checkbox"/>	<input type="checkbox"/>
Documentation that, to the extent practicable , CDBG funds are not substituted for non-Federal financial support (570.482(e)(2)(iii)). Provide documentation the owner is not able to fund activities solely with other financing.	<input type="checkbox"/>	<input type="checkbox"/>
Document that the project is financially feasible (570.482(e)(2)(iv)). Has market demand been verified?	<input type="checkbox"/>	<input type="checkbox"/>
Documentation that, to the extent practicable , the return on the owner's equity investment will not be unreasonably high (570.482(e)(2)(v)). Provide ROI calculation with CDBG Loan Terms and with conventional financing terms.	<input type="checkbox"/>	<input type="checkbox"/>
Documentation that, to the extent practicable , CDBG funds are disbursed on a pro rata basis with other finances provided to the project. (570.482(e)(2)(vi)).	<input type="checkbox"/>	<input type="checkbox"/>

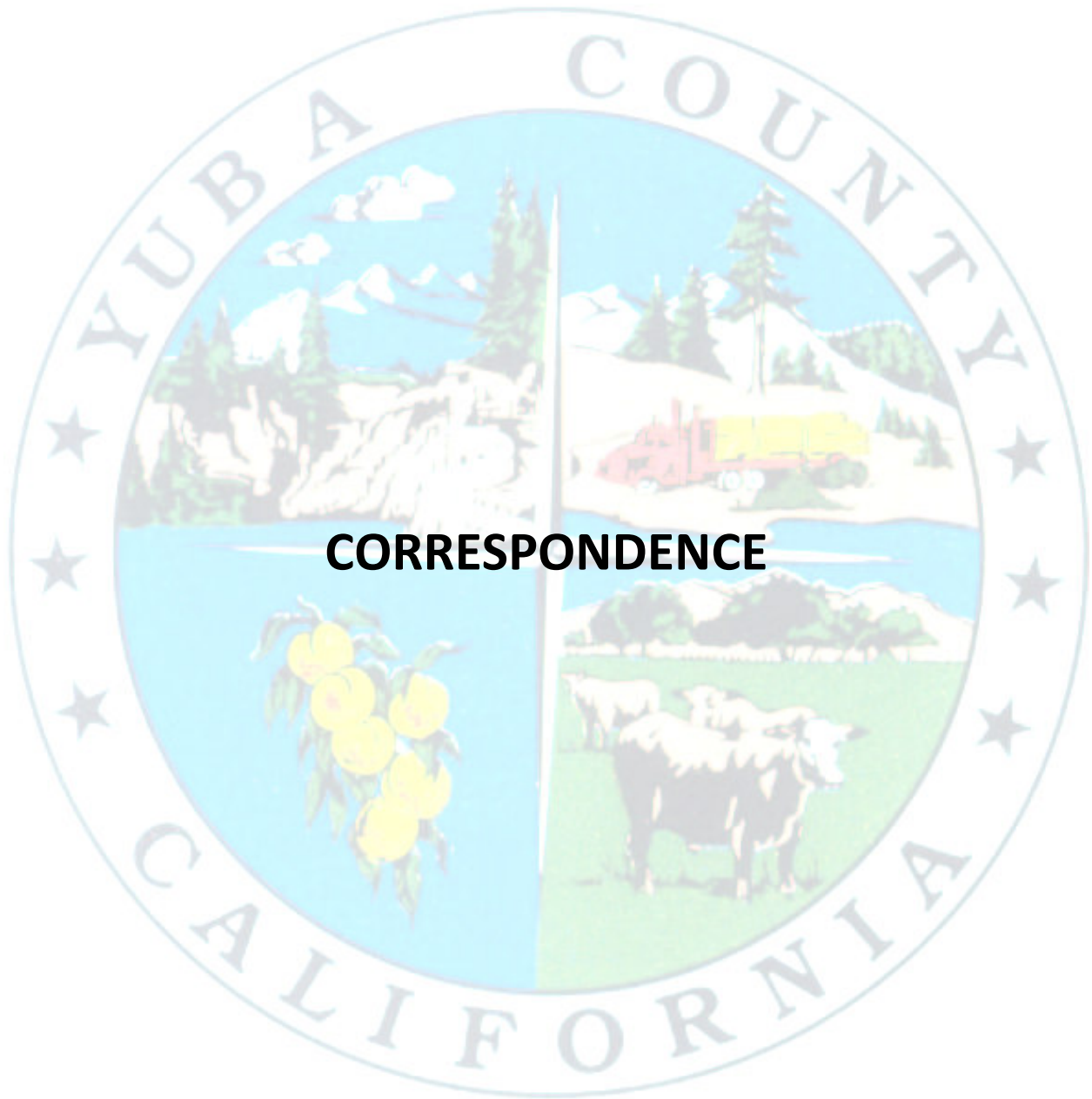
CDBG ECONOMIC DEVELOPMENT BUSINESS ASSISTANCE LOAN REVIEW CHECKLIST NOTES AND INSTRUCTIONS

<p>1a. Attach the Loan Committee Memo with a detailed project description and narrative of project underwriting in Part II.</p>	<p>1b. Grantees must complete a NEPA review for each CDBG business loan, and must receive NEPA clearance from the State prior to releasing loan funds. NEPA should be started at loan application submittal. Level of NEPA review is based on scope of work for entire project. See Chapters 3 and 15 (appendix) in the Grant Management Manual for a complete description of the process for determining level of NEPA review. If there are any questions regarding the level of review required, contact Department staff.</p>	<p>1c. Provide information confirming capacity to provide Labor Standards Monitoring and compliance with CDBG procurement requirements, Davis Bacon Prevailing Wage monitoring requirements.</p>
<p>1d, e, and f. If CDBG assistance is provided to a business purchasing a building with an existing tenant (residential or commercial) and, as part of the project, the tenant must be displaced, relocation requirements will be triggered. See Chapter 6 in the Grant Management Manual for guidance on relocation and acquisition requirements</p>	<p>1g. Attach documentation confirming a written agreement (eg; revenue sharing agreement) between jurisdictions. If funds designated for a non-entitled jurisdiction are utilized for a project in an entitled jurisdiction, prior written approval from HCD is required.</p>	<p>1h. Provide date of most recently approved Program Guidelines.</p>
<p>2A. Attach legible map documenting the project is in a slum or blighted area (Redevelopment Area or Area with a proper HUD survey and local designation). Provide a written narrative of how the proposed project will eliminate or prevent blight in the area.</p>	<p>2Bi. Has business acknowledged and agreed to job creation requirements (ie; letter from the business, loan disclosure statement, loan committee condition).</p>	<p>2Bii A maximum of four (4) part time employees may be aggregated to create or retain one (1) FTE.</p>
<p>PART TWO. SUBMITTAL OF BACKUP DOCUMENTATION NOTED IN PART TWO IS NOT REQUIRED FOR LOANS LESS THAN \$70,000, HOWEVER, ALL INFORMATION MUST BE COLLECTED AND VERIFIED FOR ALL LOANS AND WILL BE SUBJECT TO REVIEW AT MONITORING.</p>		
<p>If the loan request is for a Startup, the startup business, and any additional businesses where the borrower has a 20% or greater ownership interest, shall be underwritten and the following information is required:</p> <ul style="list-style-type: none"> ✓ Credit Report including a version of the FICO scoring method (eg; Beacon, Empirica, etc.). Jurisdiction shall determine minimum FICO credit score required. If a FICO score is not provided a detailed analysis and narrative supporting the credit worthiness of the borrower shall be provided. ✓ Copy of three (3) years personal tax returns. 	<p>If the loan request is for a Expansion to an existing business, the expanding business and any additional businesses where the borrower has a 20% or greater ownership interest, shall be underwritten and the following information is required;</p> <ul style="list-style-type: none"> ✓ Credit Report including a version of the FICO scoring method (eg; Beacon, Empirica, etc.). Jurisdiction shall determine minimum FICO credit score required. If a FICO score is not provided, a detailed analysis and narrative supporting the creditworthiness of the borrower shall be provided. 	<p>If the loan request is for Business Preservation and/or Job Retention, the business and any additional businesses where the borrower has a 20% or greater ownership interest shall be underwritten and the following the following information is required;</p> <ul style="list-style-type: none"> ✓ Credit Report including a version of the FICO scoring method (eg; Beacon, Empirica, etc.).Jurisdiction shall determine minimum FICO credit score required. If a FICO score is not provided, a detailed analysis and narrative supporting the creditworthiness of the borrower shall be provided.

CDBG ECONOMIC DEVELOPMENT BUSINESS ASSISTANCE LOAN REVIEW CHECKLIST

NOTES AND INSTRUCTIONS

<ul style="list-style-type: none"> ✓ Copy of a personal financial statement. ✓ Detailed Sources and Uses table. ✓ Minimum three (3) years of pro forma Profit and Loss Statements, Balance Sheets, and Cash flows or until business shows profitability. ✓ Provide Debt Coverage Ratio, Sales Growth Ratio, Current Ratio, Quick Ratio, and Debt to Equity Ratio yearly for a minimum of three (3) years or until business shows profitability. ✓ Personal Guarantees from all corporate borrowers. ✓ Document of collateral and valuation. ✓ Description of organization and resumes of management team. ✓ Copies of all leases, supply contracts, employment agreements. ✓ Business Plan with Market Analysis. 	<ul style="list-style-type: none"> ✓ Copy of two (2) years personal tax returns. ✓ Copy of two (2) years business tax returns for existing expanding business. ✓ Copy of personal financial statement. ✓ Detailed Sources and Uses Table. ✓ Two (2) years historical financials for existing business. ✓ Two (2) years of pro forma Profit and Loss Statements, Balance Sheets, and Cash Flows. ✓ Detailed market analysis supporting the sales growth projections. 	<ul style="list-style-type: none"> ✓ Copy of two (2) years personal tax returns. ✓ Copy of two (2) years business tax returns for existing business. ✓ Copy of personal financial statement. ✓ Detailed Sources and Uses Table. ✓ Two (2) years historical financials for existing business. ✓ Two (2) years of pro forma Profit and Loss Statements, Balance Sheets, and Cash Flows. ✓ Detailed market analysis supporting the sales growth projections.
<p>4b. Site control documentation (ie: title policy confirming borrower as owner, lease agreement, purchase agreement).</p>	<p>4c. Provide detailed uses of CDBG funds (ie: furniture, fixture, equipment list, installation costs, construction cost breakdown).</p>	<p>4d. Sources and Uses Table shall detail ALL Sources and Uses of project financing.</p>
<p>4e. Start Up - Copy of three (3) years personal tax returns. Business Expansion – Copy of two (2) years personal tax returns and two (2) years business tax returns. Job Retention - Copy of two (2) years personal tax returns and two (2) years business tax returns.</p>	<p>4f. Debt Coverage Ratio Calculation (DCR). The calculation for DCR is: Total Cash Flow available for Debt Service/Total Debt Service (including ALL EXISTING and NEW debt)</p>	<p>4g. Return on Investment calculation (ROI). Calculate the ROI using the CDBG loan rate and term and the proposed conventional loan rate and term and provide a comparison between the two. The calculation for ROI is: $\frac{NOI^* - Interest\ Expense^{**}}{Owners\ Equity^{***}}$ * NOI is Net Operating Income. **Interest Expense is the interest only portion of debt service. ***Owners equity is cash or a cash equivalent.</p>
<p>4h. Provide summary of proposed loan terms and conditions. Ensure terms and conditions meet local Program Guidelines.</p>	<p>4i. Provide all spreadsheets, projections, calculations in an electronic format (ie: MSExcel®). Electronic format shall include formulas utilized in the preparation of the financial information presented.</p>	







Schedule of Proposed Action (SOPA)

04/01/2013 to 06/30/2013

Plumas National Forest

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APR 9 2013

This report contains the best available information at the time of publication. Questions may be directed to the Project Contact.

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Projects Occurring in more than one Region (excluding Nationwide)					
Sierra Nevada Forest Plan Amendment (SNFPA)	- Land management planning	On Hold	N/A	N/A	Donald Yasuda 916-640-1168 dyasuda@fs.fed.us
Description: Prepare a narrowly focused analysis to comply with two orders issued by the Eastern District Court of California on November 4, 2009. Correct the 2004 SNFPA Final SEIS to address range of alternatives and analytical consistency issues.					
Web Link: http://www.fs.fed.us/r5/snfpa/2010seis					
Location: UNIT - Eldorado National Forest All Units, Lassen National Forest All Units, Modoc National Forest All Units, Sequoia National Forest All Units, Tahoe National Forest All Units, Lake Tahoe Basin Mgt Unit, Carson Ranger District, Bridgeport Ranger District, Plumas National Forest All Units, Sierra National Forest All Units, Stanislaus National Forest All Units, Inyo National Forest All Units. STATE - California, Nevada. COUNTY - Alpine, Amador, Butte, Calaveras, El Dorado, Fresno, Inyo, Kern, Lassen, Madera, Mariposa, Modoc, Mono, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Tulare, Tuolumne, Yuba, Douglas, Esmeralda, Mineral. LEGAL - Along the Sierra Nevada Range, from the Oregon/California border south to Lake Isabella as well as lands in western Nevada. Sierra Nevada National Forests.					
R5 - Pacific Southwest Region, Occurring in more than one Forest (excluding Regionwide)					
Mammoth Base Area Land Exchange	- Land ownership management	On Hold	N/A	N/A	Sheila Irons 760-924-5534 siron@fs.fed.us
Description: Exchange of approximately 21 acres of National Forest System land, currently under special use authorization to Mammoth Mountain Ski Area, located near the Main Lodge north of Highway 203 for approximately 1,500 acres of land in California.					
Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=30428					
Location: UNIT - Mammoth Ranger District, White Mountain Ranger District, Mount Whitney Ranger District, Mt. Hough Ranger District, Mi-Wuk Ranger District. STATE - California. COUNTY - Inyo, Mono, Plumas, Tuolumne. LEGAL - Land to be exchanged is located in T.3S, R. 27E., Sec 30, MDM. Proposal includes the addition of non-federal parcels to the Inyo, Plumas, and Stanislaus National Forests in California. Main Lodge, Mammoth Mountain Ski Area.					

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Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest, Forestwide (excluding Projects occurring in more than one Forest)					
California Department of Water Resources - new permit for existing water monitoring sites	- Special use management	On Hold	N/A	N/A	Deb Schoenberg 530-532-7460 dschoenberg@fs.fed.us
CE	Description: Continued use and maintenance of 20 existing facilities and accessory structures needed to gather data on rainfall and snow depth forest wide, with dedicated winter use helispots. Current permit terminates 12/31/2010.				
Location: UNIT - Plumas National Forest All Units. STATE - California. COUNTY - Butte, Plumas, Sierra. 20 locations Forest Wide.					
Plumas National Forest, Occurring in more than one District (excluding Forestwide)					
R5 - Pacific Southwest Region					
Veg Management Program for 14 PG&E Transmission line ROWs	- Special use management	In Progress: Scoping Start 08/01/2012 Est. 215 Comment Period Legal Notice 04/2013	Expected:06/2013	06/2013	Erika Brenzovich 530-283-7622 ebrenzovich@fs.fed.us
EA	Description: PG&E proposes to perform vegetation management practices in the right of way of 14 transmission lines in order to reduce the risk of fire and maintain a high standard of reliability. Activities include using herbicide.				
Location: UNIT - Mt. Hough Ranger District, Feather River Ranger District. STATE - California. COUNTY - Plumas. Located on the Plumas National Forest within 14 different transmission power lines.					
Plumas National Forest Beckwourth Ranger District (excluding Projects occurring in more than one District)					
R5 - Pacific Southwest Region					
Beckwourth-Genesee Dam Project	- Special use management	In Progress: Scoping Start 07/11/2012 Est. 215 Comment Period Legal Notice 05/2013	Expected:07/2013	07/2013	Antonio Duenas 530-836-7156 tduenas@fs.fed.us
EA	Description: Remove a cabin, pond, solar panels, natural gas storage tank and septic system from National Forest System lands. A well will be capped and abandoned.				
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24N, R14E, Sec29. Off of Beckwourth-Genesee Road (County Road 111).					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Beckwourth Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Barry Creek A CE	- Fuels management	Developing Proposal Est. Scoping Start 05/2013	Expected:06/2013	07/2013	Don Fregulia 530-836-2575 dfregulia@fs.fed.us
Description: Fuels reduction treatments on private land using Steven's Funds.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T21N R13E sec13 and sec 14. Off Highway 89 near Calpine Summit down Whitehawk Ranch.					
Barry Creek B CE	- Fuels management	Developing Proposal Est. Scoping Start 05/2013	Expected:06/2013	07/2013	Don Fregulia 530-836-2575 dfregulia@fs.fed.us
Description: Fuels reduction treatments on private land using Steven's Funds					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T21N R13E sec13 and sec 14. Off Highway 89 near Calpine Summit down to Whitehawk Ranch.					
Barry Creek C CE	- Fuels management	Developing Proposal Est. Scoping Start 05/2013	Expected:06/2013	07/2013	Don Fregulia 530-836-2575 dfregulia@fs.fed.us
Description: Fuels reduction treatments on private land using Steven's Funds					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T21N R13E sec13 and sec 14. Off Highway 89 near Calpine Summit down to Whitehawk Ranch.					
Camp Layman Resort, additional storage and office expansion request. CE	- Special use management	Completed	Actual: 01/10/2013	04/2013	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
Description: The proposal is to build additional storage and office addition at the Layman Resort. 1) A storage shed within the area of prior garage approval 10 feet wide and 16 feet long. 2) An office expansion of 8 feet wide and 6 feet long.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - Section 19, T. 23 N., R.12 E., Mt Diablo Meridan. Camp Layman Resort -.					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Pumas National Forest	Beckwourth Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Conklin Park Wildlife Burn Project	<ul style="list-style-type: none"> - Wildlife, Fish, Rare plants - Vegetation management (other than forest products) - Fuels management 	Completed	Actual: 02/28/2013	08/2013	Russell Nickerson 530-836-2575 rnickerson@fs.fed.us
CE	<p>Description: The project includes treating brushfields and a plantation at the Grease Rack and Conklin Park by mastication/grapple piling and/or underburning on approximately 320 acres.</p> <p>Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=40962</p> <p>Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T25N, R14E, Sec. 11 and 14 and T25N, R14E, Sec. 1 and 12. The project area is located near Conklin Park and Grease Rock.</p>				
Crocker Guard Station Public Toilet	<ul style="list-style-type: none"> - Recreation management - Heritage resource management 	In Progress: 215 Comment Period Legal Notice 01/09/2013	Expected:06/2013	07/2013	Mary Kilejunas 530-836-2575 mkilejunas@fs.fed.us
EA	<p>Description: The Beckwourth Ranger District is restoring the historic Crocker GS in preparation for use as a Recreation Rental. RAC funding was secured to analyze and implement the installation of a vault toilet at Crocker.</p> <p>Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=40961</p> <p>Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24N, R14E, Section 33. Crocker Guard Station is located about seven miles north of the town of Beckwourth along the Beckwourth Genesee Road.</p>				
Crocker OHV Trails	- Recreation management	Developing Proposal	Expected:09/2014	09/2015	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
CE	<p>Description: The Beckwourth Ranger District is proposing to develop an OHV trail connecting the Crocker Campground with Red Clover Valley and Dotta Canyon. The purpose is to provide alternative access to the Beckwourth Genesee Road, which is scheduled to be paved</p> <p>Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T 23 and 24N, R14E, Sections 33, 28, 29, 20, 21, 16, 17. Crocker Campground to road 29N49Y, connecting to quarry road 24N64X to the BG intersection, Crocker Mountain #33.</p>	Est. Scoping Start 05/2013			
	NEW LISTING				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Beckwourth Ranger District (excluding Projects occurring in more than one District)				R5 - Pacific Southwest Region	
Discovery Placer Exploration Project CE	- Minerals and Geology	Developing Proposal Est. Scoping Start 01/2013	Expected:04/2013	05/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us
	Description: Claimant proposes to sample the sub-surface material along the remnant stream terrace of Eureka Creek to assess mineral content. Up to 20 test trenches would be excavated with a backhoe. Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T22N, R11E, NE 1/4 of Section 1, MDBM. The Discovery claim is located along NFS Road 23N37 at Eureka Creek, north of Johnsville, CA.				
Father's Day Weekend Fishing Derby CE	- Special use management	Developing Proposal Est. Scoping Start 02/2013	Expected:03/2013	06/2013	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
NEW LISTING	Description: This event is scheduled for Lake Davis on June 15th, 2013. This proposal was submitted by the Graeagle Plumas Alliance in coordination with Plumas County and The California Department of Fish and Game. Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - Sections 20, 21, 22, 26, 27, 33, 34, 35, T24N R13E and Sections 1, 2, 3, T23N R13E MDM. Lake Davis, this proposal includes all fishing access and boat ramps around the lake.				
Flynn Encroachment Project EA	- Vegetation management (other than forest products) - Land ownership management	Cancelled	N/A	N/A	David Drake 530-836-2575 ddrake@fs.fed.us
	Description: This project is being cancelled because it is a duplicate entry. The original project number is 39303 and is titled Beckwourth-Genessee Dam Project. Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24N, R14E, Sec 21 and 28. Located off Beckwourth Genessee Road.				
Goat Grazing Tall Whitetop CE	- Wildlife, Fish, Rare plants	Cancelled	N/A	N/A	Michael Friend 530-836-7167 mjfriend@fs.fed.us
	Description: This project is being cancelled because it is a duplicate project. The original project number is 29313. Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - The legal description of the area is: T23N, R14E Sec. 26, 27, 28, and 29. It is comprised of the river corridor on both sides of County Road A-23, south of State Highway 70, and north of the railroad.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Beckwourth Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Gold Lake Boat Launching Facility	- Facility management	Developing Proposal Est. Scoping Start 04/2013	Expected:09/2013	04/2014	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
CE	Description: Improve recreation facilities, providing 63 boat parking stalls and three accessible parking stalls for visitors. This project is in partnership with the Department of Boating and Waterways. Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T 22 N, R 12 E, Section 16, Lakes Basin Recreation Area, Gold Lake Boat Launching Facility.				
Hayden Project	- Forest products - Fuels management	In Progress: Scoping Start 02/13/2013 Est. 215 Comment Period Legal Notice 07/2013	Expected:09/2013	10/2013	Kyla Sabo 530-836-7157 kylasabo@fs.fed.us
EA	Description: Reduce fuel loading within the Wildland Urban Interface surrounding the communities of Portola, Delleker, Mable and Lake David Highlands while promoting a healthy, diverse, fire-resilient forest structure and improve watershed health. Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=40385 Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. North of the communities of Delleker, Mable, Portola and Lake Davis Highlands.				
Labor Day Run - Eastern Plumas County Chamber of Commerce	- Special use management	Cancelled	N/A	N/A	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
CE	Description: The Eastern Plumas County Chamber of Commerce is proposing a 100 mile endurance run on Forest Service system roads and trails on the Beckwourth Ranger District on Labor Day Weekend of 2013. Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - Routes falls entirely within the Beckwourth Ranger District Boundary. Eastern Plumas County- Graeagle, Portola, Beckwourth, Lake Davis.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Beckwourth Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Lakes Basin Forest Health Project EA	<ul style="list-style-type: none"> - Recreation management - Forest products - Vegetation management (other than forest products) - Fuels management 	Developing Proposal Est. Scoping Start 07/2013	Expected:04/2014	08/2014	Kyla Sabo 530-836-7157 kylasabo@fs.fed.us
Description: Improve forest health and reduce hazards around recreation sites. Activities include mechanical thinning, grapple piling, mastication, hand thinning and underburning.					
Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=40964					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. Lakes Basin recreation area.					
Last Chance Creek Phase II Restoration Project EA	<ul style="list-style-type: none"> - Watershed management 	Developing Proposal Est. Scoping Start 04/2013	Expected:10/2013	06/2014	Antonio Duenas 530-836-7156 tduenas@fs.fed.us
Description: Restore the hydrologic function of approximately 7.8 miles of Last Chance Creek and 402 acres of degraded meadow system.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - The project area is in Sections 9, 10, 11, 14, and 15 of T26N, R13E and Sections 15, 16, and 17 of T26N, R14E. Last Chance HUC 5 watershed.					
Lost Serra 50 K Endurance Run CE	<ul style="list-style-type: none"> - Special area management 	In Progress: Scoping Start 01/18/2013 Est. 215 Comment Period Legal Notice 02/2013	Expected:03/2013 Actual: 03/20/2013	09/2013	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
NEW LISTING					
Description: On September 28th, 2013, the Sierra Buttes Trail Stewardship is proposing to repeat the 2012 endurance run begining and ending in Graeagle California. The proposed route is on system roads, trails on the Lakes basin Recreation Area.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T 21 ans 22, R 11 and 12, throughout various sections. Lakes Basin Recreation Area, Road to Mills Peak Lookout, Mills Peak Trail, 22N42 road to Highway 89.					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Pumas National Forest	Beckwourth Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Mark Baeder -Mountain Bike Trips	- Special use management	Developing Proposal Est. Scoping Start 02/2013	Expected:04/2013	07/2013	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
CE	*NEW LISTING*	Description: Application for a TEMPORARY special use authorization for an "outfitter and guide" permit from Mark Baeder to guide 2-4 seven day trips and 2-3 trips annually on the Pumas National Forest. Minimum 6 people and maximum of 12 people on each tour.			
	Location:	UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - Legal Locations: Sections 35, 36, 31, 32, 33, 4, 5, 6, 1, 2, 12, 7, 8, 9, 16, 17, 18, 19, 20, 21, T21N R11E, R12E. Lakes Basin Recreation Area.			
Mills Peak Trailhead Toilet	- Recreation management	On Hold	N/A	N/A	Pandora Valle 530-836-7123 pvalle@fs.fed.us
CE	Description: Installation of an SST toilet building near Mills Peak Lookout				
	Location:	UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T21, R12, Section 10 - below the Mills Peak Lookout. Mills Peak Lookout.			
Peak Fire Salvage and Reforestation Project	- Forest products - Vegetation management (other than forest products)	Completed	Actual: 01/03/2013	05/2013	Barbara Boaz 530-836-2575 bboaz@fs.fed.us
CE	Description: Salvage of dead and dying trees on approximately 250 acres of a 800 acres fire burned area. Treatment would include removal of roadside hazard trees and cutting of fire killed or damaged trees.				
	Web Link:	http://www.fs.fed.us/nepa/nepa_project_exp.php?project=40364			
	Location:	UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T25N, R14E, Sections 9, 10, 15, 16, 21 and 22. Squaw Peak in the Squaw Queen Watershed.			
Perry Jones #5 Abandoned Mine Closure	- Minerals and Geology	In Progress: 215 Comment Period Legal Notice 09/19/2012	Expected:04/2013	05/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us
CE	Description: Closure of abandoned mine adit using a bat gate. Closure of mine adit will provide for public safety in the community of Clio and neighboring communities.				
	Location:	UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T22N, R13E, NE ¼ of Section 32. County Road A-15 to NFS Road 22N13, near the community of Clio.			

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Beckwourth Ranger District (excluding Projects occurring in more than one District)				R5 - Pacific Southwest Region	
Regional And Legacy Trails CE	- Recreation management	Developing Proposal Est. Scoping Start 01/2013	Expected:03/2013	07/2013	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
NEW LISTING					
Description: Submit a proposal to the Region to fund the repair work for trails in the Lakes Basin Recreation Area these trails were heavily damaged due to run-off. Approximately 13 miles of trails in LBRA and the Frazier Falls Trail will be included.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T 21,22, R 11 and 12, this includes multiple sections. Lakes Basin Recreation Area and Frazier Creek Trail.					
Smith Peak/Lake Davis Motorized and Non-Motorized Trail Planning EA	- Recreation management	In Progress: Scoping Start 01/26/2012 Est. 215 Comment Period Legal Notice 02/2015	Expected:03/2015	02/2017	Lisa Sedlacek 530-836-7126 lsedlacek@fs.fed.us
Description: Development of a winter and summer Recreation Mangement Plan for motorized and non-motorized recreation in the Jackson Creek, Smith Peak and Lake Davis Area.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - Westernmost T23N, R11E, Sec.22 Easternmost T23N, R 13E, Section 26. Jackson Creek, Smith Peak and Lake Davis Recreation Area.					
Sulphur and Barry Creek Restoration Project EA	- Forest products - Vegetation management (other than forest products) - Watershed management	Developing Proposal Est. Scoping Start 06/2013	Expected:04/2014	06/2014	Antonio Duenas 530-836-7156 tduenas@fs.fed.us
Description: Project consist of restoring approximately 0.5 mile of Sulphur Creek (0.28 mile) and Barry Creek (0.24 mile). Project may also include a Timber Sale component for the removal of encroaching conifers on cottonwood stands within the project area.					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T21N, R13E, Sections 4 & 5. Lake Davis - Long Valley Hydrologic Unit Code (HUC) 5 Watershed.					
US Cellular Black Mountain Building CE	- Special use management	Cancelled	N/A	N/A	David Drake 530-836-2575 ddrake@fs.fed.us
Description: This project is being cancelled because it is a duplicate entry. The original number is 39248					
Location: UNIT - Beckwourth Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T26N, R15E sec 17. Located on Black Mountain, Beckwourth Ranger District, Plumas National Forest.					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Pumas National Forest	Feather River Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
7M7 Mining Plan of Operations	- Minerals and Geology	Developing Proposal Est. Scoping Start 07/2013	Expected:08/2013	08/2013	Donna Duncan 530-532-7461 dmduncan@fs.fed.us
CE		Description: Use of backhoe/frontloader to dig sample holes up to 10 ft deep. Total of 25 cy or less. Material to be sluiced in Nelson creek. Occupancy on claim in campers, with toilets/porta-potties. Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T22N, R11E, Sec30. West branch of Nelson Creek, Approx 6 miles west of Johnsville, CA.			
California Department of Water Resources - Amend permit to install a streamgauge at 2nd location	- Special use management	On Hold	N/A	N/A	Deb Schoenberg 530-532-7460 dschoenberg@fs.fed.us
CE		Description: CA DWR proposes to install a streamgauge station at the PG&E Miocene Dam near Magalia.			
	Location:	UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte. LEGAL - SE 1/4 of SW 1/4 of Section 30, T23N, R4E. Miocene Dam near Magalia, California.			
Geraldine Mining Plan of Operations	- Minerals and Geology	In Progress: Scoping Start 04/18/2012 Est. 215 Comment Period Legal Notice 05/2013	Expected:05/2013	06/2013	Donna Duncan 530-532-7461 dmduncan@fs.fed.us
EA		Description: Exploratory work in existing mine adit. Travel on non-system road and staging area near adit.			
	Location:	UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte. LEGAL - T19N, R6E, Sec 3, 10. Near Old Forbestown.			
Grizzly Summit Hazard Tree Project	- Forest products	On Hold	N/A	N/A	Eric Murphy 530-532-8922 ejmurphy@fs.fed.us
CE		Description: Hazard tree removal along Oro-Quincy Highway.			
	Location:	UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T23N, R6E, Sections 28, 21, 22, 15, 14 and 11, MDM. Seven miles southwest of Bucks Lake on Highway 162.			

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Feather River Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
HDH/Millet Mining Plan Of Operations EA	- Minerals and Geology	In Progress: Scoping Start 08/17/2011 Est. 215 Comment Period Legal Notice 10/2012	Expected:10/2012	10/2012	Donna Duncan 760-379-5646 dmduncan@fs.fed.us
Description: Placer mining. Panning, sluicing, dredging. Use of non-system road.					
Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Sierra. LEGAL - T20N, R9E, Sec 10, 15, 16. Feather River Ranger District, Plumas national Forest, along Canyon Creek.					
Jim Dandy Mining Plan of Operations EA	- Minerals and Geology	Cancelled	N/A	N/A	Donna Duncan 530-532-7461 dmduncan@fs.fed.us
Description: Placer mining operations on Poorman Creek. Use of backhoe within stream channel, diversion of stream, long term occupancy, use of existing shed.					
Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T22N, R10E, Sec 2 & T23N, R10E, Sec 35. on Poorman Creek, Plumas County, CA.					
Know Nothing Roadside Timber Sale CE	- Forest products - Road management	On Hold	N/A	N/A	Eric Murphy 530-532-8922 ejmurphy@fs.fed.us
Description: Removal of hazard trees along approximately 4 miles of forest roads 20N24, 22N24, and 21N16in the vicinity of Sly Creek Res (roads are near Know Nothing Creek). (R. 7& 8 E., T. 20N)					
Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte. LEGAL - All or portions of Sections 4, 5, 7, 8, & 18 T. 20 N. R. 8 E. and Sections 1, 2, & 12 T. 20 N. , R. 7 E. MDM. Near Strawberry Valley CA, in Butte County along approximately 4 miles of forest roads 20N24, 22N24, and 21N16in the vicinity of Sly Creek Res. (R. 7& 8 E., T. 20N).					
La Porte-Quincy Hazard Tree CE	- Forest products - Fuels management - Road management	Completed	Actual: 02/05/2013	06/2013	Eric Murphy 530-532-8922 ejmurphy@fs.fed.us
Description: Tree mortality is occurring along La Porte Quincy Highway from the intersection with FS Road 514 to the intersection with 23N60Y. Legal area of T21N R9E Sec 2,3,10. ; T22N R9E Sec 25,35,36 ; T22N R10E Sec 5,8,17,18,19,30 and T23N R10E Sec 32.					
Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T 21N R9E, Sec 2,3,10; T 22N, R 9E, Sec 25,35,36; T 22N R10E, Sec 5,8,17,18,19,30; and T 23N R10E Sec 32. La Porte-Quincy Hwy in Plumas County near La-Porte, along approx 6 miles, from intersection with FS Road 514 to the intersection with 23N60Y Rd.					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Last Chance Mining Plan of Operations EA	Feather River Ranger District (excluding Projects occurring in more than one District) - Minerals and Geology	In Progress: Scoping Start 08/17/2011 Est. 215 Comment Period Legal Notice 10/2012	R5 - Pacific Southwest Region		Donna Duncan 530-532-7461 dmduncan@fs.fed.us
	Description: Placer mining along Slate Creek. Dredging, panning and sluicing. Use of non-system road and gated access.				
	Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas, Sierra. LEGAL - T21N, R9E, Sec 11. Feather River Ranger District, slate creek.				
Pacific Gas and Electric Company - 12 KV power line extension CE	- Special use management	Cancelled	N/A	N/A	Linda Morehouse Braxton 530-534-6500 lmorehousebraxton@fs.fed.us
	Description: Extension of an existing 12 KV power line in the Concow area along the Rim Road (FS Road 23N06). The proposed line extension is approximately 1900' with approximately 875' on National Forest System lands.				
	Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=29795				
	Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte. LEGAL - SW 1/4 Section 12, T22N, R4E. Along the Rim Road in the Concow area.				
Pendola Silviculture Project CE	- Wildlife, Fish, Rare plants - Vegetation management (other than forest products) - Fuels management	On Hold	N/A	N/A	Errol Solomon 530-532-7413 esolomon@fs.fed.us
	Description: The Feather River Ranger District (PNF) is proposing to treat a minimum of 160 acres of plantation ground within the Pendola boundary. Treatments will include: mastication, hand cutting and piling, pile burning, under burning, reforestation and release				
	Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T18N R7E S2, 11, 12, 14, 15, and 26. Located near Bullards Reservoir and adjacent to the Challenge community.				
Phred View Mining Plan of Operations EA	- Minerals and Geology	Cancelled	N/A	N/A	Donna Duncan 530-532-7461 dmduncan@fs.fed.us
	Description: Lode mining in Quartz outcrop, using hand tools. Use of non-system road. Long term occupancy.				
	Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T23N, R10E, Sec 20. Near Quartz Point, Plumas County, CA.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Feather River Ranger District (excluding Projects occurring in more than one District)				R5 - Pacific Southwest Region	
Provost, Rod - renew permit for existing access road. CE	- Special use management	In Progress: Scoping Start 07/01/2011	Expected:02/2012	11/2012	Deb Schoenberg 530-532-7460 dschoenberg@fs.fed.us
	Description: Continued use and maintenance of an existing access road, approximately 150' on National Forest System lands, to private property. Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=34303 Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T22N, R9E, Section 34. Near Little Grass Valley Reservoir, north of La Porte, California.				
South Branch Middle Fork Meadow-Aspen Complex Enhancement CE	- Wildlife, Fish, Rare plants - Forest products - Vegetation management (other than forest products) - Watershed management	Developing Proposal Est. Scoping Start 01/2013	Expected:02/2013	10/2013	Cindy Roberts 530-532-7467 ckroberts@fs.fed.us
	Description: To improve and maintain wet meadow/riparian habitats and quaking aspen survival, stream morphology, hydrologic function, water quality, and aquatic habitat while generating commercial timber volume to expedite restoration activities. Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T22N, R8E, S23, 24, & 26. Approximately 2 miles west of Little Grass Valley Reservoir on the north side NFS Rd 22N94.				
Sugarloaf Hazardous Fuels Reduction EIS	- Special area management - Wildlife, Fish, Rare plants - Forest products - Vegetation management (other than forest products) - Fuels management - Watershed management	Developing Proposal Est. NOI in Federal Register 04/2013	Expected:10/2013	06/2014	Carol Spinos 530-534-6500 cspinos@fs.fed.us
	Description: Reduce hazardous fuels around the communities of La Porte and American House and reintroduce fire to the landscape. Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte. LEGAL - T22N, R10E, S19, 20, 29-32, T22N, R9E, S24, 25, 35, 36. T21N, R10E, S5-8, T21N, R9E, S1-3, 5-12, 14-22, 27-32, T21N, R8E, S24-26, 35, 36, T20N, R8E, S1, 2, 22, 27, 28, 33, 34. Adjacent to the communities of American House and La Porte within the southeast portion of the Feather River Ranger District.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Feather River Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Sunset Lookout Hazard Reduction and Sight Path Clearing	<ul style="list-style-type: none"> - Forest products - Fuels management - Facility management 	In Progress: 215 Comment Period Legal Notice 03/14/2013	Expected:04/2013	09/2014	Eric Murphy 530-532-8922 ejmurphy@fs.fed.us
CE	Description: The intent of this project is to clear a site path to reestablish a view path from the lookout to communities, and individual homes at risk, and high hazard/risk areas that have been obscured by tree growth since the lookouts were established Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte. LEGAL - Township 19 North Range 6b East, Northwest corner of Section 9. Sunset Hill Lookout in Butte County near Forbestown, off Forbestown Road, in T 19N, R. 6E, Section 9.				
Taber Mine Plan of Operations	<ul style="list-style-type: none"> - Minerals and Geology 	In Progress: Scoping Start 10/10/2012 Est. 215 Comment Period Legal Notice 06/2013	Expected:07/2013	07/2013	Donna Duncan 530-532-7461 dmduncan@fs.fed.us
EA	Description: Continued Maintenance and clearing of the existing adit. Repair and maintenance of the access road. Use of backhoe to transport material from the adit to the wash plant. Use and maintenance of the settling pond. Use of the historic cabin. Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Sierra. LEGAL - T22N, R9E, Sec 30. Just off the La Porte road, about 7 miles NE of La Porte, CA.				
The Dog Gone Outfitters Outfitter Guide Permit	<ul style="list-style-type: none"> - Recreation management - Special use management 	Cancelled	N/A	N/A	Deb Schoenberg 530-532-7460 dschoenberg@fs.fed.us
CE	Description: This project is a 2 year outfitter guide permit for guided bear hunts on the Feather River Ranger District, conducted by a licensed outfitter guide. Camping will occur on the 22N34 road on NFS lands; no ATV or other off highway vehicles will be used Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=37302 Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Butte, Plumas, Yuba. Use of NFS roads throughout the Feather River Ranger District.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Feather River Ranger District (excluding Projects occurring in more than one District)				R5 - Pacific Southwest Region	
Union Hill Forest Health and Restoration Project EA	<ul style="list-style-type: none"> - Wildlife, Fish, Rare plants - Forest products - Vegetation management (other than forest products) - Fuels management - Watershed management 	Developing Proposal Est. Scoping Start 05/2013	Expected:08/2013	06/2014	Carol Spinos 530-534-6500 cspinos@fs.fed.us
Description: Modify hazardous fuels conditions to protect local communities. Overcrowded forests pose an increased risk to watersheds and forest resources. Implement restoration activities to improve watershed conditions, enhance wildlife/aquatic habitat, meadows					
Location: UNIT - Feather River Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T19N,R8E, S2; T20N, R8E, S22, 25, 26, 27, 35; T20N, R9E, S6, 7, 8, 16, 17, 18, 19, 20, 21, 30; T21N, R9E, S31. West and south of the community of LaPorte, California.					
Plumas National Forest Mt. Hough Ranger District (excluding Projects occurring in more than one District)				R5 - Pacific Southwest Region	
Shenandoah and Old Jura Abandoned Mine Closure CE	<ul style="list-style-type: none"> - Minerals and Geology 	In Progress: Scoping Start 06/01/2011	Expected:07/2013	08/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us
Description: Closure of 2 mine adits at the Shenandoah Mine and 1 mine adit at the Old Jura Mine. Mine closure will provide for public safety. Bat gates and culverts will be installed as needed.					
Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T25N, R7E, NE 1/4 Section 19 and T25N, R7E, NE 1/4 of Section 28. Shenandoah Mine is located within the Bucks Lake Wilderness above the town of Rich Bar, Old Jura is located off NFS road 26N26A.					
Bucks Fen, Upper Right Hand Salt Rock Creek Rehabilitation Project CE	<ul style="list-style-type: none"> - Special area management - Watershed management 	Completed	Actual: 07/10/2012	07/2012	James Belsher-Howe 530-283-0555 jbelsher-howe@fs.fed.us
Description: This project proposes to construct in-stream structures, made with small diameter woody material places as veins, jams, and weirs. Headcuts would be treated using small wood and live stakes to prevent further progression in to the adjacent wet meadow					
Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=39792					
Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24N, R7E, Section 14. The Bucks Fen, Upper Right Hand Salt Rock Creek Rehabilitation Project is located in Plumas County, California, within the Mt. Pleasant Research Natural Area and Bucks Lake Wilderness.					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Butterfly Valley Interpretive Trail CE	Mt. Hough Ranger District (excluding Projects occurring in more than one District) - Recreation management - Grazing management - Watershed management	Completed	Actual: 03/13/2013	03/2013	R5 - Pacific Southwest Region James Belsher-Howe 530-283-0555 jbelsher- howe@fs.fed.us
Chip-munk Recovery and Restoration Project EA	UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. Butterfly Valley Botanical Area is approximately 4 miles west of Quincy, Plumas County California. - Forest products - Vegetation management (other than forest products) - Road management	In Progress: Scoping Start 01/18/2013 Est. 215 Comment Period Legal Notice 04/2013	Expected: 07/2013	07/2013	Katherine Carpenter 530-283-7619 kacarpenter@fs.fed.us
NEW LISTING	Description: This project proposes activities that include removal of roadside safety hazards, recovery of economic value of fire-killed trees, and re-establishment of forested conditions. Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=41149 Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T25N, R6E, sections 23, 24, and 26; T25N, R7E, sections 1, 2, 4-8, 10, 11, and 17-20; T26N, R7E, sections 1, 2, 4, 7-9, 10-19, 20-27, and 30-36; T26N, R8E, sections 2-9, 10, 11, 14-23, and 26-34; T27N. The Chip-munk Recovery and Restoration Project (Chip-munk Project) is located approximately 5 miles west of Greenville, California near Butte Valley Reservoir and the communities of Seneca and Caribou.				
Dark Ravine Placer #1 & #2 CE	- Minerals and Geology Description: The project will utilize a rubber wheeled mini excavator to dig 4 test holes within an old road bed. The test holes will remove approximately 50 cubic yards of material. Material will be processed through a trommel. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T26N, R8E, Section 24. Access is through Long Valley along National Forest System (NFS) Roads 27N92 and 27N92H. The nearest town is Greenville, CA.	In Progress: Scoping Start 12/12/2012 Est. 215 Comment Period Legal Notice 04/2013	Expected: 04/2013	05/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Mt. Hough Ranger District (excluding Projects occurring in more than one District)					R5 - Pacific Southwest Region
El Rico Mina Placer Mining Project EA	- Minerals and Geology	In Progress: 215 Comment Period Legal Notice 12/05/2012	Expected:05/2013	06/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us
Description: Proposal to conduct placer mining operations along the edge of the road utilizing a backhoe and bulldozer. Proposal also includes sampling within the road bed itself, utilizing an auger to remove sample material. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T26N, R9E, Section 4, MDBM. The project area is located along an unnamed ephemeral channel, west of Greenville area. Access is along NFS Road 26N81, also known as North Canyon Road.					
Gold in Rivers 2, 3, 4 & 5 CE	- Minerals and Geology	On Hold	N/A	N/A	Leslie Edlund 530-283-7622 ledlund@fs.fed.us
Description: Initial Core testing (drilling) with the possibility of trenching. A mobile hydraulic drill will be used for taking core samples. Sample material will be processed on site through a portable trommel. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T 26N, R8 E, Sections 16, 17 and 20. Seneca, CA, near the Big Flat cemetery.					
Greenhorn Creek Guest Ranch Outfitting and Guiding Permit reissue CE	- Recreation management	In Progress: Scoping Start 12/26/2012 Est. 215 Comment Period Legal Notice 04/2013	Expected:05/2013	05/2013	Erika Brenzovich 530-283-7620 ebrenzovich@fs.fed.us
Description: Reissue a 10 year O & G Permit for horseback rides and an assigned campsite on Forest Service land. This is the same operation as the past 10 years, with approximately 39 miles of trail and the majority of the rides with 8 miles of the Ranch Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24 R10,R11 T23R10 R11 T24 R12. Mt. Hough Ranger District and Little Summit Lake on Beckwourth Ranger District.					
Keddie Ridge Roadside and Deck Salvage Sale Project CE	- Forest products - Vegetation management (other than forest products)	Cancelled	N/A	N/A	Andrew Hart 530-283-7643 ajhart@fs.fed.us
Description: This project proposes to remove three decks on National Forest System roads 27N19 and 27N19X created during the Moonlight Fire of 2007. Additionally, this project would remove roadside hazards along nine miles of NFS roads 28N32, 27N19, and 27N19X. Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=34562 Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T27N, R10E, Sections 17, 20, 28, and 29. The three decks lie along NFS roads 27N19X and 27N19 and the roadside hazard tree removal would occur along nine miles of NFS roads 28N32, 27N19, and 27N19X south of the Lassen County line.					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Mt. Hough Ranger District (excluding Projects occurring in more than one District)				R5 - Pacific Southwest Region	
Plumas Sierra Rural Electric Cooperative Williams Loop Mastication Project	- Special use management	Completed	Actual: 07/26/2012	07/2012	Judy Schaber 530-283-7616 gjehele@fs.fed.us
CE	Description: The Plumas National Forest proposes to allow PSREC to maintain an existing right of way corridor by masticating or hand-thinning approximately 1/3 of a mile of small trees (6 to 8 inch pine and fir) and low oak brush near the Williams Loop. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24N, R10E, Section 25. The project is located approximately 4 miles southeast of East Quincy along Highway 70 at the Union Pacific Railroad feature Williams Loop.				
R.E. Dahlen's Placer Plan of Operations	- Minerals and Geology	In Progress: 215 Comment Period Legal Notice 04/04/2012	Expected:04/2013	05/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us
EA	Description: Proposal to conduct placer mining operations on North Fork of the Feather River, including using a backhoe to dig a pit, process the materials on site using a trommel, long term occupancy, use and maintenance of an access road, use of water system Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T28N, R8E, Section 16, MDB&M. Seneca, CA. Access is off Co Road 306 (Seneca Road). Right through the Lucky Chance Mine gate, then right to the North Fork Feather River.				
Rich Fire Restoration - Webber's Milkvetch (Astragalus webberi)	- Wildlife, Fish, Rare plants - Fuels management - Research and Development	Completed	Actual: 12/18/2012	06/2013	Michelle Coppoletta 530-283-7822 mcoppoletta@fs.fed.us
CE	Description: This project will treat approx. 20 acres using a combination of hand thinning, piling, and pile burning. Following treatment, Webber's milk-vetch seed and/or plants will be planted within the treated units (20 ac) and two untreated units (17.5 ac). Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=39735 Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T25N, R7E, Section 1; T25N, R8E, Section 18; T26N, R7E, Section 36; and T25N, R8E, Sections 17, 20, and 21. The Webber's Milkvetch Habitat Enhancement Project is located approximately 10 miles northwest of Quincy, California on the Mt. Hough Ranger District of the Plumas National Forest.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Mt. Hough Ranger District (excluding Projects occurring in more than one District)			R5 - Pacific Southwest Region	
Roadside Abandoned Mine Closure	- Minerals and Geology	In Progress: 215 Comment Period Legal Notice 07/11/2012	Expected: 05/2013	05/2013	Leslie Edlund 530-283-7650 ledlund@fs.fed.us
CE	Description: Closure of two mine adits along the 27N26 Road. Closure will be with bat gates if necessary and the application of polyurethane foam (PUF). The PUF will be covered with dirt and rocks to mimic the natural surroundings. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T26N, R7E, Section 24. Along NFS Road 27N26 north of Belden and south of Butt Lake.				
Silver Lake Campground Toilet Replacement	- Recreation management - Facility management	Developing Proposal Est. Scoping Start 04/2013	Expected: 05/2013	08/2013	Erika Brenzovich 530-283-7620 ebrenzovich@fs.fed.us
CE	Description: The vault toilet in the lower area of Silver Lake Campground will be replaced with a new "sweet smelling" vault toilet. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - Township 24N, Range 8E, Section 7. Silver Lake Campground, approximately 6 miles from Mead.				
Storrie Fire / Chips Fire Fuels Reduction and Forest Restoration Project	- Fuels management	Developing Proposal Est. Scoping Start 04/2013	Expected: 07/2013	10/2013	David Kinader 530-283-7676 dtkinader@fs.fed.us
CE	Description: Hand thinning treatments would treat 737 acres and mastication would treat 15 acres that burned at low severity in the 2000 Storrie Fire and the 2012 Chips Fire and where small conifer tree stocking remains high. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. About 4 miles north of Belden, CA.				
NEW LISTING					
Storrie Fire / Chips Fire Reforestation Project	- Vegetation management (other than forest products)	Developing Proposal Est. Scoping Start 04/2013	Expected: 07/2013	10/2013	David Kinader 530-283-7676 dtkinader@fs.fed.us
CE	Description: This project proposes reforestation on 310 acres that burned in both the 2000 Storrie Fire and the 2012 Chips Fire. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. About 4 miles north west of Belden, CA.				
NEW LISTING					

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest Mt. Hough Ranger District (excluding Projects occurring in more than one District)					R5 - Pacific Southwest Region
Storrie-Rich Fire Area Invasive Plant Treatment Project EA	- Wildlife, Fish, Rare plants - Vegetation management (other than forest products)	In Progress: Scoping Start 03/09/2012 Est. 215 Comment Period Legal Notice 05/2013	Expected:07/2013	07/2013	Chris Christofferson 530-283-7652 cchristofferson@fs.fed.us
	Description: Treat up to 200 acres annually of priority invasive plant infestations using a combination of manual, mechanical, cultural, and chemical methods on NFS lands in watersheds affected by the Storrie and Rich fires.				
	Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=38602				
	Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T23N R5E; T23N R6E; T24N R5E; T24N R6E; T24N R7E; T25N R6E; T25N R7E; T25N R8E; T26N R6E; T26N R7E; T26N R8E. Watersheds affected by the Storrie and Rich fires, nearest town is Belden.				
Sunset Consolidated (China Bar) Placer Mining EA	- Minerals and Geology	In Progress: 215 Comment Period Legal Notice 08/15/2012	Expected:04/2013	05/2013	Donna Duncan 530-283-7650 ledlund@fs.fed.us
	Description: Use of an excavator to remove material from a terraced area approximately 200 feet upslope of the river. A conveyor, wash plant and sluice box will be used for processing. Water will be pumped from an existing settling pond.				
	Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T26N, R8E, Section 19. North Fork of the Feather River, Seneca, CA.				
Twain Fuels Reduction and Forest Restoration Project CE	- Fuels management	Completed	Actual: 07/11/2012	08/2012	David Kinatader 530-283-7676 djkinatader@fs.fed.us
	Description: This project incorporates multiple objectives including reducing the risk of wildfire to homes and private property, protecting National Forest System facilities in the Hallstead Campground, restoring fire adapted ecosystems, and enhancing black oak.				
	Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=38669				
	Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. Twain, California.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
Plumas National Forest	Mt. Hough Ranger District (excluding Projects occurring in more than one District)				
Wapausie Creek Watershed Restoration	- Watershed management - Road management	Completed	Actual: 02/13/2013	07/2013	Kelby Gardiner 530-283-7686 kgardiner@fs.fed.us
CE	Description: The goal of this project is to decrease sedimentation in the Wapausie Creek watershed and to provide authorized vehicle access to the north shore of Snake Lake by officially adding 0.54 miles of existing route to the National Forest System (NFS). Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - section 32 of T25N, R9E; and section 12 of T24N, R8E, MDBM. 5 miles northwest of Quincy, CA.				
Whitlock Ravine Staging Area Development	- Recreation management	In Progress: Scoping Start 05/30/2012 Est. 215 Comment Period Legal Notice 05/2013	Expected: 07/2013	09/2013	Jim Evans 530-283-7625 jimevans@fs.fed.us
EA	Description: Create gravel parking and install barriers for an Off Highway Vehicle and Snowmobile Staging Area. Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T24N R8E Section 12. Whitlock Ravine off County Road 435.				
Wolf Creek Fuels Reduction and Hazard Tree Removal Project	- Forest products - Fuels management - Road management	In Progress: 215 Comment Period Legal Notice 06/13/2012	Expected: 04/2013	05/2013	Curtis Yocum 530-283-7667 curtisyocum@fs.fed.us
CE	Description: This project encompasses approximately 70 acres of fuels treatment and hazard tree removal along National Forest System (NFS) road 27N80. The proposes to treat standing fuels and hazard trees within 100 feet of the road prism. Web Link: http://www.fs.fed.us/nepa/nepa_project_exp.php?project=39794 Location: UNIT - Mt. Hough Ranger District. STATE - California. COUNTY - Plumas. LEGAL - T27N, R8E, Section 26; T27N, R9E, Section 31; and T26N, R9E, Section 6. The project is located along NFS road 27N80 approximately 3-5 miles southeast of Canyon Dam, California.				

Project Name	Project Purpose	Planning Status	Decision	Expected Implementation	Project Contact
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The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

This report contains the best available information at the time of publication. Questions may be directed to the Project Contact.

Dear Yuba County Board of Supervisors,

A serious issue has come to my attention after watching the news; it made me open my eyes and pay more attention to what seems like a little problem, but is more serious than expected. In 2012 California local streets and roads state wide needs assessment released this month, statistics show that majority of the states counties scored 56 out of 100 in the report. It is highly vital to have safe roads to drive on, not only for safety but also for the maintenance on a citizen's vehicle, including your own. Bad, beat up roads in Sutter County, Yuba County, and Marysville can cause much damage such as wear and tear in suspension, steering components, and if bad enough, you can bend parts underneath. Uneven roads can also jolt the exhaust, even to the extent of having to replace the shocks. Replacing parts on a vehicle can be costly and does add up. This road is definitely a financial burden for those struggling and sets them further back. Nearly the entire state of California is filled with overused roads according to "Yuba Sutter Counties have some of California's worst roads" news report from Fox40. As far as safety goes with dangerous roads like ours, a possibility of car accidents, deaths, damages physical and/ or mental increases massively. People pay good money for their transportation; they deserve safe roads to drive on. Driving is dangerous enough without the extra dangers and stress from unstable roads.

Sincerely,

Kayla Ayers

1667 Twisted River Dr.

Marysville, CA 95901

RECEIVED

APR 12 2013

Clerk/Board of Supervisors



RECEIVED

APR 9 2013

Clerk/Board of Supervisors

Paul Maben
Vegetation Management Operations
1108 Murphys Grade Road
Angels Camp, CA 95222
Tel: (209) 736-6644
Fax: (209) 736-6401
Email: pmm5@pge.com

April 3, 2013

VIA ELECTRONIC FILING

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulator Commission
888 First Street, NE
Washington DC 20426

Subject: Narrows No. 2 Transmission Line Project
FERC Project No. 2678-005 - California
Initial Study Report Meeting Summary

Dear Secretary Bose:

On March 8, 2013, Pacific Gas and Electric Company (PG&E) filed with the Federal Energy Regulatory Commission (FERC) and distributed to interested relicensing participants the Initial Study Report (ISR) documenting the implementation of study proposals conducted in support of relicensing the Narrows No. 2 Transmission Line Project (FERC No. 2678). On March 20, 2013, PG&E conducted the ISR Meeting in Sacramento, California to present ISR findings and results. This letter summarizes the ISR Meeting and represents PG&E's continued compliance with FERC regulations at 18 CFR § 5.15(c). A list of the meeting attendees is included in Attachment A.

MEETING WELCOME AND INTRODUCTIONS

Fred Holzmer (HDR) welcomed the group and asked meeting participants to introduce themselves. Meeting attendees included PG&E's project representative Mark Stewart, Allison Willy of the U.S. Fish and Wildlife Service (USFWS), FERC Anthropologist/Archaeologist Dr. Frank Winchell (via phone), and other representatives from HDR (PG&E's relicensing consultants).

PROJECT INTRODUCTION

HDR Project Manager Fred Holzmer described the Project relicensing timeline and activities, as follows. The ISR was filed on March 8, 2013. Meeting notes from the ISR meeting will be filed within 15 days; participants have 30 days following that filing to file comments on the meeting notes or additional study requests. PG&E intends to file a Draft License Application (DLA) instead of a Preliminary Licensing Proposal, as requested in the ISR filed to FERC. The DLA will be filed no later than December 1, 2013. The Project Process Plan and Schedule calls for an Updated Study Report (USR) to be filed in March 2014 - after the DLA but before the Final

BOS CORRESPONDENCE C

License Application (FLA) is due. PG&E will request a waiver from FERC on the requirement to file a USR, and plans to include all ISR and USR materials in its DLA and FLA. The FLA will be filed no later than April 28, 2014.

REVIEW OF STUDY RESULTS

Four studies were conducted as required by the FERC-approved study plan:

- Wildlife Resources;
- ESA-listed Amphibians – California Red-legged Frog (CRLF);
- ESA-listed Wildlife – Valley Elderberry Longhorn Beetle (VELB); and
- Historic Properties. The study results for all four studies were included in the ISR.

Comments by meeting participants are summarized below.

Historic Properties Study

The Historic Properties study report was a brief topic of discussion, wherein Dr. Frank Winchell asked a few questions for clarification of the study results. Dr. Winchell also inquired about the status of consultation with tribes and State Historic Preservation Office (SHPO). HDR Archaeologist Dawn Ramsey Ford replied that the Historic Properties study report had been submitted to interested tribes for review in early January. Upon receiving no comments from tribes after a 30-day review period, the Historic Properties study report was then submitted to SHPO in early February. Dawn Ramsey Ford reported that she followed up with the SHPO representative in mid March as a reminder that SHPO has the report for review. The SHPO representative confirmed that SHPO has the document for review. HDR has since received a letter from SHPO dated March 18, 2013 stating SHPO's concurrence that the Project would have no effect to historic properties.

Wildlife Resources Study

Alison Willy (USFWS) expressed surprise that the Wildlife Resources study results did not include mention of the acorn woodpecker since she thought habitat in the Project area might be suitable and that it may be a sensitive species. Justin Tortosa (HDR) described the desktop habitat assessment that was conducted for the study, and commented that the acorn woodpecker must not be a special-status species or it would have shown up in the results of the database queries. Fred Holzmer (HDR) provided a photo tour of the Project to enlighten the discussion regarding topography and habitat in the Project. Justin Tortosa offered to research the acorn woodpecker's status, which he summarized later the same day in an email that was forwarded to Alison Willy wherein Justin Tortosa reported that according to the most recent Special Animals List (898 taxa) dated January 2011, the acorn woodpecker (*Melanerpes formicivorus*) has not been designated as a California Department of Fish and Wildlife (CDFW) Species of Special Concern (SSC), USFWS Bird of Conservation Concern (BCC), Bureau of Land Management (BLM) Sensitive (BLM-S), or listed as threatened, endangered, or candidate under the Endangered Species Act (ESA) or the California ESA (CESA), nor has it been proposed for listing under ESA or CESA. While not considered under the study, the acorn woodpecker is considered to be "Secure", and is categorized as "Least Concern" by the International Union for Conservation of Nature (IUCN) (NatureServe 2013).

Ms. Kimberly D. Bose
Federal Energy Regulatory Commission
April 3, 2013
Page 3

The photo tour also included photos of the six poles in the Project. Alison Willy inquired about the spacing and configuration of the conductors with respect to avian protection. Justin Tortosa commented that the Wildlife Resources study included an evaluation of the spacing of the conductors against the guidelines developed by the Avian Power Line Interaction Committee (APLIC) and concluded that the Project meets the APLIC guidelines for avian protection. Alison Willy commented that USFWS' eagle specialist may want to make a site visit to verify the study's conclusions regarding compliance with APLIC guidelines.

CRLF Study

The California red-legged frog (CRLF) study results were discussed regarding potential CRLF habitat. Alison Willy inquired about the findings of effect. Steve Nyman (HDR) responded that there is no apparent nexus between Project operation and maintenance (O&M) and CRLF life stages. Steve Nyman commented that it cannot be said with absolute certainty that there will be no effect to CRLF, therefore, he suggested a finding of "not likely to adversely affect" CRLF. Alison Willy agreed that "not likely to adversely affect" CRLF seems like an appropriate finding based on the study results.

VELB Study

There was a brief discussion regarding of the Valley elderberry longhorn beetle (VELB) study results, including that no valley elderberry shrubs are located in the Project boundary, and that a finding of no effect appears appropriate.

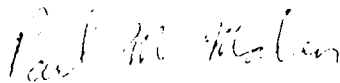
Meeting Wrap-Up

Fred Holzmer thanked the meeting participants and closed the meeting.

All four studies have been completed in compliance with the FERC-approved study plan, and there were no comments or requests during the ISR Meeting for study modifications or new studies.

If you have any questions regarding this summary of the Initial Study Report Meeting, please contact me at (209) 736-6644.

Respectfully submitted,



Paul Maben
Vegetation Program Manager

cc: Dr. Frank Winchell, FERC DC w/ attachment
FERC Project No. 2678 Interested Parties Mailing List w/ attachment

ATTACHMENT A

PACIFIC GAS AND ELECTRIC COMPANY Narrows No. 2 Transmission Line Project (FERC Project No. 2678)

INITIAL STUDY REPORT MEETING Wednesday, March 20, 2013 HDR's Sacramento Office

ATTENDEES

	NAME	COMPANY	POSITION	E-MAIL ADDRESS
1	Mark Stewart	PG&E	Project Manager	m9s5@pge.com
2	Frank Winchell (via phone)	FERC (DC)	Anthropologist/Archaeologist	frank.winchell@ferc.gov
3	Alison Willy	USFWS	Conservation Biologist	alison_willy2fws.gov
4	Fred Holzmer	HDR	Project Manager	fred.holzmer@hdrinc.com
5	Patty Hardesty	HDR	Botanical Lead Scientist	patty.hardesty@hdrinc.com
6	Dawn Ramsey Ford	HDR	Archaeology Lead Scientist	dawn.ramsey@hdrinc.com
7	Steve Nyman (via phone)	HDR	Herpetology Lead Scientist	steve.nyman@hdrinc.com
8	Justin Tortosa	HDR	Wildlife Lead Scientist	justin.tortosa@hdrinc.com

The County of Yuba

Department of Administrative Services

Doug McCoy - Director




AIRPORT 749-6248
BUILDING & GROUNDS 749-7880
FACILITIES MANAGEMENT 749-7880
INFORMATION SERVICES 749-7891
PRINT SHOP 749-7880
PURCHASING 749-7880
TELECOMMUNICATIONS 749-7880

(530) 749-7880
FAX (530) 749-7936

150-13

April 16, 2013

TO: YUBA COUNTY PUBLIC FACILITIES COMMITTEE

FROM: Doug McCoy, Director of Administrative Services 

SUBJECT: DISCUSS RESOLUTION IDENTIFYING AND APPROVING THE CENSUS TRACTS
COMPRISING TARGETED EMPLOYMENT AREAS FOR THE YUBA-SUTTER
ENTERPRISE ZONE

Recommendation:

Consider a "Resolution Identifying and Approving the Census Tracts Comprising Targeted Employment Areas for the Yuba-Sutter Enterprise Zone."

Background:

Section 7072(l) of the Government Code defines "Targeted Employment Area" as an area within a city, county, or city and county that is composed solely of those census tracts that have at least 51 percent of its residents of low-or moderate-income levels." The purpose is to encourage businesses in an enterprise zone to hire eligible residents from these geographic areas. The incentive for these businesses is the availability of a tax credit for hiring residents who reside in a TEA.

Discussion:

The statutes governing the Enterprise Zone Program require that each zone update its Targeted Employment Area (TEA) within 180 days of new census data becoming available. The State has determined that the census data necessary to update TEAs, in accordance with the relative statutes, is now available using the United States Census Bureau's American Community Survey Five Year Averages. The state has also determined which Census Tracts for our Zone are eligible.

The cities of Wheatland and Marysville will be addressing similar resolutions covering their jurisdiction's authority to establish the same. Sutter County and the cities of Yuba City and Live Oak will be requested to pass a similar resolution.

As a result of this action, both new and existing businesses located in the Yuba-Sutter Enterprise Zone will be eligible for a state tax credit if they hire an individual residing in the TEA. The new Targeted Employment Area will remain effective for one year from the effective date. The state has also determined that a new area will necessarily need to be established annually.

Fiscal Impact:

There are no costs associated with this agenda item that would impact the General Fund.

Attachments

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BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA

IN RE:)
RESOLUTION IDENTIFYING AND APPROVING)
THE CENSUS TRACTS COMPRISING)
TARGETED EMPLOYMENT AREAS FOR THE)
YUBA-SUTTER ENTERPRISE ZONE)
_____)

RESOLUTION NO. _____

WHEREAS, the cities of Yuba City, Wheatland, Live Oak, Marysville, and the counties of Yuba and Sutter have each separately and jointly taken significant steps to coordinate their economic development efforts and to concentrate their respective resources in ways that would generate additional long-term employment in the private sector; and

WHEREAS, the cities of Yuba City and Marysville and the counties of Yuba and Sutter have worked cooperatively in marketing and managing the Yuba-Sutter Enterprise Zone over the past 20 years as a single labor market area without regard to jurisdictional boundaries; and

WHEREAS, on October 14, 2006, the Yuba-Sutter Enterprise Zone designation ended, and was replaced as of October 15, 2006, with a new 15-year zone designation, adding the cities of Wheatland and Live Oak as new partners; and

WHEREAS, Government Code Section 7072(i) requires that each state Enterprise Zone update its Targeted Employment Area (TEA) within 180 days of new census data becoming available; and

WHEREAS, the State has determined that the census data necessary to update TEAs, in accordance with the relative status, was made available in December 2012 using the United States Census Bureau's American Community Survey Five Year Averages.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Yuba, as follows:

1. The following census tracts within the territorial jurisdictions of the County of Yuba and/or the County of Sutter, and the Cities of Yuba City, Live Oak, Marysville and Wheatland, having been determined to have at least 51 percent of its residents at low- or moderate-income levels, are hereby identified as those census tracts which are in the most need of employment targeting pursuant to Government Code Section 7072(i): Census Tract Nos. 401, 402, 403.01, 403.02, 404, 405, 406, 409.02, 501.01, 501.02, 502.01, 502.02, 503.02, 505.01, 507.01, and 507.02.
2. A Targeted Employment Area composed of the above-specified census tracts is hereby approved.

PASSES AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California, on the ____ day of May, 2013, by the following vote:

AYES:

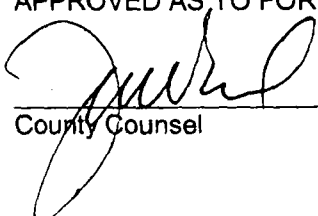
NOES:

ABSENT:

Chairman

ATTEST: DONNA STOTTLEMEYER
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

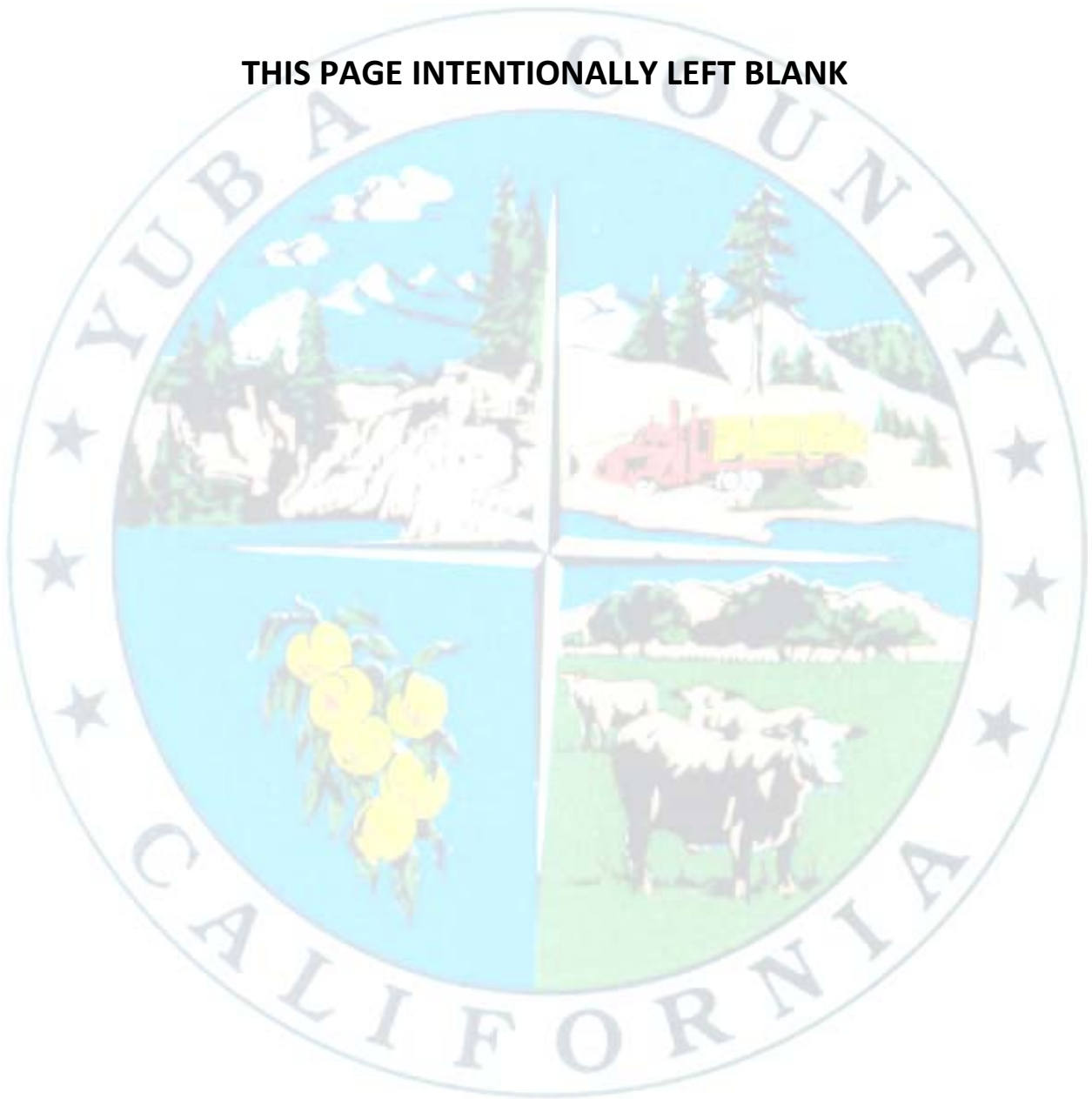


County Counsel



IN-HOME SUPPORTIVE SERVICES
PUBLIC AUTHORITY

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Yuba County In-Home Supportive Services Public Authority



MINUTES

FEBRUARY 5, 2013 – SPECIAL MEETING

A meeting of the Board of Directors of the Yuba County In-Home Supportive Services (IHSS) Public Authority was held on the above date, commencing 5:50 p.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Andy Vazquez, John Nicoletti, Mary Jane Griego, Roger Abe and Hal Stocker. Also present were Yuba County Administrator Robert Bendorf and Clerk of the Board of Supervisors Donna Stottlemeyer. Chair Griego presided.

A. Roll Call - Directors Abe, Griego, Nicoletti, Stocker, Vasquez - All present.

B. Approve minutes of the meeting of January 15, 2013.

MOTION: Move to approve

MOVED: John Nicoletti

SECOND: Andy Vasquez

AYES: John Nicoletti, Andy Vasquez, Mary Jane Griego, Roger Abe, Hal Stocker

NOES: None ABSENT: None ABSTAIN: None

C. Approve agreement with Robert Muszar for consultant services and authorize the Chair to execute. Authority Director Shirley Baker recapped the services.

MOTION: Move to approve

MOVED: John Nicoletti

SECOND: Hal Stocker

AYES: John Nicoletti, Hal Stocker, Andy Vasquez, Mary Jane Griego, Roger Abe

NOES: None ABSENT: None ABSTAIN: None

D. Adjourn: 5:57 p.m. by Chair Griego.

Chairman

ATTEST: DONNA STOTTEMEYER
CLERK OF THE BOARD OF SUPERVISORS

Approved: _____

Yuba County In-Home Supportive Services Public Authority



MINUTES

MARCH 12, 2013

A meeting of the Board of Directors of the Yuba County In-Home Supportive Services (IHSS) Public Authority was held on the above date, commencing at 11:31 a.m., within the Government Center, Marysville, California, with a quorum being present as follows: Directors Andy Vazquez, Roger Abe and Hal Stocker. Directors Nicoletti and Griego were absent. Also present were Yuba County Administrator Robert Bendorf and Deputy Clerk of the Board of Supervisors Rachel Ferris. Chairman Abe presided.

- I ROLL CALL - Directors Vasquez, Nicoletti, Griego, Abe, and Stocker. Directors Nicoletti and Griego absent.
- II CLOSED SESSION: Labor negotiations pursuant to Government Code §54957(a) – SEIU/Authority
The Board adjourned into closed session at 11:33 a.m. and returned at 12:21 p.m. with all present as indicated above. Direction was provided
- III ADJOURN: 12:21 p.m. by Chairman Stocker.

Chairman

ATTEST: DONNA STOTTEMEYER
CLERK OF THE BOARD OF SUPERVISORS

Rachel Ferris, Deputy Clerk

Approved: _____