



*For further information on an agenda item, please contact  
the City at 101 North "D" Street, or call (951) 943-6100*

**AGENDA  
JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY  
TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY,  
PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS  
AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT  
CORPORATION OF THE CITY OF PERRIS**

**PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20  
THIS MEETING WILL ALSO BE CONDUCTED AS A REMOTE MEETING VIA  
ZOOM**

**Tuesday, March 30, 2021  
6:30 P.M.  
City Council Chambers  
(Corner of San Jacinto and Perris Boulevard)  
101 North "D" Street  
Perris, California**

***CLOSED SESSION:*** 5:00 P.M.

***ROLL CALL:***

Corona, Rabb, Rogers, Magaña, Vargas

- A. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(2) - 1 case
- B. Conference with Real Property Negotiators – Government Code Section 54956.8  
Property: APN 320-050-016 and 320-090-001  
City Negotiator: Clara Miramontes, Interim City Manager  
Negotiating Parties: Mijo Investments, LP  
Under Negotiation: Price and terms of payment
- C. Conference with Real Property Negotiators – Government Code Section 54956.8  
Property: APN 326-062-017, 326-071-001 and 326-072-005  
City Negotiator: Clara Miramontes, Interim City Manager

Negotiating Parties: Douglas Whitney  
Under Negotiation: Price and terms of payment

D. Public Employee Appointment-City Manager  
Government Code Section 54957 (b)(1)

1. **CALL TO ORDER:** 6:30 P.M.

2. **ROLL CALL:**

Corona, Rabb, Rogers, Magaña, Vargas

3. **INVOCATION:**

Pastor Don Meinberg  
Reflections Christian Fellowship  
375 Ramona Expressway, Perris CA 92571

4. **PLEDGE OF ALLEGIANCE:**

Councilmember Corona will lead the Pledge of Allegiance.

5. **REPORT ON CLOSED SESSION ITEMS:**

6. **PRESENTATIONS/ANNOUNCEMENTS:**

*At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community and it may accept awards on behalf of the City.*

A. Presentation by Western Riverside Council of Governments (WRCOG) regarding a Streetlight Rebate to the City of Perris.

7. **YOUTH ADVISORY COMMITTEE COMMUNICATIONS:**

8. **APPROVAL OF MINUTES:**

A. Consideration to approve the Minutes of the Regular Joint Meeting held on March 9, 2021 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

9. **CONSENT CALENDAR:**

*Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of TR 36648 to Maintenance District Number 84-1.

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF TR 36648 INTO MAINTENANCE DISTRICT NUMBER 84-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF TR 36648 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021

- B. Consideration to adopt Resolution Numbers (next in order) regarding Annexation of TR 36648 to Landscape Maintenance District Number 1.

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 154 TR 36648 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 154, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021

- C. Consideration to adopt Resolution Number (next in order) regarding Annexation of TR 36648 to Flood Control Maintenance District Number 1.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO AUTHORIZE LEVYING ASSESSMENTS UPON CERTAIN PARCELS OF REAL PROPERTY, TO ORDER ANNEXATION OF TR 36648 TO BENEFIT ZONE 119, FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021

- D. Consideration to Adopt a Resolution Number (next in order) to Annex Territory to CFD 2001-3-Annexation No. 41. (Owner: Pulte Homes APN: 302-160-043, 302-160-044, and 302-170-024)

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 41]

- E. Consideration to approve a Memorandum of Understanding between the City of Perris and the City of Lathrop to Mitigate Allocation of Revenues over Eight Quarters.
- F. Consideration to adopt the Second Reading of Ordinance Number 1397 adding Section 10.24.210 -Parking Time Limits on Certain Streets- to Chapter 10.24 of Title 10 of the Perris Municipal Code.

The Proposed Second Reading of Ordinance Number 1397 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS ADDING SECTION 10.24.210, "PARKING TIME LIMITS ON CERTAIN STREETS," TO CHAPTER 10.24 OF TITLE 10 OF THE PERRIS MUNICIPAL CODE REGARDING STOPPING, STANDING, PARKING

- G. Consideration to approve a Contract Services Agreement with Flo-Services, Inc. for the replacement of the 7<sup>th</sup> Street Duplex Sewage Pump Lift Station.

**10. PUBLIC HEARINGS:**

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt of Resolution Number (next in order) to Acquire the Fee Simple Interest in Real Property for Development of Enchanted Hills Park. The property is located on the south side of W. Metz Road, east of Carter Drive, and west of Altura Drive. (APN's 326-062-017, 326-071-001, and 326-072-005)

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF THE FEE SIMPLE INTEREST IN REAL PROPERTY KNOWN AS ASSESSOR'S PARCEL NOS. 326-062-017, 326-071-001, and 326-072-005

Introduced by: City Attorney Eric Dunn

**PUBLIC COMMENT**

- B. Consideration to adopt Resolution Numbers (next in order) and the First Reading of Ordinance Number (next in order) for the proposed Community

Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (“CFD 2021-1”). CFD 2021-1 is located at Windflower Lane and Bowen Road (Avion Pointe Tract) and E. Nuevo Road and Wilson Ave. (Acacia Tract).

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,000,000 OF SAID DISTRICT; AND CALLING A SPECIAL ELECTION WITHIN THE DISTRICT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DECLARING THE RESULTS OF A SPECIAL ELECTION RELATING TO THE LEVY OF SPECIAL TAXES THEREIN, THE ISSUANCE OF BONDED INDEBTEDNESS AND THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF A FUNDING AGREEMENT AND A JOINT COMMUNITY FACILITIES AGREEMENT IN CONNECTION WITH THE FORMATION OF COMMUNITY FACILITIES DISTRICT 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS; AND MAKING FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE RECORDING OF A NOTICE OF CESSATION OF THE SPECIAL TAX LIEN WITH RESPECT TO COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS AND CERTAIN RELATED MATTERS

The First Reading of Proposed Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

Introduced by: Director of Finance Ernie Reyna

PUBLIC COMMENT

- C. Consideration to adopt Resolution Number (next in order) approving the Draft Community Development Block Grant Action Plan FY 2021-2022.

The Proposed Resolution Number (next in order) is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING THE DRAFT FY 2021-2022 ACTION PLAN WITH PROPOSED FUNDING FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FEDERAL ENTITLEMENT PROGRAM

Introduced by: Interim City Manager Clara Miramontes

PUBLIC COMMENT

- D. Consideration to adopt Resolution Numbers (next in order) approving a Substantial Amendment to the 2019-2024 Consolidated Plan and the 2021-2022 Annual Action Plan to include funding in the amount of \$90,000 from the CARES Act Community Development Block Grant Coronavirus CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity.

The Proposed Resolution Numbers (next in order) are entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING A SUBSTANTIAL AMENDMENT TO THE 2019-2024 CONSOLIDATED PLAN AND FY 2019-2020 ANNUAL ACTION PLAN TO INCLUDE FUNDING FOR THE CDBG-CV PLANNING & ADMINISTRATION ACTIVITY.

Introduced by: Interim City Manager Clara Miramontes

PUBLIC COMMENT

**11. BUSINESS ITEMS:** (not requiring a “Public Hearing”):

*Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. Public Comment is limited to three (3) minutes.*

A. Western Community Energy (WCE) Update

Introduced by: Interim City Manager Clara Miramontes

PUBLIC COMMENT

B. Police Department Annual Update

Introduced by: Police Captain Matthew Sims

**12. PUBLIC COMMENT/CITIZEN PARTICIPATION:**

*This is the time when any member of the public may bring a matter to the attention of the Mayor and the City Council that is within the jurisdiction of the City Council. The Ralph M. Brown act limits the Mayor's, City Council's and staff's ability to respond to comments on non-agendized matters at the time such comments are made. Thus, your comments may be agendized for a future meeting or referred to staff. The City Council may discuss or ask questions for clarification, if desired, at this time. **Public comment is limited to three (3) minutes.***

**13. COUNCIL COMMUNICATIONS:**

*(Committee Reports, Agenda Items, Meeting Requests and Review etc.)*

*This is an opportunity for the Mayor and City Councilmembers to report on their activities and the actions of the Committees upon which they sit, to bring a matter to the attention of the full Council and staff, and to request agenda items. Any matter that was considered during the public hearing portion is not appropriate for discussion in this section of the agenda. **NO ACTION CAN BE TAKEN AT THIS TIME.***

**14. CITY MANAGER'S REPORT:**

**15. ADJOURNMENT:**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Hall at (951) 943-6100. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*

**COVID-19 REMOTE PUBLIC COMMENT/CITIZEN PARTICIPATION**

*With the intent of adhering to the new community guidelines from the Center for Disease Control, the City of Perris will allow for remote public comment and participation at upcoming City Council meetings via Zoom. Public Comment is limited to three (3) minutes.*

**ZOOM MEETING INFORMATION**

When: March 30, 2021 06:30 PM Pacific Time (US and Canada)

Topic: City Council Meeting

In order to provide Public Comment via Zoom, participants will be required to register at the following link:



[https://zoom.us/webinar/register/WN\\_Z8nhExxxTd6MJ3pV3OC\\_yQ](https://zoom.us/webinar/register/WN_Z8nhExxxTd6MJ3pV3OC_yQ)

After registering, you will receive a confirmation email containing information about joining the meeting.

During the council meeting, if you wish to speak, via Zoom, for public comment on any item, please select the raise hand icon next to your name. The moderator will grant you access to speak. Public Comment is limited to (3) three minutes.

***THE CITY COUNCIL MEETING IS ALSO AVAILABLE FOR VIEWING AT THE FOLLOWING:***

City's Website:

<https://www.cityofperris.org/government/city-council/council-meetings>

YouTube:

<https://www.youtube.com/channel/UC24S1shebXkJFv3BnxdkPpg>

Facebook:

<https://www.facebook.com/PerrisToday/>

For cable subscribers only within Perris:

Spectrum: Channel 3

Frontier: Channel 16



8.A.

# CITY OF PERRIS

## CITY COUNCIL AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Approval of Minutes

**REQUESTED ACTION:** Approve the Minutes of the Regular Joint City Council Meeting held on March 9, 2021.

**CONTACT:** Nancy Salazar, City Clerk *NS*

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**BACKGROUND/DISCUSSION:** None

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**BUDGET (or FISCAL) IMPACT:** None

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Prepared by: Judy L. Haughney, CMC, Assistant City Clerk *JLH*

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director *ER*

Attachments: 1. Minutes-March 9, 2021

Consent:  
Public Hearing:  
Business Item:  
Presentation:  
Other: Approval of Minutes

# ATTACHMENT 1

Minutes-March 9, 2021 Regular City Council Meeting

# ***CITY OF PERRIS***

## MINUTES:

Date of Meeting: March 9, 2021

06:30 PM

Place of Meeting: City Council Chambers

**PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20 THIS MEETING WAS CONDUCTED AS A REMOTE MEETING VIA ZOOM**

CLOSED SESSION

ROLL CALL

**Present: Magaña, Corona, Rabb, Rogers, Vargas**

**Staff members present: Interim City Manager Miramontes, City Attorney Dunn**

A. Conference with Legal Counsel - Potential Litigation - Government Code Section 54956.9 (d)(2) - 2 cases Code Section 54956.9 (d)(4) - 1 case

1. CALL TO ORDER: 6:30 P.M.

**Mayor Vargas called the Regular City Council meeting to order at 6:33 p.m.**

2. ROLL CALL: \_\_\_\_\_

**Present: Magaña, Corona, Rabb, Rogers, Vargas**

Staff Members Present: Interim City Manager Miramontes, City Attorney Dunn, City Engineer McKibbin, Assistant City Manager Carlos, Chief Information Officer Cervantes, Director of Community Services Chavez, Director of Finance Reyna, Interim Director of Development Services Neal, Director of Administrative Services Amozgar, Director of Public Works Hill, Assistant City Clerk Haughney and City Clerk Salazar.

3. INVOCATION:  
\_\_\_\_\_

**The Invocation was given by Pastor Conner Smith, Temple Baptist Church  
745 N. Perris Blvd. Perris, CA 92571**

4. PLEDGE OF ALLEGIANCE:

**Councilmember Magaña led the Pledge of Allegiance.**

5. REPORT ON CLOSED SESSION ITEMS:

**City Attorney Dunn reported that the City Council met in Closed Session to discuss the items listed on the agenda. He noted that an update was given, but no reportable action was taken.**

**6. PRESENTATIONS/ANNOUNCEMENTS:**

- A. Presentation by the Department of Water Resources on the Perris Dam Emergency Release Facility discussing the overall project and upcoming construction.

**7. YOUTH ADVISORY COMMITTEE COMMUNICATIONS:**

**8. APPROVAL OF MINUTES:**

- A. Approved the Minutes of the Regular Joint Meeting held on February 23, 2021 of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Community Economic Development Corporation and the Perris Joint Powers Authority.

The Mayor called for a motion.

M/S/C: Moved by Marisela Magana, seconded by Malcolm Corona to Approve the Minutes, as presented.

AYES: Marisela Magana, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

**9. CONSENT CALENDAR:**

- A. Adopted Resolution Numbers 5762, 5763 and 5764 regarding Initiation of Annual Proceedings for City's Maintenance Districts (FY 2021/2022).

Resolution Number 5762 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2021/2022 IN THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1 PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; APPOINTING THE ENGINEER OF WORK, AND ORDERING PREPARATION OF AN ENGINEER'S REPORT

Resolution Number 5763 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2021/2022 IN THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 PURSUANT TO THE

**LANDSCAPING AND LIGHTING ACT OF 1972; APPOINTING THE ENGINEER OF WORK, AND ORDERING PREPARATION OF AN ENGINEER'S REPORT**

Resolution Number 5764 is entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2021/2022 IN THE CITY OF PERRIS FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1 PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982; APPOINTING THE ENGINEER OF WORK, AND ORDERING PREPARATION OF AN ENGINEER'S REPORT**

- B. **Approved Amendment No. 1 to TUMF Program Agreement No. 18-CM-PER-1180 with the Western Riverside Council of Governments (WRCOG) for the Goetz Road Widening Project, between Ethanac Road and Case Road.**
- C. **Approved Cooperative Agreement No. 08-1737 with the California Department of Transportation (Caltrans) for the pre-construction phases of the I-215/Harley Knox Interchange Improvements; and Received and Filed the Project Study Report/Project Document Support (PSR/PDS) and designated the Diverging Diamond Interchange as the City's locally preferred alternative subject to completion of the appropriate environmental documentation.**
- D. **Approved a Memorandum of Understanding by and between City of Perris and City of Moreno Valley regarding Construction of Tract 36648 Pedestrian Signal Crossing Evans Road/Lasselle Street at Rancho Verde High School.**
- E. **Approved a Memorandum of Understanding by and between City of Perris and Pulte Homes, Inc., a California corporation ("Pulte"), concerning Pulte's contribution to the costs of the Evans Road Pedestrian Signal and Crossing as satisfying certain conditions of approval for development of Tract 36648 and 36648-1.**
- F. **Adopted Resolution Number 5765 accepting Industrial Developers Realty, LLC's Irrevocable Offer of Dedication for Public Purposes. (Goetz Road, APN #'s 330-120-008 and 330-120-010)**

Resolution Number 5765 is entitled:

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACCEPTING INDUSTRIAL DEVELOPERS REALTY, LLC'S IRREVOCABLE OFFER OF DEDICATION FOR PUBLIC PURPOSES (GOETZ ROAD, APNS 330-120-008 AND 330-120-010)**

- G. **Approved the 2020 Annual Progress Report for the General Plan Housing Element.**
- H. **Approved the City's Monthly Check Register for January 2021.**

The Mayor called for a motion.

M/S/C: Moved by Rita Rogers, seconded by David Starr Rabb to Approve the Consent Calendar, as presented.

AYES: Marisela Magana, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

10. PUBLIC HEARINGS:

- A. Adopted the First Reading of Ordinance Number 1397 adding Section 10.24.210-Parking Time Limits on Certain Streets to the Perris Municipal Code and adopted Resolution Number 5766 to update the Parking Fee Schedule, effective May 8, 2021.

The First Reading of Ordinance Number 1397 is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS ADDING SECTION 10.24.210, "PARKING TIME LIMITS ON CERTAIN STREETS," TO CHAPTER 10.24 OF TITLE 10 OF THE PERRIS MUNICIPAL CODE REGARDING, STOPPING, STANDING, PARKING

Resolution Number 5766 is entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, SETTING PARKING VIOLATION FEES

**Interim Director of Development Services Candida Neal gave the presentation on this item.**

**The following Councilmember's spoke:**

**Corona**

**Magaña**

**Vargas**

**Rabb**

**The Mayor opened the Public Hearing at 7:11 p.m. There was no Public Comment.**

**The Mayor closed the Public Hearing at 7:11 p.m.**

The Mayor called for a motion.

M/S/C: Moved by David Starr Rabb, seconded by Marisela Magana to Approve the First Reading of Ordinance Number 1397 and Resolution Number 5766, as presented.

AYES: Marisela Magana, Malcolm Corona, David Starr Rabb, Rita Rogers, Michael Vargas

NOES:

ABSENT:

ABSTAIN:

11. BUSINESS ITEMS:

**There were no Business Items.**

12. PUBLIC COMMENT/CITIZEN PARTICIPATION:

**The following people spoke at Public Comment:  
Joshua Naggar**

**Jasmine Grinaldo**

13. COUNCIL COMMUNICATIONS:

**The following Councilmember's spoke:**

**Corona**

**Magaña**

**Rogers**

**Rabb**

**Vargas**

14. CITY MANAGER'S REPORT:

15. ADJOURNMENT:

**There being no further business Mayor Vargas adjourned the Regular City Council meeting at 7:33 p.m. in memory of Inez Charmaine Carr, the Mother of former Assistant City Manager Ron Carr, who passed away on March 7, 2021.**

**Respectfully Submitted,**

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**Nancy Salazar, City Clerk**





# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Annexation of TR 36648 to Maintenance District No. 84-1

**REQUESTED ACTION:**

1. Adoption of Resolution Ordering Preparation of the Engineer's Report
2. Adoption of Resolution Preliminarily Approving Engineer's Report
3. Adoption of Resolution of Intention to Annex TR 36648 and setting a public hearing date of May 25, 2021

**CONTACT:** Stuart McKibbin, City Engineer

**BACKGROUND/DISCUSSION:** TR 36648 is a subdivision of 65.80 gross acres into 270 single family lots and six (6) lettered lots (A, B, C, D and E). (See attached Boundary Map).

Annexation of TR 36648 will allow the City to finance the annual maintenance of streetlight and traffic signal improvements installed in conjunction with this property. The project specifically benefits from sixty-six (66) new streetlights to be installed along the interior streets of TR 36648 and TR 36648-1, thirteen (13) streetlights along the frontage of these tracts on Evans Road, and from existing and future traffic signals.

**BUDGET (or FISCAL) IMPACT:** The current maximum annual assessment is \$12,495.60. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
 Assistant City Manager \_\_\_\_\_  
 Finance Director ER

Attachments:

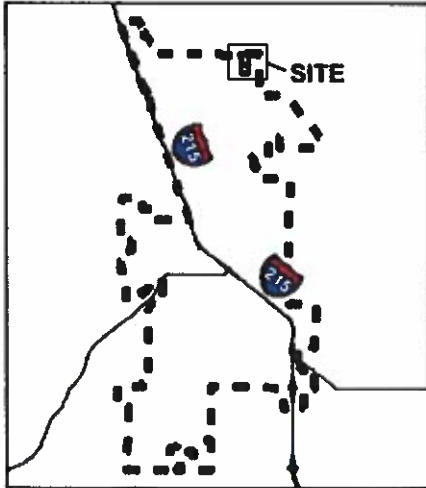
1. Vicinity Map
2. Resolution Ordering Preparation of the Engineer's Report
3. Engineer's Report
4. Resolution Preliminarily Approving Engineer's Report
5. Resolution of Intention to Annex TR 36648 to Maintenance District No. 84-1

Consent: x  
Public Hearing:  
Business Item:  
Presentation:  
Other:

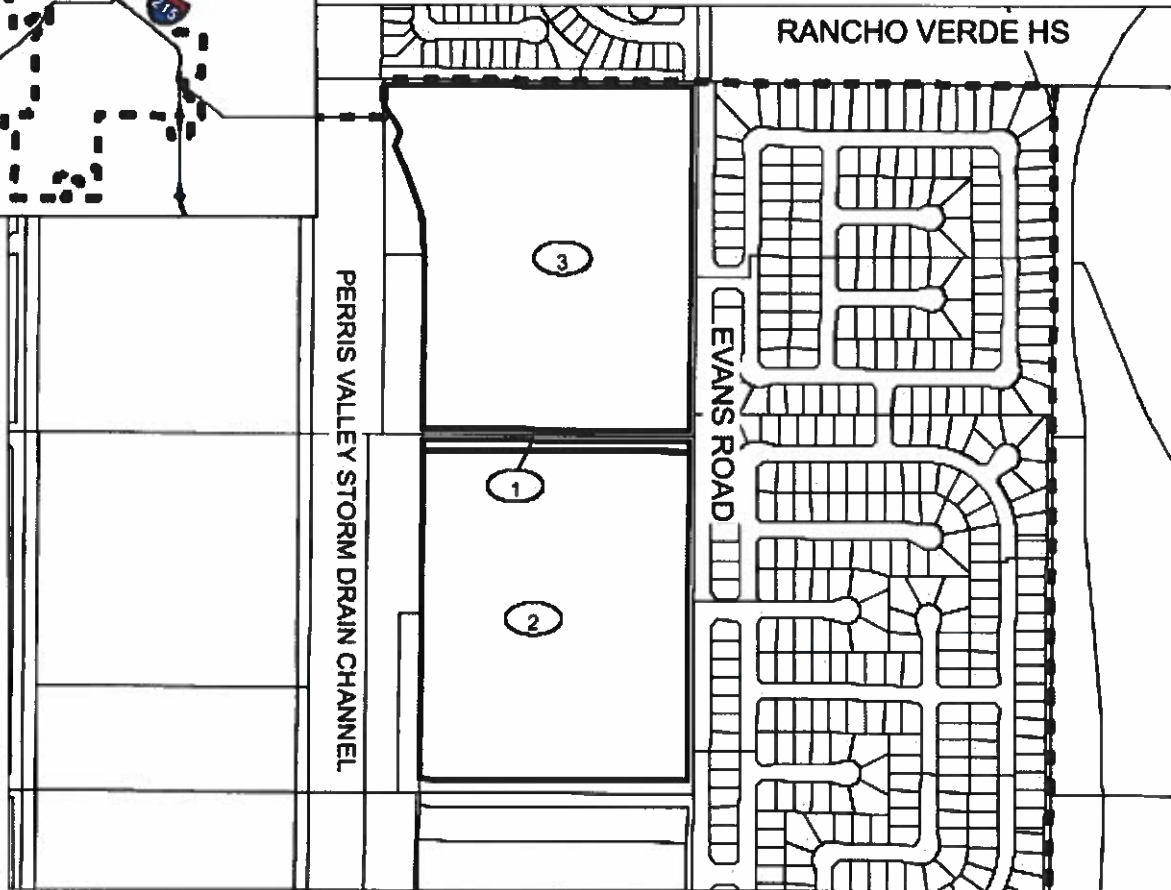
## **Attachment No. 1**

# DIAGRAM OF ANNEXATION OF TR 36648 TO MAINTENANCE DISTRICT NO. 84-1

## SITE LOCATION



CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



### Legend

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## **Attachment No. 2**

**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF TR 36648 INTO MAINTENANCE DISTRICT NUMBER 84-1**

**WHEREAS**, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as MAINTENANCE DISTRICT NO. 84-1 (the "District"); and

**WHEREAS**, it has been determined by the City Council of the City of Perris, County of Riverside, California, that the public interest, convenience and necessity requires the installation of streetlights, traffic signals and other facilities set forth in Section 22525 of the Streets and Highways Code, State of California, and the maintenance thereof, all within the incorporated boundaries of the City of Perris, California; and

**WHEREAS**, the City Council has heretofore appointed Stuart McKibbin, the City Engineer for the City of Perris, as the "Engineer of Work" for Maintenance District Number 84-1 and Willdan Financial Services has heretofore been appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, State of California.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris as follows:

**Section 1.** The above recitals are true and correct, and are incorporated herein by this reference.

**Section 2.** That the public interest, convenience and necessity, requires the annexation to a maintenance district for the purpose of installing, constructing and maintaining the streetlights, traffic signals and other facilities authorized by Section 22525 of the Streets and Highways Code, State of California,

**Section 3.** That TR 36648 be defined as that area to be annexed to the City of Perris Maintenance District Number 84-1.

**Section 4.** That the lands to be specially charged for the installation, construction, and maintenance of the facilities shall be the area within the boundaries of the annexation to the district generally indicated on the map entitled "Diagram of Annexation of TR 36648 to Maintenance District Number 84-1, City of Perris, County of Riverside, State of California."

**Section 5.** That the proceedings are to be conducted for said annexation to the maintenance district under and in accordance with provisions of Division 15 of the Streets and Highways Code (Landscaping and Lighting Act of 1972) of the State of California.

**Section 6.** That Stuart McKibbin, the City Engineer for the City of Perris, is hereby appointed the "Engineer of Work" and all provisions of Division 15 applicable to the Engineer shall apply to said "Engineer of Work" and Willdan Financial Services, is hereby appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of said Division 15 of the Streets and Highways Code.

**Section 7.** That Stuart McKibbin, the City Engineer for the City of Perris, is hereby designated to sign all papers and documents in connection with the proceedings for the annexation to said maintenance district, acting in the capacity of the Engineer of Work.

**Section 8.** That the cost of maintaining the facilities set forth herein in subject annexation to the district shall be borne by the property owners within the subject annexation to the district, said cost to be assessed and collected in accordance with said Landscaping and Lighting Act of 1972.

**Section 9.** That the Engineer of Work is hereby ordered to prepare a report in accordance with Article 4 of said maintenance act, and is hereby directed to prepare and file such report with the City Clerk.

***ADOPTED, SIGNED and APPROVED*** this 30<sup>th</sup> day of March, 2021.

---

Mayor, Michael M. Vargas

ATTEST:

---

City Clerk, Nancy Salazar

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number \_\_\_ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 30<sup>th</sup> day of March, 2021, by the following called vote:

Ayes:

Noes:

Absent:

Abstain:

---

City Clerk, Nancy Salazar



## **Attachment No. 3**

**AGENCY:** City of Perris  
**PROJECT:** Annexation of TR 36648  
To Maintenance District No. 84-1  
**TO:** City Council  
City of Perris  
State of California

**REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"**

Pursuant to the direction from the City Council, submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the **STATE OF CALIFORNIA**, being the "Landscaping and Lighting Act of 1972", as amended. This "Report" provides for the annexation into the District of additional parcels and the levy of assessments for the fiscal year commencing July 1, 2020 to June 30, 2021, for that area to be known and designated as:

**"Annexation of TR 36648  
to Maintenance District No. 84-1"**

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said designated area liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance works of improvement and appurtenances.

Executed this 30th day of March, 2021.

---

**STUART MCKIBBIN, City Engineer  
CITY OF PERRIS  
STATE OF CALIFORNIA**

Final approval, confirmation and levy of the annual assessment and all matters relating to annexation and the Engineer's "Report" were made on the 25th day of May, 2021, by adoption of Resolution \_\_\_\_\_ of the City Council.

---

**NANCY SALAZAR, City Clerk  
CITY OF PERRIS  
STATE OF CALIFORNIA**

A copy of the Assessment Roll and Engineer's "Report" were filed in the Office of the City Clerk on the 30th day of March, 2021.

---

**NANCY SALAZAR, City Clerk  
CITY OF PERRIS  
STATE OF CALIFORNIA**

## Report

**PART 1. Plans and Specifications.** Generally, the work to be performed consists of the annual energy and maintenance costs for sixty-six (66) new streetlights along the interior streets of TR 36648 and TR 36648-1, plus thirteen (13) streetlights along the frontage of these tracts on Evans Road. The streetlights to be installed and maintained are shown on the plans and specifications prepared by Candela Engineering, entitled, "Off-Site Street Light Electrical Plan for TR 36648-1 & 36648," "Street Light Electrical Plan Tract Map No. 36648," and "Street Light Electrical Plan Tract Map No. 36648-1."

In addition to the streetlights, this area benefits from existing and future traffic signals. Of specific benefit is the traffic signal at the intersection of Evans Road and Belserra Gate and pedestrian signal on Evans Road at the EMWD easement located in the City of Moreno Valley to be installed as conditions of approval for this development project.

The plans and specifications for all facilities are or will be on file in the City of Perris Public Works Department and, by reference, are hereby made a part of this report to the same extent as if said plans and specifications were attached hereto. The plans and specifications sufficiently show and describe the general nature, location and extent of the improvements.

The streetlight improvements will be owned by the City of Perris and, upon construction will be shown on the Perris Street Light Atlas Maps. The traffic signals are owned by the City of Perris and are shown on the City of Perris Traffic Signal Location Map. Said Map and Atlas are on file in the City of Perris Office of Public Works Department and are made a part of this report to the same extent as if said documents were attached hereto.

**PART 2. An Estimate** of the cost for the improvements to be maintained and/or improved for a given fiscal year includes labor, materials, electricity, and appurtenances. Incidental costs include engineering, legal, City Clerk, and administration expenses, including the processing of payments and the submittal of billings to the Riverside County Auditor for placement on the tax roll.

The estimated annual cost for maintenance of the facilities is listed as follows:

<b>Facility</b>	<b>Quantity</b>	<b>Annual Cost</b>	<b>Total Cost</b>
<b>Street Lights</b>			
Standard Lumen LED	66	\$149.28	\$9,852.48
High-Output LED	13	\$204.12	2,653.56
<b>Traffic Signals</b>			
Evans Road and Belserra Gate	100%	\$7,726.26	7,726.26
Evans Road pedestrian crossing	100%	\$6,210.00	6,210.00
<b>Subtotal</b>			<b>\$26,442.30</b>
<b>Incidental Costs</b>			<b>\$3,966.35</b>
<b>City Contribution for Street Lights</b>	13	-\$54.84	-712.92
<b>Resolution No. 5699 Adjustment</b>			-17,200.13
<b>Balance to Assessment</b>			<b>\$12,495.60</b>

**PART 3.** The **Assessment Roll** shows the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries of the Diagram, enclosed herein as Part 4.

Street lighting and the orderly circulation of traffic directly benefits the area to be annexed to Maintenance District No. 84-1. Any share of the benefits received that does not provide a special benefit to the assessed properties is a general benefit provided by the improvements. The cost of the general benefit is not to be assessed to the properties in the district.

The cost of the general benefit is to be contributed by the City. This cost for lights is equal to the unit cost difference between a local street light and an arterial street light. A local street light is the standard required on a local street. Arterial streets require a higher output street light in order to service a capacity greater than the local traffic.

The method of assessment is based on units, with a residential dwelling or condominium equal to one benefit unit. The relationship between residential lots and non-residential development has been established at 4.2 residential lots to one assessed acre based on the general density of the City as a whole. The assessed acreage is the net acreage of the area to be annexed. Tracts 36648 and 36648-1 are being developed with 270 residential dwelling units, which translates to 270 Benefit Units in MD 84-1.

The current annual assessment reflecting the reasonable cost of providing for the maintenance and servicing of the improvements and appurtenant facilities is equal to \$46.28 per benefit unit, shown as follows:

$$\frac{\text{Annual Assessment}}{\text{Benefit Units}} = \frac{\$12,495.60}{270 \text{ Units}} = \$46.28 \text{ per Benefit Unit}$$

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison rate percent increase projected for the upcoming fiscal year.

Reference is made to the FY 2020/2021 annual proceedings for Maintenance District No. 84-1, as confirmed and set forth in Resolution 5699 approved on July 28, 2020. Under these proceedings, the benefit for the annual maintenance of streetlight and traffic signals is equal to \$46.28 per Benefit Unit, or single family home. For the purposes of this report, this assessment determines the net specific streetlight and traffic signal benefit.

The assessment is as follows:

<u>Parcel</u>	<u>Benefit Units</u>	<u>Estimated Maximum Annual Assessment</u>
See Below	270	\$12,495.60

**ASSESSOR'S PARCEL NUMBER**  
302-160-043, 302-160-044, and 302-170-024

With the construction of streetlights, as a condition of approval, the developer is required by the City to provide certain standard street lighting for the area within the development; and the energy costs for the initial 18-month period. No newly annexed area or portion thereof is assessed prior to the completion of the 18-month period.

For the current maximum annual assessment and the assessment for the fiscal year commencing July 1, 2020 to June 30, 2021, reference is made to the Assessment Roll included herein as Attachment No.1.

**PART 4.**     **A Diagram of the Annexation.** The boundary of the area to be annexed is coincident with the boundary of TR 36648 and TR 36648-1. Said boundary is designated as "Diagram of Annexation of TR 36648 to Maintenance District No. 84-1, City of Perris, County of Riverside, State of California." The Diagram is included herein as Attachment No. 2, which shows the boundaries of the area of annexation and benefit. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the fiscal year to which the "Report" applies.

**PART 5.**     **A Consent and Waiver for Annexation** to the District has been signed by the owners of the area within the proposed annexation. Said consent and waiver is included herein as Attachment No. 3.

**Assessment Roll  
Annexation of TR 36648  
To Maintenance District No. 84-1  
City of Perris**

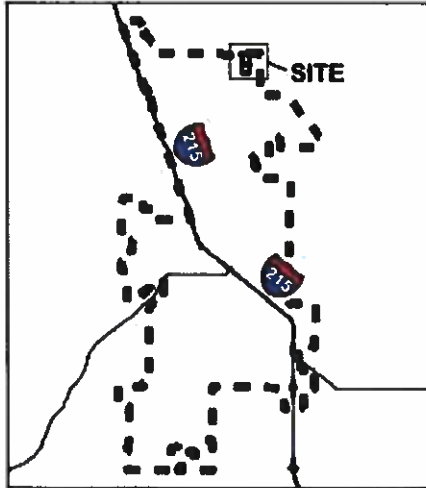
<b>Assessor Parcel Number</b>	<b>Estimated Annual Assessment</b>	<b>Fiscal Year 2020/2021</b>
See Below	\$12,495.60	\$0.00
<b>Total</b>	<b>\$12,495.60</b>	<b>\$0.00</b>

**ASSESSOR'S PARCEL NUMBER**  
302-160-043, 302-160-044, and 302-170-024

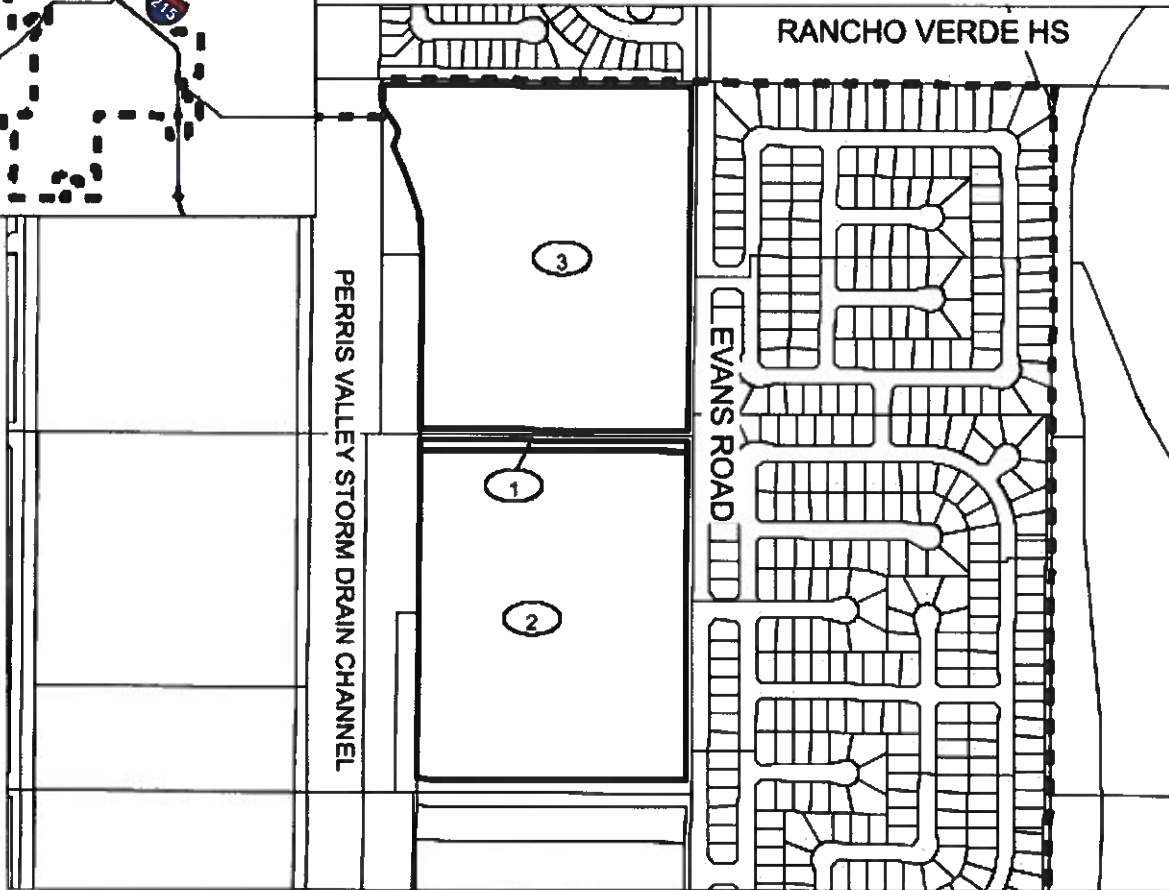
Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison rate percent increase projected for the upcoming fiscal year.

# DIAGRAM OF ANNEXATION OF TR 36648 TO MAINTENANCE DISTRICT NO. 84-1

## SITE LOCATION



CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



- Legend**
- ANNEXATION BOUNDARY
  - MAP REFERENCE NUMBER
  - CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

**CONSENT AND WAIVER TO ANNEXATION**

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA, has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, said special maintenance districts known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 and MAINTENANCE DISTRICT NO. 84-1 (hereinafter referred to as the "Maintenance Districts"); and,

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA to order the annexation of territory to the Maintenance Districts; and,

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA may, pursuant to said provisions of the Act, order the annexation of territory to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" as would otherwise be required by the provisions of the Act if all of the owners of property within the territory proposed to be annexed, have given written consent to the proposed annexation; and,

WHEREAS, the undersigned, the owners of all property within the territory proposed to be annexed to the Maintenance Districts, acknowledge that pursuant to the provisions of the Act, the undersigned would be entitled to notice and hearing and the preparation of an Engineer's "Report" pertaining to the annexation of the property, acknowledge that they are aware of the proposed annexation to the Maintenance Districts of the property owned by the undersigned, and waives any and all right which the undersigned may now have to notice and hearing or the filing of an Engineer's "Report" pertaining to the annexation of the undersigned's property to the Maintenance Districts.

NOW, THEREFORE, it is hereby declared by the undersigned property owners as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the undersigned, constituting the owners of the property described in Exhibit "A" attached hereto and incorporated herein by this reference and further constituting all of the property within the territory proposed to be annexed to the Maintenance Districts, hereby consent to the proposed annexation of said property to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" pertaining to such annexation.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

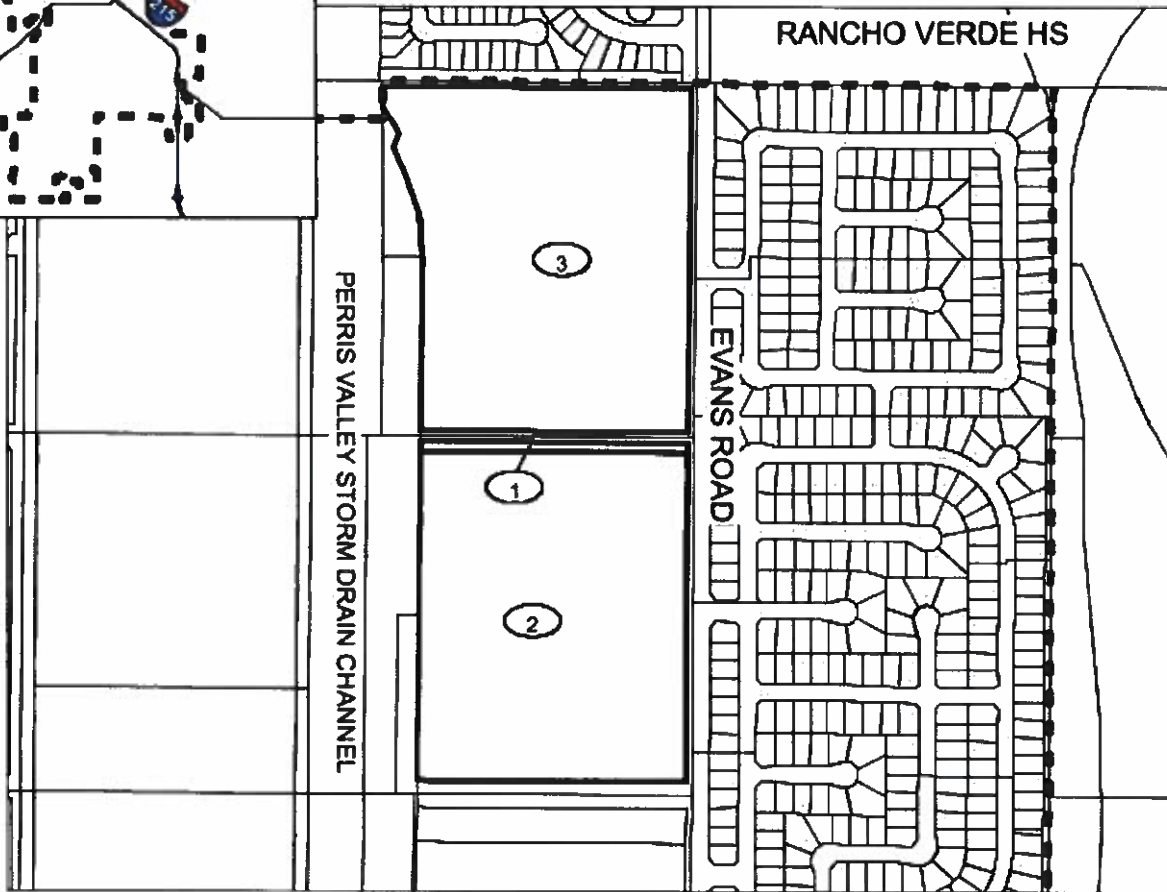
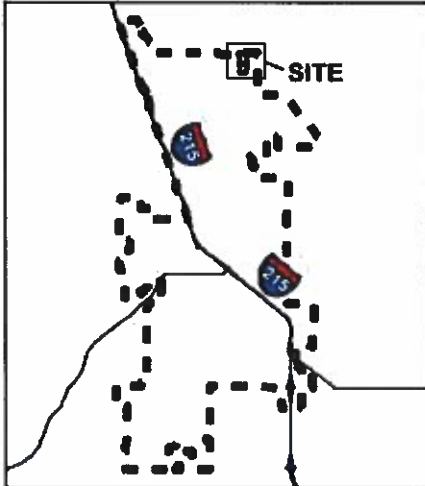
List Property Owner Name and Mailing Address



# EXHIBIT A TO CONSENT AND WAIVER OF ANNEXATION OF TR 36648 TO MAINTENANCE DISTRICT NO. 84-1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024

**Legend**

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## **Attachment No. 4**

**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1**

**WHEREAS**, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as MAINTENANCE DISTRICT NO. 84-1 (the "District"); and

**WHEREAS**, on the 30th day of March, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number \_\_\_ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act in connection with the annexation of TR 36648 ; and

**WHEREAS**, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

**WHEREAS**, said City Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that no portion of the report requires or should be modified in any respect.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris as follows:

**Section 1.** The above recitals are true and correct, and are incorporated herein by this reference.

**Section 2.** That the Engineer's estimate prepared by the City Engineer of the itemized costs and expenses of said work and of the incidental expenses in connection therewith, contained in said report be, and each of them are hereby, preliminary approved and confirmed.

**Section 3.** That the diagram showing the District referred to and described in said report, the boundaries of the subdivisions of the land within said District as the same existed at the time of passage of said Resolution, is hereby preliminarily approved and confirmed.

**Section 4.** That the proposed assessment upon the subdivisions of land in said District is in proportion to the estimated benefit to be received by said subdivision, respectively, from said work and of the incidental expenses thereof, as contained in said report is hereby preliminarily approved and confirmed.

**Section 5.** That said report shall stand as the Engineer's Report for the purposes of all subsequent proceedings, and pursuant to the proposed District.

**ADOPTED, SIGNED and APPROVED** this 30<sup>th</sup> day of March, 2021.

---

Mayor, Michael M. Vargas

Attest:

---

City Clerk, Nancy Salazar

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   ) §  
CITY OF PERRIS            )

I, Nancy Salazar, City CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number \_\_\_\_\_ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 30<sup>th</sup> day of March, 2021, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

City Clerk, Nancy Salazar

## **Attachment No. 5**

**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO CITY OF PERRIS MAINTENANCE DISTRICT NUMBER 84-1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO MAINTENANCE DISTRICT NUMBER 84-1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF TR 36648 TO MAINTENANCE DISTRICT NUMBER 84-1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021**

**WHEREAS**, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as MAINTENANCE DISTRICT NO. 84-1 (hereinafter referred to as the "District"); and

**WHEREAS**, the provisions of Article II of Chapter 2 of the Act authorize the City Council to order the annexation of territory to the District; and

**WHEREAS**, on the 30<sup>th</sup> day of March, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number \_\_\_\_ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act; and

**WHEREAS**, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

**WHEREAS**, said City Council has duly considered the Engineer's Report and each and every part thereof, and has found that each and every part of the Engineer's Report is sufficient, and that no portion of the report requires or should be modified in any respect; and

**WHEREAS**, the City now desires to declare its intention to annex certain property into the District, pursuant to the Act and, more specifically, Section 22587 thereof, and to take certain other actions as required by the Act;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Perris, California, as follows:

**Section 1. Recitals.** The Recitals set forth above are true and correct, and are incorporated herein by this reference.

**Section 2. Description of Work:** That the public interest and convenience requires and it is the intention of the City Council of the City of Perris to annex TR 36648 to the District, and to order the following work be done, to wit:

1. Installation, construction, maintenance, and servicing of streetlight and traffic signal facilities as authorized by Section 22525 of the Streets and Highways Code, State of California.
2. Any and all work and materials appurtenant thereto or which are necessary or convenient for the maintenance and servicing thereof.

**Section 3. Location of Work:** The improvements to be maintained and serviced consist of the streetlights and traffic signals within said annexation.

**Section 4. Description of Assessment District:** That the contemplated work, in the opinion of said City Council, is of more local than ordinary public benefit, and this City Council hereby makes the expense of said work chargeable upon a District, which said District is assessed to pay the costs and expenses thereof, and which District is described as follows:

All that certain territory of the City of Perris included within the exterior boundary lines shown upon that certain "Diagram of Annexation of TR 36648 to Maintenance District Number 84-1" heretofore approved by the City Council of said City by Resolution No. \_\_\_\_\_, indicating by said boundary line the extent of the territory included within the proposed assessment district and which map is on file in the office of the City Clerk of said City.

Reference is hereby made to said map for a further, full, and more particular description of said assessment district, and the said map so on file shall govern for all details as to the extent of said assessment district.

**Section 5. Report of Engineer:** The City Council of said City by Resolution Number \_\_\_\_\_ has preliminarily approved the report of the Engineer of Work which report indicated the amount of the proposed assessment, the district boundaries, assessment zones, detailed description of improvements, and the method of assessment. The report titled "Engineer's Report for Annexation of TR 36648, to Maintenance District Number 84-1", is on file in the office of the City Clerk of said City. Reference to said report is hereby made for all particulars for the amount and extent of the assessments and for the extent of the work.



**Section 6. Collection of Assessments:** The assessment shall be collected at the same time and in the same manner as taxes for the County of Riverside are collected. The Engineer of Work shall file a report annually with the City Council of said City and said City Council will annually conduct a hearing upon said report at their regular meeting before August 10th, at which time assessments for the next Fiscal Year will be determined. That the annual assessment reflecting the reasonable cost of providing for the maintenance, servicing and operation of the streetlights and traffic signals and appurtenant facilities is \$46.28 per Benefit Unit (single family home). Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison rate increase projected for the upcoming fiscal year.

**Section 7. Time and Place of Public Hearing:** Notice is hereby given that on May 25, 2021, at 6:30 p.m., in the City Council Chambers of the City Council of the City of Perris, California, 101 North "D" Street, in the City of Perris, State of California, is hereby fixed as the time and place for a hearing by this City Council on the question of the levying and collection of the proposed assessments. That any and all persons having any objections to the work or the extent of the annexation to the assessment district may appear and show cause why said work should not be done or carried out or why said annexation to the district should not be confirmed in accordance with this Resolution of Intention. City Council will consider all oral and written protests.

**Section 8. Landscaping and Lighting Act of 1972:** All the work herein proposed shall be done and carried through in pursuance of an act of the legislature of the State of California designated the Landscaping and Lighting Act of 1972, being Division 15 of the Streets and Highways Code of the State of California.

**Section 9. Publication of Resolution of Intention:** The City Clerk shall cause this Resolution of Intention to be published one time as required by Section 22552 of the California Streets and Highways Code, occurring no later than 10 days prior to the public hearing at which the City Council will consider levying the proposed special assessments. The published notice will encompass one-eighth of a newspaper page. The Perris City News is hereby designated as the newspaper in which the City Clerk shall publish this Resolution of Intention. Upon completion of giving notice, the City Clerk is further directed to file in her office a proof of publication setting forth compliance with the requirements for publishing.

**Section 10. Mailing of Notice:** The City Clerk shall also give notice by a first-class mailing to all owners of property subject to any new or increased assessments. The notice shall be mailed no later than 45 days prior to the public hearing at which the City Council will consider levying the new or increased assessments and shall be at least in 10-point type. The form of said notice shall conform in all respects with the requirements of subdivision (b) of Section 53753 of the Government Code and pursuant to subdivision (c) of that section, each

notice shall contain an assessment ballot whereon the property owner may indicate support or opposition to the proposed assessment.

**Section 11. Designation of Contact Person:** That this City Council does hereby designate, Stuart McKibbin, City Engineer of the City of Perris, (951) 943-6504 as the person to answer inquiries regarding the District and the proposed annexation thereto.

**Section 12. Certification:** The City Clerk shall certify to the adoption of this Resolution.

***ADOPTED, SIGNED and APPROVED*** this 30<sup>th</sup> day of March, 2021.

---

Mayor, Michael M. Vargas

Attest:

---

City Clerk, Nancy Salazar

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   ) §  
CITY OF PERRIS            )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 30<sup>th</sup> day of March, 2021, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

City Clerk, Nancy Salazar



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Annexation of TR 36648 to Landscape Maintenance District No. 1 (LMD 1)

**REQUESTED ACTION:**

1. Adoption of Resolution Ordering Preparation of the Engineer's Report
2. Adoption of Resolution Preliminarily Approving Engineer's Report
3. Adoption of Resolution of Intention to Annex TR 36648 and setting a public hearing date of May 25, 2021

**CONTACT:** Stuart McKibbin, City Engineer

**BACKGROUND/DISCUSSION:** TR 36648 is a subdivision of 65.80 gross acres into 270 single family lots and six (6) lettered lots (A, B, C, D and E). (See attached Boundary Map).

Annexation of TR 36648 will allow the City to finance the annual maintenance of landscape improvements to be installed adjacent to the project that benefits this property.

**BUDGET (or FISCAL) IMPACT:** The current maximum annual assessment is \$106,457.68. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

Prepared by: Daniel Louie, Willdan Financial Services

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
 Assistant City Manager \_\_\_\_\_  
 Finance Director ER

Attachments:  
 1. Vicinity Map

2. Resolution Ordering Preparation of the Engineer's Report
3. Engineer's Report
4. Resolution Preliminarily Approving Engineer's Report
5. Resolution of Intention to Annex TR 36648 to Landscape Maintenance District No. 1

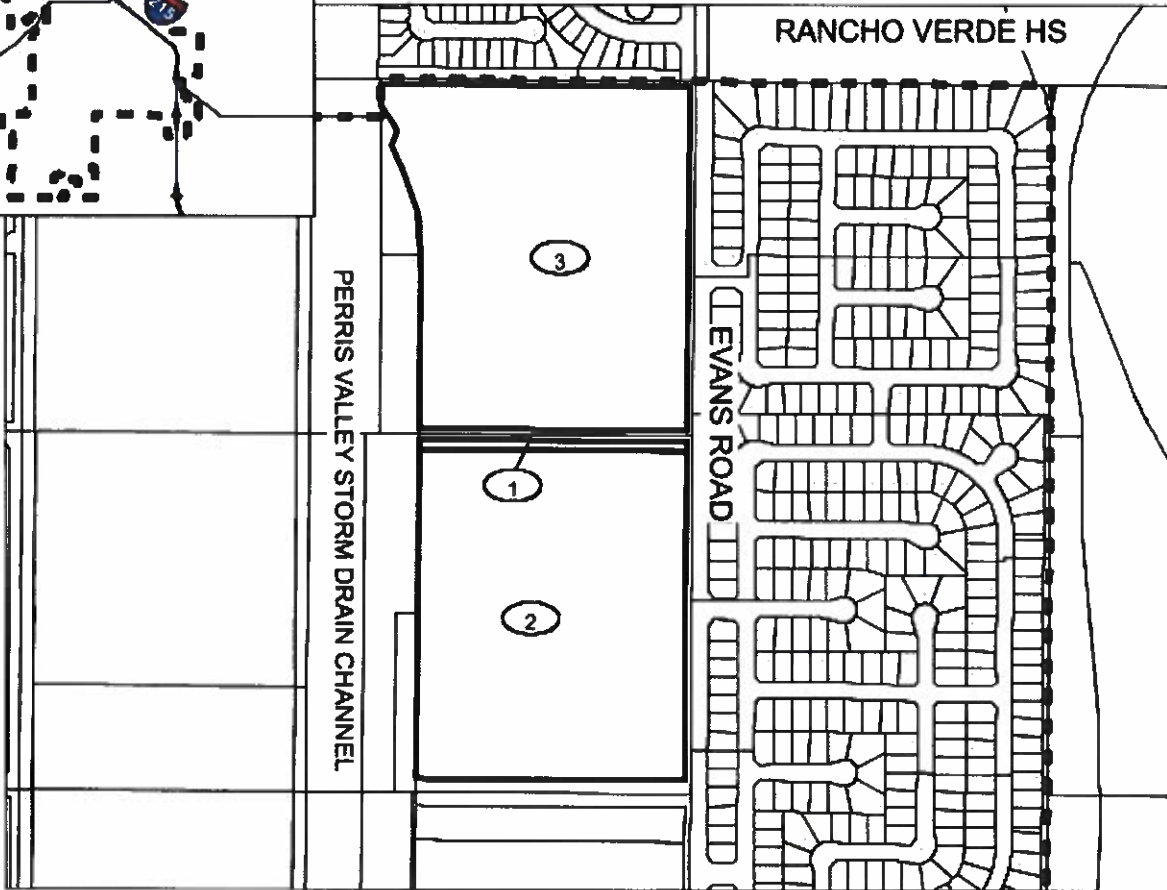
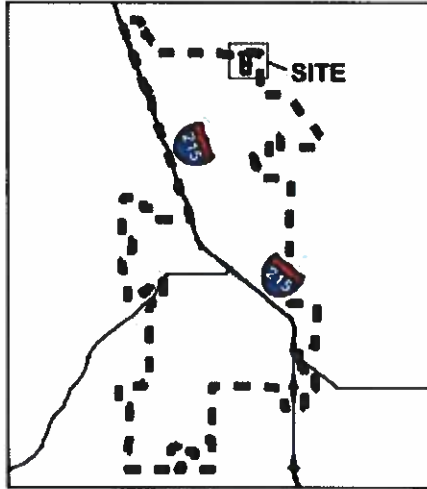
Consent:  x  
Public Hearing:  
Business Item:  
Presentation:  
Other:




## **Attachment No. 1**

# DIAGRAM OF ANNEXATION OF TR 36648 TO BENEFIT ZONE 154 LANDSCAPE MAINTENANCE DISTRICT NO. 1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



- Legend**
-  ANNEXATION BOUNDARY
  -  MAP REFERENCE NUMBER
  -  CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## **Attachment No. 2**



**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, INITIATING PROCEEDINGS, APPOINTING THE ENGINEER OF WORK, ORDERING THE PREPARATION OF A DISTRICT MAP INDICATING THE PROPOSED BOUNDARIES OF AN ANNEXATION TO THE CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, AND FOR PROVIDING OTHER ENGINEERING SERVICES IN THE MATTER OF THE ANNEXATION OF BENEFIT ZONE 154 TR 36648 TO LANDSCAPE MAINTENANCE DISTRICT NUMBER 1**

**WHEREAS**, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created BENEFIT ZONE 154 therein (hereinafter referred to as the "Benefit Zone 154"); and

**WHEREAS**, it has been determined by the City Council of the City of Perris, County of Riverside, California, that the public interest, convenience and necessity requires the installation and planting of landscape materials and the installation and construction of an irrigation system and other facilities set forth in Section 22525 of the Streets and Highways Code, State of California, and the maintenance thereof, all within the incorporated boundaries of the City of Perris, California; and

**WHEREAS**, the City Council has heretofore appointed Stuart McKibbin, the City Engineer for the City of Perris, as the "Engineer of Work" for Landscape Maintenance District Number 1 and Willdan Financial Services has heretofore been appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of Chapter 1 of Part 2 of Division 15 of the Streets and Highways Code, State of California.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris as follows:

**Section 1.** The above recitals are true and correct and are incorporated herein by this reference.

**Section 2.** That the public interest, convenience and necessity, requires the annexation to a maintenance district for the purpose of installing, constructing and maintaining the installation and planting of landscape materials and the installation and construction of an irrigation system and other facilities authorized by Section 22525 of the Streets and Highways Code, State of California.

**Section 3.** That TR 36648 be defined as that area to be annexed to Benefit Zone 154, City of Perris Landscape Maintenance District Number 1.

**Section 4.** That the lands to be specially charged for the installation, construction, and maintenance of the facilities shall be the area within the boundaries of the annexation to the district generally indicated on the map entitled "Diagram of Annexation of TR 36648, to Benefit Zone 154, Landscape Maintenance District Number 1, City of Perris, County of Riverside, State of California."

**Section 5.** That the proceedings are to be conducted for said annexation to the maintenance district under and in accordance with provisions of Division 15 of the Streets and Highways Code (Landscaping and Lighting Act of 1972) of the State of California.

**Section 6.** That Stuart McKibbin, the City Engineer for the City of Perris, is hereby appointed the "Engineer of Work" and all provisions of Division 15 applicable to the Engineer shall apply to said "Engineer of Work" and Willdan Financial Services, is hereby appointed for the purpose of assisting in the preparation of the written report provided for in Section 22567 of said Division 15 of the Streets and Highways Code.

**Section 7.** That Stuart McKibbin, the City Engineer for the City of Perris, is hereby designated to sign all papers and documents in connection with the proceedings for the annexation to said maintenance district, acting in the capacity of the Engineer of Work.

**Section 8.** That the cost of maintaining the facilities set forth herein in subject annexation to the district shall be borne by the property owners within the subject annexation to the district, said cost to be assessed and collected in accordance with said Landscaping and Lighting Act of 1972.

**Section 9.** That the Engineer of Work is hereby ordered to prepare a report in accordance with Article 4 of said maintenance act, and is hereby directed to prepare and file such report with the City Clerk.

**ADOPTED, SIGNED and APPROVED** this 30<sup>th</sup> day of March, 2021.

---

Mayor, Michael M. Vargas

ATTEST:

---

City Clerk, Nancy Salazar

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   ) §  
CITY OF PERRIS            )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 30<sup>th</sup> day of March, 2021, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

City Clerk, Nancy Salazar

## **Attachment No. 3**

**AGENCY: City of Perris**

**PROJECT: Annexation of TR 36648  
To Benefit Zone 154, Landscape Maintenance District No. 1**

**TO: City Council  
City of Perris  
State of California**

**REPORT PURSUANT TO "LANDSCAPING AND LIGHTING ACT OF 1972"**

Pursuant to the direction from the City Council, submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Division 15, Part 2 of the Streets and Highways Code of the **STATE OF CALIFORNIA**, being the "Landscaping and Lighting Act of 1972", as amended. This "Report" provides for the annexation into the District of additional parcels and the levy of assessments for the fiscal year commencing July 1, 2021 to June 30, 2022, for that area to be known and designated as:

**"Annexation of TR 36648  
To Benefit Zone 154, Landscape Maintenance District No. 1"**

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said designated area liable therefor and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance works of improvement and appurtenances.

Executed this 30th day of March, 2021.

---

**STUART MCKIBBIN, City Engineer  
CITY OF PERRIS  
STATE OF CALIFORNIA**

Final approval, confirmation and levy of the annual assessment and all matters relating to annexation and the Engineer's "Report" were made on the 25th day of May, 2021, by adoption of Resolution \_\_\_\_\_ of the City Council.

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**City Clerk  
CITY OF PERRIS  
STATE OF CALIFORNIA**

A copy of the Assessment Roll and Engineer's "Report" were filed in the Office of the City Clerk on the 30th day of March, 2021.

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**City Clerk  
CITY OF PERRIS  
STATE OF CALIFORNIA**

## **Report**

**PART 1. Plans and Specifications** for the improvements to be maintained and/or improved for a fiscal year have been or will be designed for acceptance by the City of Perris. In general, there are four categories of improvements to be maintained.

The first category of improvements to be maintained includes the landscaping, irrigation, and appurtenances within the parkways along the frontage of TR 36648 on Evans Road, the interior streets adjacent to the detention basins within TR 36648, and the main entrances from Evans Road. The improvements also include monument signage at the main street entrances off of Evans Road and the DG access trails between Evans Road and the Perris Valley Storm Channel.

The second category of improvements to be maintained includes the landscaping, irrigation, and appurtenances within the Evans Road medians along the frontage of TR 36648.

The third category of improvements to be maintained includes the maintenance of the detention basins located within TR 36648 along with the landscaping that is associated with said detention basins.

The fourth category of improvements to be maintained includes the parks and trails along the Perris Valley Storm Channel adjacent to the western border of Tracts 36648 and 36648-1. These improvements include landscaping and irrigation within this section that is within the Riverside County Flood Control easement to be maintained by the City of Perris.

Reference is made to the following:

- Landscaping plans and specifications for improvements as prepared by Albert A. Webb Associates, that are entitled, "Street Improvement & Storm Drain Plan Tract No. 36648 Located in Section 5, T. 4 S., R. 3 W3, SBM.,"
- Plans and specifications, prepared by Albert A. Webb Associates, that are entitled, "Street Improvement Plan Tract No. 36648-1 Located in Section 5, T. 4 S., R. 3 W3, SBM.,"
- Plans and specifications, prepared by Hermann Design Group, that are entitled, "LMD Offsite Landscape Plans TTM 36648 and 36648-1 Evans Road Parkway and Median,"
- Plans and specifications, prepared by Hermann Design Group, that are entitled, "LMD Offsite Landscape Plans for TTM 36648 and 36648-1 Basins and Trail," and
- Plans and specifications for improvements as prepared by Albert A. Webb Associates, that are entitled, "Off-Site Street Improvement Plan Tract No. 36648 and 36648-1"

Upon final approval, plans and specifications for the improvements are or will be on file in the City of Perris Office of Community Development and, by reference, are hereby made a part of this report to the same extent as if said plans and specifications were attached

hereto. The plans and specifications will sufficiently show and describe the general nature, location and extent of all the improvements.

**PART 2.** An Estimate of the cost for the improvements to be maintained and/or improved for a given fiscal year includes labor, water, electricity, materials and plant replacement, trash removal and appurtenances. Incidental costs include annual engineering, legal, City Clerk, Finance Department, and Public Works expenses, including the processing of payments and the submittal of billings to the Riverside County Auditor for placement on the tax roll.

Due to the soil, water, exposure, and pedestrian traffic, plant replacement in parkways is estimated at a 2% die-off rate at 2.5-feet on-center. For medians, plant replacement is estimated at a 3% die-off rate at 2.5-feet on-center. Tree trimming is scheduled to occur every other year. Mulch is applied every three years and irrigation replacement/repairs are scheduled to occur every fifth year. Approximately 10% of the mortared rock will be replaced yearly and the safety edge is estimated to be replaced every ten (10) years.

The maximum annual assessment is based on the estimated cost of maintaining the plants at maturity. The annual assessment levied will be based on the actual expenses incurred by Benefit Zone 154 (BZ 154).

The annual cost for maintenance of the public improvements is estimated as follows:

**First Category of Improvements**

<b><u>Parkways</u></b>			<b>Unit</b>	<b>Years</b>	<b>Annual</b>
<b><u>Item</u></b>	<b><u>Quantity</u></b>	<b><u>Unit*</u></b>	<b><u>Cost</u></b>	<b><u>Occurrence</u></b>	<b><u>Cost</u></b>
Maintenance	35,733	SF	\$0.54	1	\$19,295.62
Plant Replacement (2%)	115	EA	\$15.75	1	1,811.25
Tree Trimming	181	EA	\$100.00	2	9,050.00
Irrigation Repairs and Replacement Fund	35,733	SF	\$0.06	5	428.79
DG Access Trails	13,073	SF	\$0.50	5	1,307.30
Monuments	4	EA	\$7,425.00	20	1,485.00
Mulch	331	CY	\$30.00	3	3,310.00
Trail Signs	2	LS	\$334.00	5	66.80
Dogipot Stations	1	LS	\$840.00	5	<u>168.00</u>
<b>Subtotal Parkway Maintenance</b>					<b>\$36,922.76</b>
<b>Incidentals</b>					<b>\$7,384.55</b>
<b>Total Parkway costs</b>					<b>\$44,307.31</b>

**Second Category of Improvements**

**Evans Road Medians**

<u>Item</u>	<u>Quantity</u>	<u>Unit*</u>	<u>Unit Cost</u>	<u>Years Occurrence</u>	<u>Annual Cost</u>
Maintenance	5,642	SF	\$0.54	1	\$3,046.89
Plant Replace (3%)	28	EA	\$15.75	1	441.00
Tree Trimming	50	EA	\$100.00	2	2,500.00
Irrigation Repairs and Replacement Fund	5,642	SF	\$0.06	5	67.71
Mulch	53	CY	\$30.00	3	530.00
Cobbled Rock Weed Control	11,892	SF	\$0.55	10	654.08
Safety Edge Replacement Fund	7,538	LF	\$15.75	20	<u>5,935.91</u>
Subtotal Median Maintenance					\$13,175.59
Incidentals					\$2,635.12
Total Median Costs					\$15,810.71
<b>BZ 154 Share of Costs (50%)</b>					<b>\$7,905.36</b>

**Third Category of Improvements**

**Basin**

<u>Item</u>	<u>Quantity</u>	<u>Unit*</u>	<u>Unit Cost</u>	<u>Years Occurrence</u>	<u>Annual Cost</u>
Maintenance	85,921	SF	\$0.35	1	\$30,072.35
Plant Replace (2%)	275	EA	\$15.75	1	4,331.25
Tree Trimming	120	EA	\$100.00	2	6,000.00
Irrigation Repairs and Replacement Fund	85,921	SF	\$0.06	5	1,031.05
Mulch	796	CY	\$30.00	3	7,960.00
Basins - Unlandscaped Areas	77,014	SF	\$0.07	1	5,390.98
					\$54,785.63
Incidentals					\$10,957.13
Total Basin Costs					\$65,742.76
<b>BZ 154 Share of Costs (50%)</b>					<b>\$32,871.38</b>



**Fourth Category of Improvements**

**Parks and Trails**

<b><u>Item</u></b>	<b><u>Quantity</u></b>	<b><u>Unit*</u></b>	<b><u>Unit Cost</u></b>	<b><u>Years Occurrence</u></b>	<b><u>Annual Cost</u></b>
Maintenance	14,125	SF	\$0.54	1	\$7,627.50
Plant Replace (2%)	46	EA	\$15.75	1	724.50
Irrigation Repairs and Replacement Fund	14,125	SF	\$0.06	5	169.50
DG Trails	14,044	SF	\$0.50	5	1,404.44
10' Trail Access Road	28,600	SF	\$0.14	1	4,044.00
Mow Curb	2,781	LF	\$15.75	20	2,190.30
Vines Planter	2,697	LF	\$0.54	1	1,456.32
Trail Signs	2	LS	\$334.00	5	66.80
Dogipot Station	1	LS	\$840.00	5	<u>168.00</u>
Subtotal Trail Maintenance					\$17,811.36
Incidentals					\$3,562.27
<b>Total Parks and Trails Costs</b>					<b>\$21,373.63</b>
<b>Total Costs</b>					<b>\$106,457.68</b>

EA = Each

SF =Square Feet

**\* Units Legend:**

LF = Lineal Feet

The medians are located in between BZ 154 and BZ 70 (TR 32707 and TR 32708). Therefore, the cost of the median maintenance is shared equally between the zones such that parcels in BZ 154 will cover 50% of the annual assessment.

Likewise, the detention basins for TR 36648 also benefit TR 32707 and TR 32708. The annexation of these two tracts into Flood Control Maintenance District No. 1, BZ 44, on May 30, 2006 by Resolution No. 3646 provides funding for the maintenance of detention basins within TR 36648. The cost of the median maintenance is shared equally between the zones such that parcels in BZ 154 will cover 50% of the annual assessment.

The total estimated cost of maintaining all the improvements in BZ 154 is summarized as follows:

<b><u>Improvement Category</u></b>	<b><u>Estimated Annual Cost</u></b>
Parkways	\$44,307.31
Medians (50% share)	7,905.36
Detention Basins (50% share)	32,871.38
Parks and Trails	<u>21,373.63</u>
<b>Total Estimated Annual Cost</b>	<b>\$106,457.68</b>

A 6-month tax roll reserve provides funding for the cost of servicing and maintenance prior to the receipt of tax collections from the County of Riverside. The fiscal year begins July 1 and the first installment from the tax roll collections is usually distributed by the County of Riverside the following January. A 6-month tax roll reserve, based on the annual cost of all the improvements is \$53,228.84.

The property owner shall be responsible for the maintenance and upkeep of the public parkway landscaping set forth herein for a period of one year after acceptance of the improvements by the City of Perris. Benefit Zone 154, for the fiscal year commencing July 1, 2021 to June 30, 2022, will incur zero costs.

**PART 3.** The Assessment Roll shows the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries of BZ 154, as shown on the Diagram, enclosed herein as Part 4.

The area within BZ 154 specifically benefits from the maintenance of Improvements described above. TR 36648 is conditioned for the improvements as a requirement for development.

The method of assessment is based on units, with a single-family dwelling equal to one benefit unit. The plans for Tract 36648 contains 270 dwelling units. The current maximum annual assessment reflecting the reasonable cost of providing for the maintenance and servicing of the public improvements and appurtenant facilities for the First, Second, and Third categories within Benefit Zone 154 is equal to \$315.13 per benefit unit. The current maximum annual assessment reflecting the reasonable cost of providing for the maintenance and servicing of the public improvements and appurtenant facilities for the Fourth category within Benefit Zone 154 is equal to \$79.16 per benefit unit. **The combined maximum annual assessment for all four categories is \$394.29 per Benefit Unit.** The Benefit Units assigned and the corresponding current maximum annual assessment within Benefit Zone 154 are listed as follows:

**Estimated Maximum Annual Assessment**

<u>Parcel</u> <u>See</u>	<u>Benefit</u> <u>Units</u>	<u>Parkways</u>	<u>Medians</u>	<u>Detention</u> <u>Basins</u>	<u>Parks and</u> <u>Trails</u>	<u>Total</u>
Below	270	\$44,307.31	\$7,905.36	\$32,871.38	\$21,373.63	\$106,457.68
<b>Totals</b>	<b>270</b>	<b>\$44,307.31</b>	<b>\$7,905.36</b>	<b>\$32,871.38</b>	<b>\$21,373.63</b>	<b>\$106,457.68</b>

$$\frac{\text{Annual Cost of First Category} + \text{Second Category} + \text{Third Category}}{\text{Benefit Units}} =$$

$$\frac{\$44,307.31 + \$7,905.36 + \$32,871.38}{270 \text{ Benefit Units}} = \$315.13 \text{ per Benefit Unit}$$

$$\frac{\text{Annual Cost of Fourth Category}}{\text{Benefit Units}} =$$

$$\frac{\$21,373.63}{270 \text{ Benefit Units}} = \$79.16 \text{ per Benefit Unit}$$

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

For the current maximum annual assessment and the assessment for the fiscal year commencing July 1, 2021 to June 30, 2022, reference is made to the Assessment Roll included herein as Attachment No. 1.

**PART 4.** A Diagram of the Annexation. The boundary of the area to be annexed is coincident with the boundary of TR 36648. Said boundary is designated as "Diagram of Annexation of TR 36648 to Benefit Zone 154, Landscape Maintenance District No. 1, City of Perris, County of Riverside, State of California". The Diagram is included herein as Attachment No. 2, which shows the boundaries of the area of benefit. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the fiscal year to which the "Report" applies.

**PART 5.** A Consent and Waiver for Annexation to the District has been signed by the owner of the area within the proposed annexation. Said consent and waiver are included herein as Attachment No. 3.

**Assessment Roll  
Annexation of TR 36648  
To Benefit Zone 154,  
Landscape Maintenance District No. 1, City of Perris**

<b><u>Assessment Number</u></b>	<b><u>Description</u></b>	<b><u>Assessor Parcel Numbers</u></b>	<b><u>Estimated Annual Assessment</u></b>	<b><u>Fiscal Year 2021/2022</u></b>
1	TR 36648	See Below	\$106,457.68	0.00

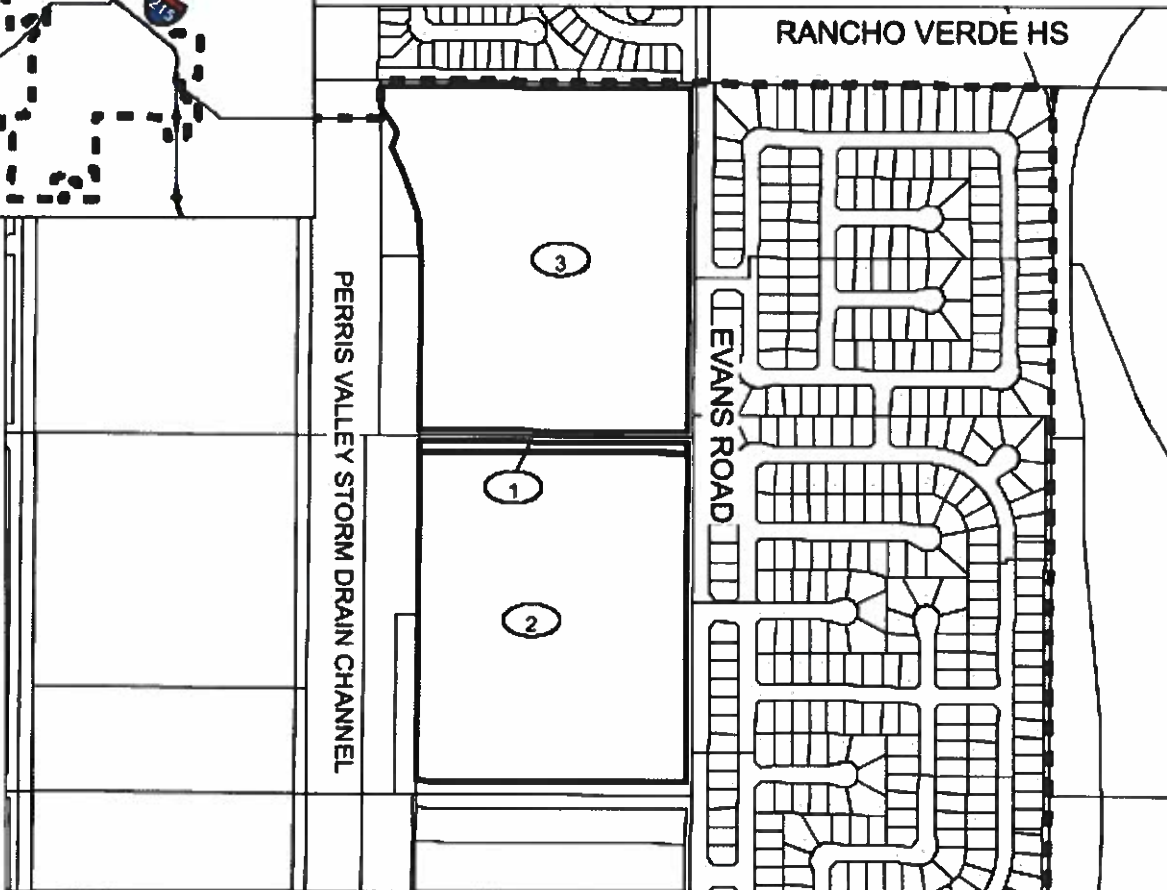
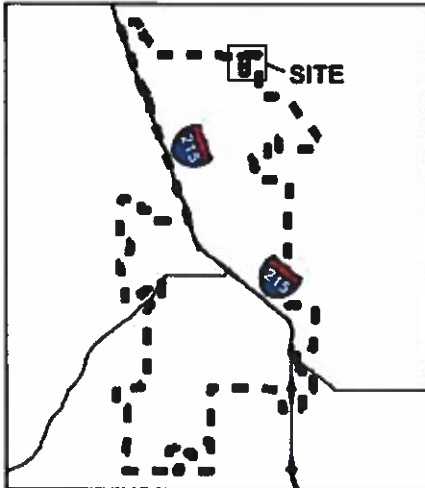
**ASSESSOR'S PARCEL NUMBER**  
302-160-043, 302-160-044, and 302-170-024

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

# DIAGRAM OF ANNEXATION OF TR 36648 TO BENEFIT ZONE 154 LANDSCAPE MAINTENANCE DISTRICT NO. 1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



### Legend

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

**CONSENT AND WAIVER TO ANNEXATION**

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA, has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, said special maintenance districts known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 and MAINTENANCE DISTRICT NO. 84-1 (hereinafter referred to as the "Maintenance Districts"); and,

WHEREAS, the provisions of Article II of Chapter 2 of the Act authorize the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA to order the annexation of territory to the Maintenance Districts; and,

WHEREAS, the CITY COUNCIL of the CITY OF PERRIS, CALIFORNIA may, pursuant to said provisions of the Act, order the annexation of territory to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" as would otherwise be required by the provisions of the Act if all of the owners of property within the territory proposed to be annexed, have given written consent to the proposed annexation; and,

WHEREAS, the undersigned, the owners of all property within the territory proposed to be annexed to the Maintenance Districts, acknowledge that pursuant to the provisions of the Act, the undersigned would be entitled to notice and hearing and the preparation of an Engineer's "Report" pertaining to the annexation of the property, acknowledge that they are aware of the proposed annexation to the Maintenance Districts of the property owned by the undersigned, and waives any and all right which the undersigned may now have to notice and hearing or the filing of an Engineer's "Report" pertaining to the annexation of the undersigned's property to the Maintenance Districts.

NOW, THEREFORE, it is hereby declared by the undersigned property owners as follows:

SECTION 1. That the above recitals are all true and correct.

SECTION 2. That the undersigned, constituting the owners of the property described in Exhibit "A" attached hereto and incorporated herein by this reference and further constituting all of the property within the territory proposed to be annexed to the Maintenance Districts, hereby consent to the proposed annexation of said property to the Maintenance Districts without notice and hearing or filing of an Engineer's "Report" pertaining to such annexation.

Dated: \_\_\_\_\_

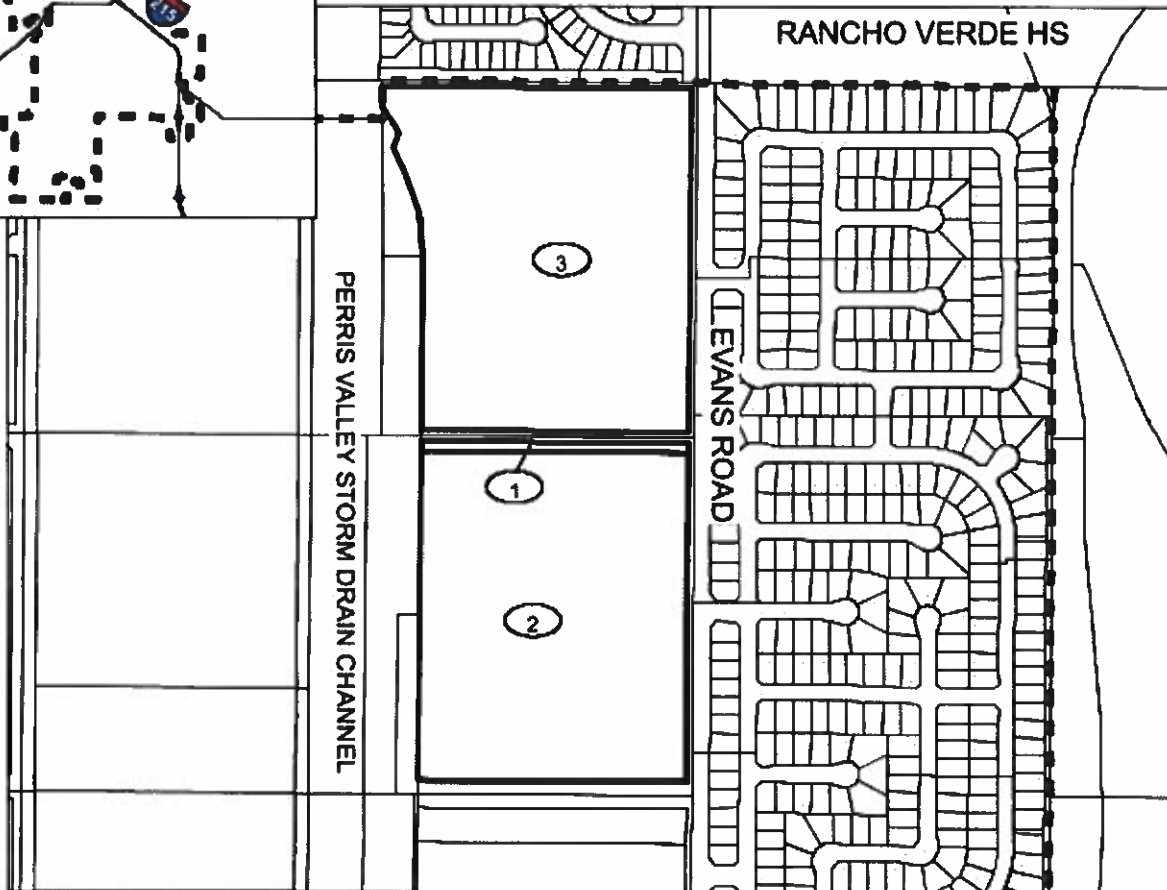
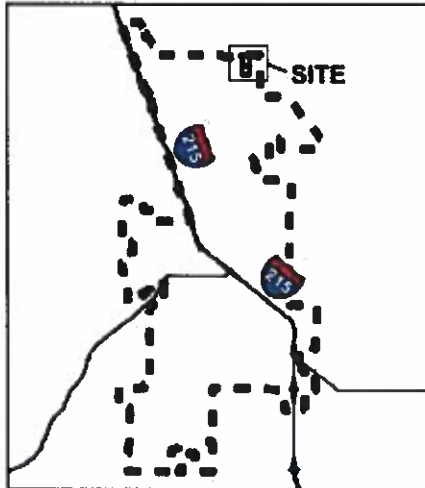
\_\_\_\_\_  
Signature

List Property Owner Name and Mailing Address

# EXHIBIT A TO CONSENT AND WAIVER ANNEXATION OF TR 36648 TO BENEFIT ZONE 154 LANDSCAPE MAINTENANCE DISTRICT NO. 1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



- Legend**
- ANNEXATION BOUNDARY
  - MAP REFERENCE NUMBER
  - CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## **Attachment No. 4**



**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT FOR ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1**

**WHEREAS**, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created Benefit Zone 154 therein (hereinafter referred to as the "Benefit Zone 154"); and

**WHEREAS**, on the 30<sup>th</sup> day of March, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number \_\_\_\_\_ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by Act in connection with the annexation of TR 36648 to Benefit Zone 154; and

**WHEREAS**, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

**WHEREAS**, said City Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that no portion of the report requires or should be modified in any respect.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris as follows:

**Section 1.** The above recitals are true and correct and are incorporated herein by this reference.

**Section 2.** That the Engineer's estimate prepared by the City Engineer of the itemized costs and expenses of said work and of the incidental expenses in connection therewith, contained in said report be, and each of them are hereby, preliminary approved and confirmed.

**Section 3.** That the diagram showing the District referred to and described in said report, the boundaries of the subdivisions of the land within said District as the same existed at the time of passage of said Resolution, is hereby preliminarily approved and confirmed.

**Section 4.** That the proposed assessment upon the subdivisions of land in said District is in proportion to the estimated benefit to be received by said subdivision, respectively, from said work and of the incidental expenses thereof, as contained in said report is hereby preliminarily approved and confirmed.

**Section 5.** That said report shall stand as the Engineer's Report for the purposes of all subsequent proceedings, and pursuant to the proposed District.

***ADOPTED, SIGNED and APPROVED*** this 30<sup>th</sup> day of March, 2021.

---

Mayor, Michael M. Vargas

ATTEST:

---

City Clerk, Nancy Salazar

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE   ) ss  
CITY OF PERRIS            )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof 30<sup>th</sup> day of March, 2021, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

City Clerk, Nancy Salazar

## **Attachment No. 5**

**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO ORDER THE ANNEXATION TO BENEFIT ZONE 154, CITY OF PERRIS LANDSCAPE MAINTENANCE DISTRICT NUMBER 1, DECLARING THE WORK TO BE OF MORE LOCAL THAN ORDINARY PUBLIC BENEFIT; SPECIFYING THE EXTERIOR BOUNDARIES OF THE AREA TO BE ANNEXED TO BENEFIT ZONE 154, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1 AND TO BE ASSESSED THE COST AND EXPENSE THEREOF; DESIGNATING SAID ANNEXATION AS ANNEXATION OF TR 36648 TO BENEFIT ZONE 154, LANDSCAPE MAINTENANCE DISTRICT NUMBER 1; DETERMINING THAT THESE PROCEEDINGS SHALL BE TAKEN PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021**

**WHEREAS**, the City Council of the City of Perris (the "City") has previously formed special maintenance districts pursuant to the terms of the "Landscaping and Lighting Act of 1972" (the "Act"), being Division 15, Part 2 of the Streets and Highways Code of the State of California, including the special maintenance district known and designated as LANDSCAPE MAINTENANCE DISTRICT NO. 1 (the "District"), and created BENEFIT ZONE 154 therein (hereinafter referred to as the "Benefit Zone 154"); and

**WHEREAS**, the provisions of Article II of Chapter 2 of the Act authorize the City Council to order the annexation of territory to the District; and

**WHEREAS**, on the 30<sup>th</sup> day of March, 2021, the City Council of the City of Perris, County of Riverside, California ("the City Council") adopted its Resolution Number \_\_\_ directing the Engineer of Work to prepare and file with the City Clerk of said City a report in writing as required by the Act; and

**WHEREAS**, said Engineer of Work has prepared and filed with the City Clerk of said City a report (the "Engineer's Report") in writing as called for in said resolution and under and pursuant to said act, which report has been presented to this City Council for consideration; and

**WHEREAS**, said City Council has duly considered the Engineer's Report and each and every part thereof, and has found that each and every part of the Engineer's Report is sufficient, and that no portion of the report requires or should be modified in any respect; and

**WHEREAS**, the City now desires to declare its intention to annex certain property into Benefit Zone 154 of the District, pursuant to the Act and, more specifically, Section 22587 thereof, and to take certain other actions as required by the Act;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Perris, California, as follows:

**Section 1. Recitals.** The Recitals set forth above are true and correct, and are incorporated herein by this reference.

**Section 2. Description of Work:** That the public interest and convenience requires, and it is the intention of the City Council of the City of Perris to annex TR 36648 to Benefit Zone 154 of the District, and to order the following work be done, to wit:

1. Installation, construction, maintenance, and servicing of landscaping as authorized by Section 22525 of the Streets and Highways Code, State of California.
2. Any and all work and materials appurtenant thereto or which are necessary or convenient for the maintenance and servicing thereof.

**Section 3. Location of Work:** The improvements to be maintained and serviced include the irrigation system, landscaping, and appurtenances benefiting TR 36648. The landscaping, irrigation, and appurtenances to be maintained are the parkways and medians on Evans Road along the frontage of TR 36648.

**Section 4. Description of Assessment District:** That the contemplated work, in the opinion of said City Council, is of more local than ordinary public benefit, and this City Council hereby makes the expense of said work chargeable upon a District, which said District is assessed to pay the costs and expenses thereof, and which District is described as follows:

All that certain territory of the City of Perris included within the exterior boundary lines shown upon that certain "Diagram of Annexation of TR 36648 to Benefit Zone 154, Landscape Maintenance District Number 1" heretofore approved by the City Council of said City by Resolution No \_\_\_\_, indicating by said boundary line the extent of the territory included within the proposed assessment district and which map is on file in the office of the City Clerk of said City.

Reference is hereby made to said map for a further, full, and more particular description of said assessment district, and the said map so on file shall govern for all details as to the extent of said assessment district.

**Section 5. Report of Engineer:** The City Council of said City by Resolution Number \_\_\_\_ has preliminarily approved the report of the Engineer of Work which report indicated the amount of the proposed assessment, the district boundaries, assessment zones, detailed description of improvements, and the method of assessment. The report titled "Engineer's Report for Annexation of TR 36648 to Benefit Zone 154, Landscape Maintenance District Number 1", is on file in the office of the City Clerk of said City. Reference to said report is hereby made for all particulars for the amount and extent of the assessments and for the extent of the work.

**Section 6. Collection of Assessments:** The assessment shall be collected at the same time and in the same manner as taxes for the County of Riverside are collected. The Engineer of Work shall file a report annually with the City Council of said City and said City Council will annually conduct a hearing upon said report at their regular meeting before August 10th, at which time assessments for the next Fiscal Year will be determined. That the annual assessment reflecting the reasonable cost of providing for the maintenance, servicing and operation of the public landscaping and appurtenant facilities is equal to \$394.29 per Benefit Unit. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

**Section 7. Time and Place of Public Hearing:** Notice is hereby given that on May 25, 2021, at 6:30 p.m., in the City Council Chambers of the City Council of the City of Perris, California, 101 North "D" Street, in the City of Perris, State of California, is hereby fixed as the time and place for a hearing by this City Council on the question of the levying and collection of the proposed assessments. That any and all persons having any objections to the work or the extent of the annexation to the assessment district may appear and show cause why said work should not be done or carried out or why said annexation to the district should not be confirmed in accordance with this Resolution of Intention. City Council will consider all oral and written protests.

**Section 8. Landscaping and Lighting Act of 1972:** All the work herein proposed shall be done and carried through in pursuance of an act of the legislature of the State of California designated the Landscaping and Lighting Act of 1972, being Division 15 of the Streets and Highways Code of the State of California.

**Section 9. Publication of Resolution of Intention:** The City Clerk shall cause this Resolution of Intention to be published one time as required by 22552 of the California Streets and Highways Code, with the publication occurring no later than 10 days prior to the public hearing at which the City Council will consider levying the proposed special assessments.

The published notice will encompass one-eighth of a newspaper page. The Perris City News is hereby designated as the newspaper in which the City Clerk shall publish this Resolution of Intention. Upon completion of giving notice, the City Clerk is further directed to file in her office a proof of publication setting forth compliance with the requirements for publishing.

**Section 10. Mailing of Notice:** The City Clerk shall also give notice by a first-class mailing to all owners of property subject to any new or increased assessments. The notice shall be mailed no later than 45 days prior to the public hearing at which the City Council will consider levying the new or increased assessments and shall be at least in 10-point type. The form of said notice shall conform in all respects with the requirements of subdivision (b) of Section 54953 of the Government Code and pursuant to subdivision (c) of that section, each notice shall contain an assessment ballot whereon the property owner may indicate support or opposition to the proposed assessment.

**Section 11. Designation of Contact Person:** That this City Council does hereby designate, Stuart McKibbin, City Engineer of the City of Perris, (951) 943-6504 as the person to answer inquiries regarding the District and the proposed annexation thereto.

**Section 12. Certification:** The City Clerk shall certify to the adoption of this Resolution.

**ADOPTED, SIGNED and APPROVED** this 30<sup>th</sup> day of March, 2021.

---

Mayor, Michael M. Vargas

ATTEST:

---

City Clerk, Nancy Salazar



STATE OF CALIFORNIA   )  
COUNTY OF RIVERSIDE   ) §  
CITY OF PERRIS            )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 30<sup>th</sup> day of March, 2021, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

City Clerk, Nancy Salazar



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Annexation of TR 36648 to Flood Control MD No. 1

**REQUESTED ACTION:** Adoption of Resolution of Intention to Annex TR 36648 to Flood Control Maintenance District No. 1 and set a public hearing date of May 25, 2021

**CONTACT:** Stuart McKibbin, City Engineer

**BACKGROUND/DISCUSSION:** TR 36648 is a subdivision of 65.80 gross acres into 270 single family lots and six (6) lettered lots (A, B, C, D and E). (See attached Boundary Map).

As a condition of approval, the project is required to annex into FCMD 1. This district provides revenue for the annual maintenance of flood control improvements installed in conjunction with new development.

There are three categories of improvements to be maintained under Benefit Zone 119. The first category of improvements includes forty-eight (48) catch basins, 18-, 24-, 30-, 36-, 42-, 48-, 66-inch reinforced concrete (RCP) storm drain pipes; double 36- inch RCP, an 8-foot by 4-foot reinforced concrete box (RCB), transitions to collect runoff discharge from the drainage facility, convey it through the property, and discharge the flow into the Perris Valley Storm Drain Channel, and appurtenances located within the public right-of-way. Improvements in category one are to be maintained by Benefit Zone 119 in perpetuity.

The second category of improvements to be maintained under Benefit Zone 119 are the shared cost for the maintenance of the facilities on Evans Road. These facilities include 4 catch basins along Evans road, 24-, 36-, 48- inch reinforced concrete (RCP) storm drain pipes, and 8" HDPE Storm Drain Pipes.

The interior streets within Tracts 36648 and 36648-1 are the third category of improvements to be maintained. These streets were designed to carry the 10-year flow within the curb and a 100-year flow within the right-of-way. Proper street maintenance will improve the quality of the storm drain flow and reduce the accumulation of debris along the curbs. In addition, scheduled street maintenance will prevent deterioration of the pavement and a decline in the curb, gutters and sidewalks; and provide safer pedestrian and vehicular access. Maintenance of the street improvements including slurry seal, grind and overlay of existing pavement, and the replacement of damaged pavement, curb, gutter, and sidewalk. A slurry seal, or asphaltic coating, will be applied over pavement areas on an average interval of four years. Slurry seal operations will not occur in interval years where grind and overlay, or replacement activities are scheduled.

**BUDGET (or FISCAL) IMPACT:** The total maximum annual assessment is \$132,170.00. Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

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Prepared by: Daniel Louie, Willdan Financial Services

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director ER

**Attachments:**

1. Vicinity Map
2. Engineer's Report
3. Resolution of Intention to Annex TR 36648 to Flood Control MD No. 1

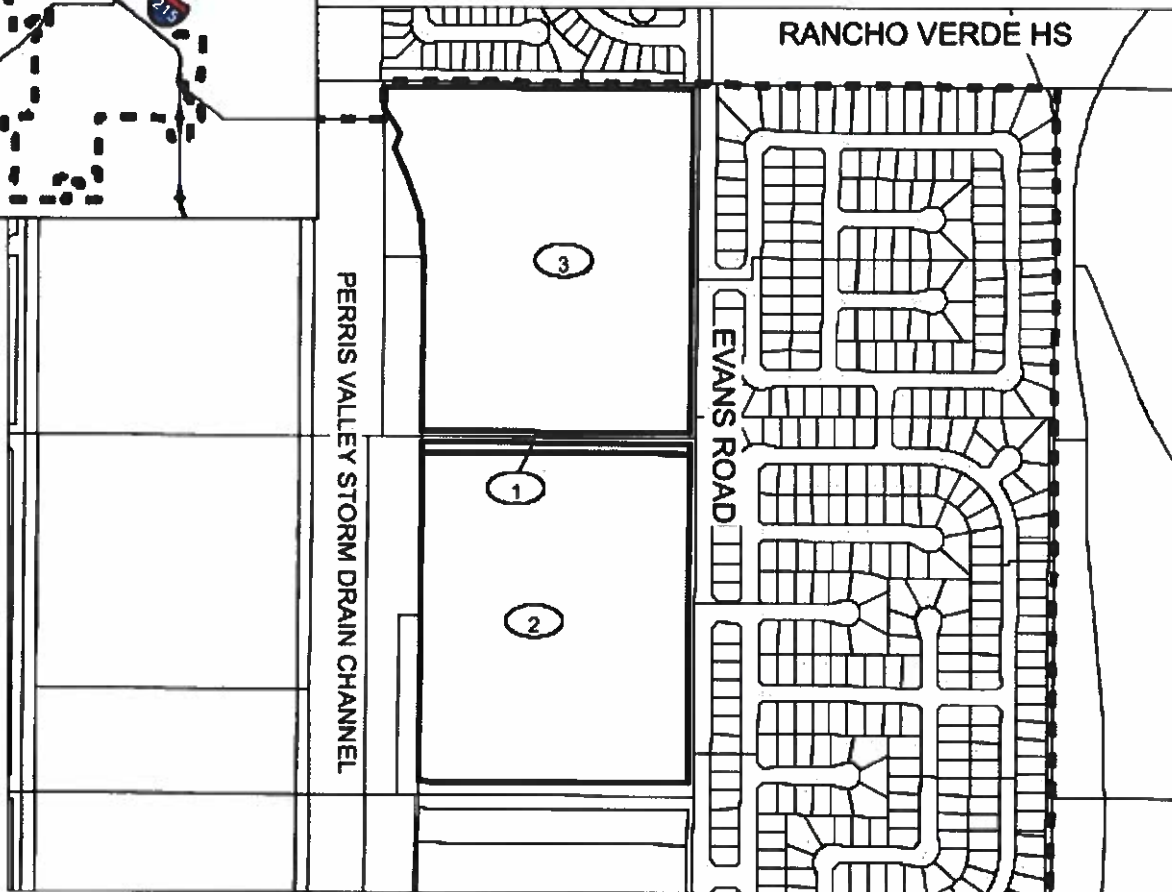
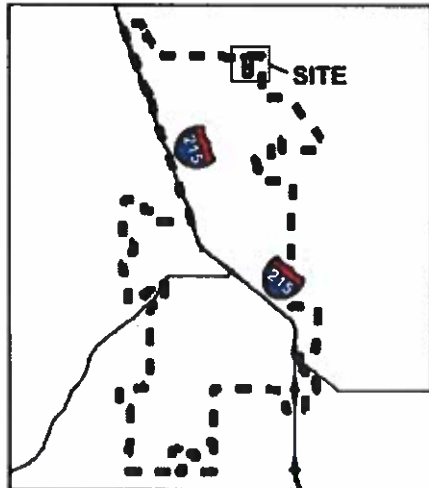
Consent: x  
Public Hearing:  
Business Item:  
Presentation:  
Other:

## **Attachment No. 1**

# DIAGRAM OF ANNEXATION OF TR 36648 TO BENEFIT ZONE 119 FLOOD CONTROL MAINTENANCE DISTRICT NO. 1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



### Legend

- ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## **Attachment No. 2**

**AGENCY: City of Perris**

**PROJECT: Annexation of TR 36648  
To Benefit Zone 119, Flood Control Maintenance District No. 1**

**TO: City Council  
City of Perris  
State of California**

**REPORT PURSUANT TO "BENEFIT ASSESSMENT ACT OF 1982"**

Pursuant to the direction from the City Council of the City of Perris, submitted herewith is the "Report," consisting of the following parts, pursuant to the provisions of Part 1 of Division 2 of Title 5 of the Government Code of the **STATE OF CALIFORNIA**, being the "Benefit Assessment Act of 1982", as amended, commencing with Section 54703. This "Report" provides for the annexation into the District of additional parcels and the levy of assessments for the fiscal year commencing July 1, 2021 to June 30, 2022, for that area to be known and designated as:

**"Annexation of TR 36648  
To Benefit Zone 119, Flood Control Maintenance District No. 1"**

I do hereby assess and apportion the total amount of the costs and expenses upon the several parcels of land within said designated area liable therefor and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance works of improvement and appurtenances.

Executed this 30th day of March, 2021.

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**Stuart McKibbin, City Engineer  
CITY OF PERRIS  
STATE OF CALIFORNIA**

Final approval, confirmation and levy of the annual assessment and all matters relating to annexation and the Engineer's "Report" were made the 25th day of May 2021, by adoption of Resolution \_\_\_\_ of the City Council.

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**NANCY SALAZAR, City Clerk  
CITY OF PERRIS  
STATE OF CALIFORNIA**

A copy of the Assessment Roll and Engineer's "Report" were filed in the Office of the City Clerk on the 30th day of March, 2021.

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**NANCY SALAZAR, City Clerk  
CITY OF PERRIS  
STATE OF CALIFORNIA**

## Report

**PART 1. A General Description** of the flood control improvements to be maintained includes facilities that will accommodate the storm flow and protect TR 36648 from inundation. These public improvements channel, contain and convey the storm flow away from the property and towards the Perris Valley Storm Drain Channel.

The first category of improvements to be maintained under Benefit Zone 119 are improvements to be maintained in perpetuity. These improvements include forty-eight catch basins, 18-, 24-, 30-, 36-, 42-, 48-, 66- inch reinforced concrete (RCP) storm drain pipes; double 36- inch RCP, an 8-foot by 4-foot reinforced concrete box (RCB), transitions to collect runoff discharge from the drainage facility, convey it through the property, and discharge the flow into the Perris Valley Storm Drain Channel, and appurtenances located within the public right-of-way. Maintenance and upkeep of these storm drainage facilities includes, but is not limited to, general cleanup and debris removal, inspections, replacement, and repairs. Annual photo documentation is scheduled to take place, along with silt removal as required. Depending on that year's storm drain flow and the level of debris in the flow, a system cleaning may be required after the first rain and again during or at the end of the rainy season.

The second category of improvements to be maintained under Benefit Zone 119 are the shared cost for the maintenance of the facilities on Evans Road. These facilities include 4 catch basins along Evans road, 24-, 36-, 48- inch reinforced concrete (RCP) storm drain pipes, and 8" HDPE Storm Drain Pipes.

The interior streets within Tracts 36648 and 36648-1 are the third category of improvements to be maintained. These streets were designed to carry the 10-year flow within the curb and a 100-year flow within the right-of-way. Proper street maintenance will improve the quality of the storm drain flow and reduce the accumulation of debris along the curbs. In addition, scheduled street maintenance will prevent deterioration of the pavement and a decline in the curb, gutters and sidewalks; and provide safer pedestrian and vehicular access. Maintenance of the street improvements including slurry seal, grind and overlay of existing pavement, and the replacement of damaged pavement, curb, gutter, and sidewalk. A slurry seal, or asphaltic coating, will be applied over pavement areas on an average interval of four years. Slurry seal operations will not occur in interval years where grind and overlay, or replacement activities are scheduled.

On an average interval of twelve years, approximately 2 inches of the upper asphaltic paving will be ground and replaced. Grinding and overlay operations will not occur in interval years when reconstruction operations are scheduled. These latter operations will occur on an average interval of 36 years. Approximately every 36 years, the asphaltic layer of the pavement structural section will be removed and replaced. Due to normal damage and deterioration, it is assumed that 10% of the curb, gutter and sidewalk improvements will need to be repaired or replaced. Reference is made to Attachment 1 that includes details on the annual cost of maintaining the street improvements. A 36-year cash flow was prepared to determine the annual assessment. The cash flow sets forth the annual assessment revenue along with the projected annual cost for each type of service and service interval. The analysis includes an inflation factor of 2.5% per year.

**PART 2. Plans and Specifications** for the improvements to be maintained for a fiscal year have been approved by the City of Perris. The improvements are identified on the plans and specifications that are entitled:



- "In the City of Perris, State of California Street Improvement Plan & Storm Drain Plan Tract 36648 Located in Section 5, T. 4 S., R. 3 W., SBM.," prepared by Albert A. Webb Associates.
- "In the City of Perris, State of California Street Improvement Plan Tract No. 36648-1 Located in Section 5, T. 4 S., R. 3 W., SBM.," prepared by Albert A. Webb Associates.
- "Off-Site Street Improvement Plan Tract No. 36648 and 36648-1.," prepared by Albert A. Webb Associates.
- "City of Perris Tract No. 32707 Storm Drain Plans," prepared by Albert A. Webb Associates.
- "City of Perris Tract No. 32708 Storm Drain Plans," prepared by Albert A. Webb Associates.

The plans and specifications have been approved by the City Engineer for the City of Perris and are on file in the City of Perris Office of Public Works. The plans and specifications sufficiently show and describe the general nature, location, and extent of the improvements, and by reference, are hereby made a part of this report to the same extent as if said plans and specifications were attached hereto.

**PART 3.** An Estimate of the cost for the public improvements to be maintained and/or improved for a given fiscal year includes labor, equipment, materials, and appurtenances. Incidentals include annual engineering, legal, City Clerk, and finance expenses to the District, including the processing of payments and the submittal of billings to the Riverside County Auditor for placement on the tax roll.

The maximum annual assessment is based on the estimated cost of maintaining the facilities. The estimated annual cost for maintenance of the facilities for the first category of improvements is listed below.

<b>First Category of Improvements</b>				
<b>Item</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Annual Cost</b>
Catch Basins	48	Each	\$178.00	\$8,544.00
Inlet	1	Each	\$178.00	178.00
Outlet	3	Each	\$178.00	534.00
Headwall	3	Each	\$178.00	534.00
18" Storm Drain Pipes	1,247	LF	\$3.30	4,116.16
24" Storm Drain Pipes	1,706	LF	\$4.25	7,252.12
30" Storm Drain Pipes	2,323	LF	\$4.25	9,874.24
36" Storm Drain Pipes	250	LF	\$4.25	1,063.31
42" Storm Drain Pipes	214	LF	\$4.25	909.59
48" Storm Drain Pipes	450	LF	\$4.25	1,911.99
66" Storm Drain Pipes	352	LF	\$4.25	1,494.05
36" Double Storm Drain Pipes	66	LF	\$8.50	562.70
8' by 4' Reinforced Concrete Box	97	LF	\$7.53	582.60
Transition Structure	122	LF	\$7.53	922.27
<b>Subtotal</b>				<b>\$38,479.03</b>
Incidentals				\$7,695.81
<b>Total Estimated BZ 119 Annual Costs</b>				<b>\$46,174.84</b>

<b>Second Category of Improvements</b>				<b>Total Annual</b>
<b>Item</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Cost</b>
Catch Basins	4	Each	\$178.00	\$712.00
24" Storm Drain Pipes	656	LF	\$4.25	2,786.98
36" Storm Drain Pipes	799	LF	\$4.25	3,395.71
48" Storm Drain Pipes	1,413	LF	\$4.25	6,006.74
8" HDPE Storm Drain Pipes	767	LF	\$4.25	3,260.22
<b>Subtotal</b>				<b>\$16,161.65</b>
 Incidentals				 \$3,232.33
 <b>Second Category Total Estimated BZ</b>				
<b>119 Annual Costs</b>				<b>\$19,393.98</b>
<b>BZ 119 Share of Costs (50%)</b>				<b>\$9,696.99</b>

<b>Third Category of Improvements</b>				<b>Total</b>
<b>Item</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Annual Cost</b>
Streets (see Attachment 1)			\$76,298.17	\$76,298.17
<b>Third Category Total Estimated BZ 119</b>				
<b>Annual Costs</b>				<b>\$76,298.17</b>
 <b>Total Annual Costs of Improvements</b>				 <b>\$132,170.00</b>

With service intervals and staggered maintenance operations, revenue requirements for maintenance will fluctuate year to year. Each year's maintenance operations will be funded by that year's assessment plus the fund balance remaining from prior year assessments.

Zero costs will be assessed to Benefit Zone 119 for the fiscal year commencing July 1, 2021 to June 30, 2022.

**PART 4**

**The Assessment Roll** shows the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries of the Diagram, enclosed herein as Part 5.

The storm drainage facilities will accommodate the storm flow specifically impacting Benefit Zone 119. These improvements specifically benefit the area within the annexation; and, the improvements were required for the approval of, and as of consequence of, development of this area.

The method of assessment is based on units, with a single-family dwelling equal to one benefit unit. The plans for Tract 36648 contains 270 dwelling units. The current maximum annual assessment, under Benefit Zone 119, reflecting the reasonable cost of providing for the maintenance and servicing of the improvements and appurtenant facilities for the First and Second categories is equal to \$206.93 per Benefit Unit. The current maximum annual assessment, under Benefit Zone 119, reflecting the reasonable cost of providing

for the maintenance and servicing of the improvements and appurtenant facilities for the Third category is equal to \$282.59 per Benefit Unit. The combined maximum annual assessment for all three categories is \$489.52 per Benefit Unit. The Benefit Units assigned and the corresponding current maximum annual assessment within Benefit Zone 119 are listed as follows:

$$\frac{\text{Annual Cost of First Category} + \text{Annual Cost of Second Category}}{\text{Benefit Units}} =$$

$$\frac{\$46,174.84 + 9,696.99}{270 \text{ Benefit Units}} = \$206.93 \text{ per Benefit Unit}$$

$$\frac{\text{Annual Cost of Third Category}}{\text{Benefit Units}} =$$

$$\frac{\$76,298.17}{270 \text{ Benefit Units}} = \$282.59 \text{ per Benefit Unit}$$

Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

For the current maximum annual assessment and the assessment for the fiscal year commencing July 1, 2021 to June 30, 2022, reference is made to the Assessment Roll included herein as Attachment No. 2.

A 6-month tax roll reserve provides funding for the cost of servicing and maintenance prior to the receipt of tax collections from the County of Riverside. The fiscal year begins July 1 and the first installment from the tax roll collections are usually distributed by the County of Riverside the following January. A 6-month tax roll reserve for the current maintenance of the flood control facilities and incidental costs is estimated to be \$27,935.92.

**PART 5.** A Diagram of the Annexation. The boundary of the area to be annexed is coincident with TR 36648. Said boundary is designated as "Diagram of Annexation of TR 36648 to Benefit Zone 119, Flood Control Maintenance District No. 1, City of Perris, County of Riverside, State of California". The Diagram is included herein as Attachment No. 3, which shows the boundaries of the area of benefit. Reference is made to the County Assessor's Maps for a detailed description of the lines and dimensions of any lots or parcels. The lines and dimensions of each lot shall conform to those shown on the County Assessor's Maps for the fiscal year to which the "Report" applies.

**PART 6.** A Petition for Annexation to the District has been signed by the owner of the area within the proposed annexation. Said petition is included herein as Attachment No. 4.

**Current Annual Street Maintenance Costs  
Annexation of Tracts 36648  
to Benefit Zones 119 Flood Control Maintenance District No. 1  
City of Perris**

<u>Maintenance Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Cost</u>	<u>Total Cost</u>
<b>Slurry Seal (SS)</b>	413,259	Square Feet	0.25	103,314.75
<b>0.15-foot Grind and Overlay</b>	413,259	Square Feet	1.15	475,247.85
<b><u>Remove and Reconstruct</u></b>				<b>Total Cost</b>
Curb and Sidewalk Component				
6" Concrete Curb	20,336	Linear Feet	\$10.00	\$203,360.00
Remove Existing Curb		Linear Feet	2.00	0.00
4' Sidewalk (width)	123,794	Square Feet	5.00	618,970.00
Remove Existing Sidewalk subtotal		Square Feet	0.50	822,330.00
Mobilization	10.00%			<u>82,233.00</u>
Total Curb and Sidewalk				\$904,563.00
25% Curb and Sidewalk Remove and Reconstruct				\$226,140.75
0.25-foot Street Grind and Overlay	413,259	Square Feet	1.75	<u>723,203.25</u>
<b>Total Remove and Reconstruct</b>				<b>\$949,344.00</b>

Street Maintenance Cash Flow

<u>Year</u>	<u>Projected Annual Assessment Revenue</u>	<u>Slurry Seal</u>	<u>Grind and Overlay</u>	<u>Remove &amp; Reconstruct</u>	<u>Subtotal</u>	<u>Construction Admin</u> 10% of Subtotal	<u>Total Annual Expenditures</u>	<u>Annual Fund Balance</u>
0	\$76,298.17	\$103,314.75	\$475,247.85	\$949,344.00	\$0.00	0.00	\$0.00	\$76,298.17
1	\$76,298.17				0.00	0.00	0.00	154,961.58
2	78,663.41				0.00	0.00	0.00	236,063.56
3	81,101.98							202,858.08
4	83,616.14	\$111,258.69			111,258.69	5,562.93	116,821.62	289,066.32
5	86,208.24				0.00	\$0.00	0.00	377,947.02
6	88,880.70				0.00	0.00	0.00	469,583.02
7	91,636.00				0.00	0.00	0.00	435,110.53
8	94,476.72	122,808.77			122,808.77	6,140.44	128,949.21	532,516.03
9	97,405.50				0.00	0.00	0.00	632,941.10
10	100,425.07				0.00	0.00	0.00	736,479.35
11	103,538.25				0.00	0.00	0.00	188,482.61
12	106,747.94		\$623,566.36		623,566.36	31,178.32	654,744.68	298,539.74
13	110,057.13				0.00	0.00	0.00	412,008.64
14	113,468.90				0.00	0.00	0.00	528,995.08
15	116,986.44				0.00	0.00	0.00	488,568.20
16	120,613.02	153,371.33			153,371.33	7,668.57	161,039.90	612,920.22
17	124,352.02				0.00	0.00	0.00	741,127.15
18	128,206.93				0.00	0.00	0.00	873,308.49
19	132,181.34				0.00	0.00	0.00	836,165.10
20	136,278.96	165,164.14			165,164.14	8,258.21	173,422.35	976,668.71
21	140,503.61				0.00	0.00	0.00	1,121,527.93
22	144,859.22				0.00	0.00	0.00	1,270,877.79
23	149,349.86				0.00	0.00	0.00	544,298.70
24	153,979.71		838,627.43		838,627.43	41,931.37	880,558.80	703,051.78
25	158,753.08				0.00	0.00	0.00	866,726.21
26	163,674.43				0.00	0.00	0.00	1,035,474.55
27	168,748.34				0.00	0.00	0.00	998,155.80
28	173,979.54	201,236.47			201,236.47	10,061.82	211,298.29	1,177,528.71
29	179,372.91				0.00	0.00	0.00	

Year	Projected Annual Assessment Revenue	Slurry Seal	Grind and Overlay	Remove & Reconstruct	Subtotal	Construction Admin	Total Annual Expenditures	Annual Fund Balance
30	184,933.47				0.00	0.00	0.00	1,362,462.18
31	190,666.41				0.00	0.00	0.00	1,553,128.59
32	196,577.07	222,127.41			222,127.41	11,106.37	233,233.78	1,516,471.88
33	202,670.96				0.00	0.00	0.00	1,719,142.84
34	208,953.76				0.00	0.00	0.00	1,928,096.60
35	215,431.33				0.00	0.00	0.00	2,143,527.93
36	<u>222,109.70</u>	<u>0</u>	<u>0</u>	<u>2,252,988.10</u>	<u>2,252,988.10</u>	<u>112,649.41</u>	<u>2,365,637.51</u>	<u>0.12</u>
	<b>\$4,925,706.26</b>	<b>\$975,966.81</b>	<b>\$1,462,193.79</b>	<b>\$2,252,988.10</b>	<b>\$4,691,148.70</b>	<b>\$234,557.44</b>	<b>\$4,925,706.14</b>	

Inflation Factor 2.50%  
Current Year Assessment \$76,298.17  
Number of Dwelling Units 270  
Current Dollar Per Assessment Unit \$282.59

**Assessment Roll**

**Annexation of TR 36648  
To Benefit Zone 119,  
Flood Control Maintenance District No. 1, City of Perris**

<b><u>Benefit Zone / Assessment Number</u></b>	<b><u>Description</u></b>	<b><u>Assessor Parcel Number</u></b>	<b><u>Estimated Annual Assessment</u></b>	<b><u>Fiscal Year 2021/2022</u></b>
119	TR 36648	See Below	\$132,170.00	\$0.00
	<b>Total</b>		<b>\$132,170.00</b>	<b>\$0.00</b>

**ASSESSOR'S PARCEL NUMBER**

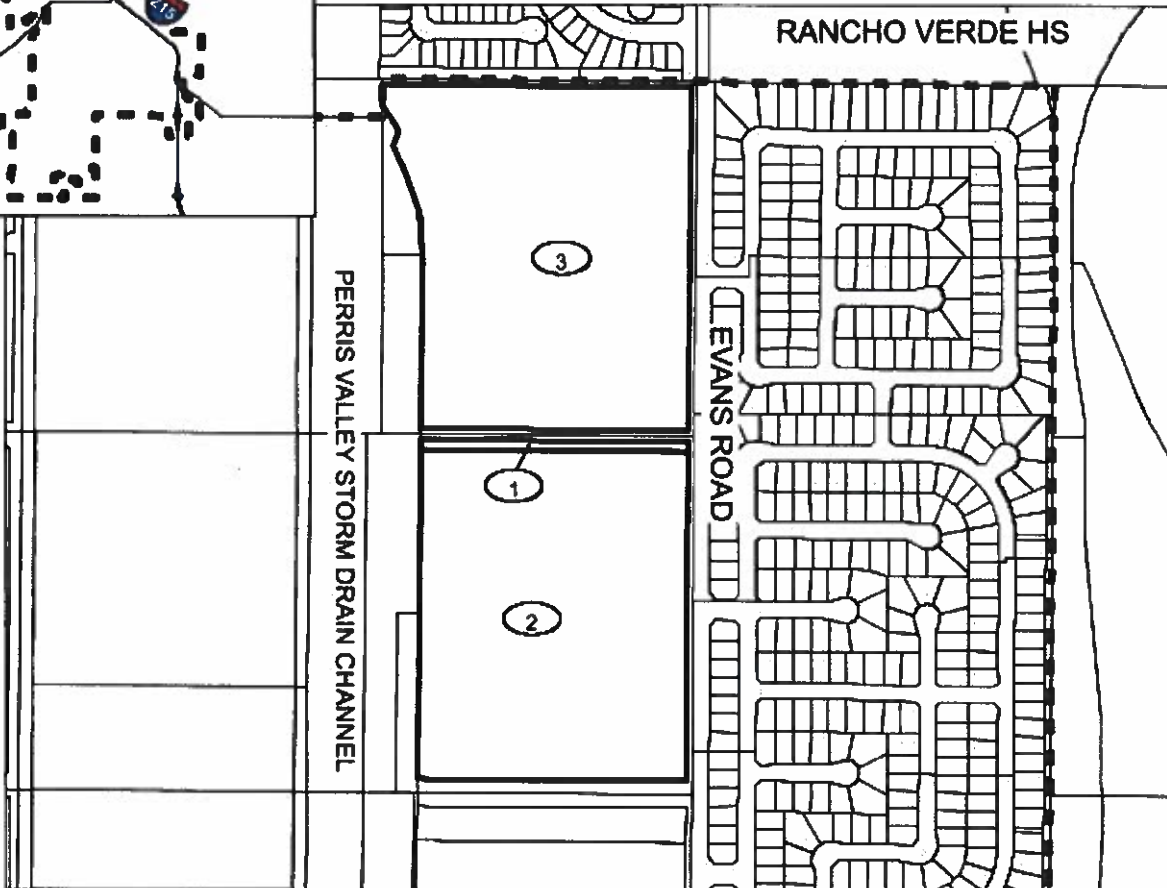
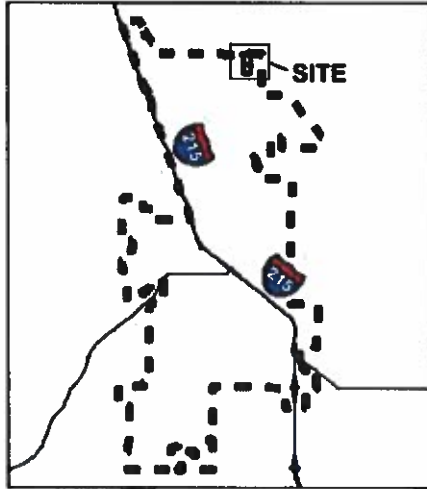
302-160-043, 302-160-044, and 302-170-024




Each year the current maximum annual assessment shall be increased by an amount equal to the "Common Labor, Construction Cost Index", as published by Engineering News Record. If a deficit is projected for the upcoming fiscal year, the assessment can be further increased by an amount equal to the Southern California Edison and the Eastern Municipal Water District rate percent increase(s) projected for the upcoming fiscal year.

# DIAGRAM OF ANNEXATION OF TR 36648 TO BENEFIT ZONE 119 FLOOD CONTROL MAINTENANCE DISTRICT NO. 1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



- Legend**
-  ANNEXATION BOUNDARY
  -  MAP REFERENCE NUMBER
  -  CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

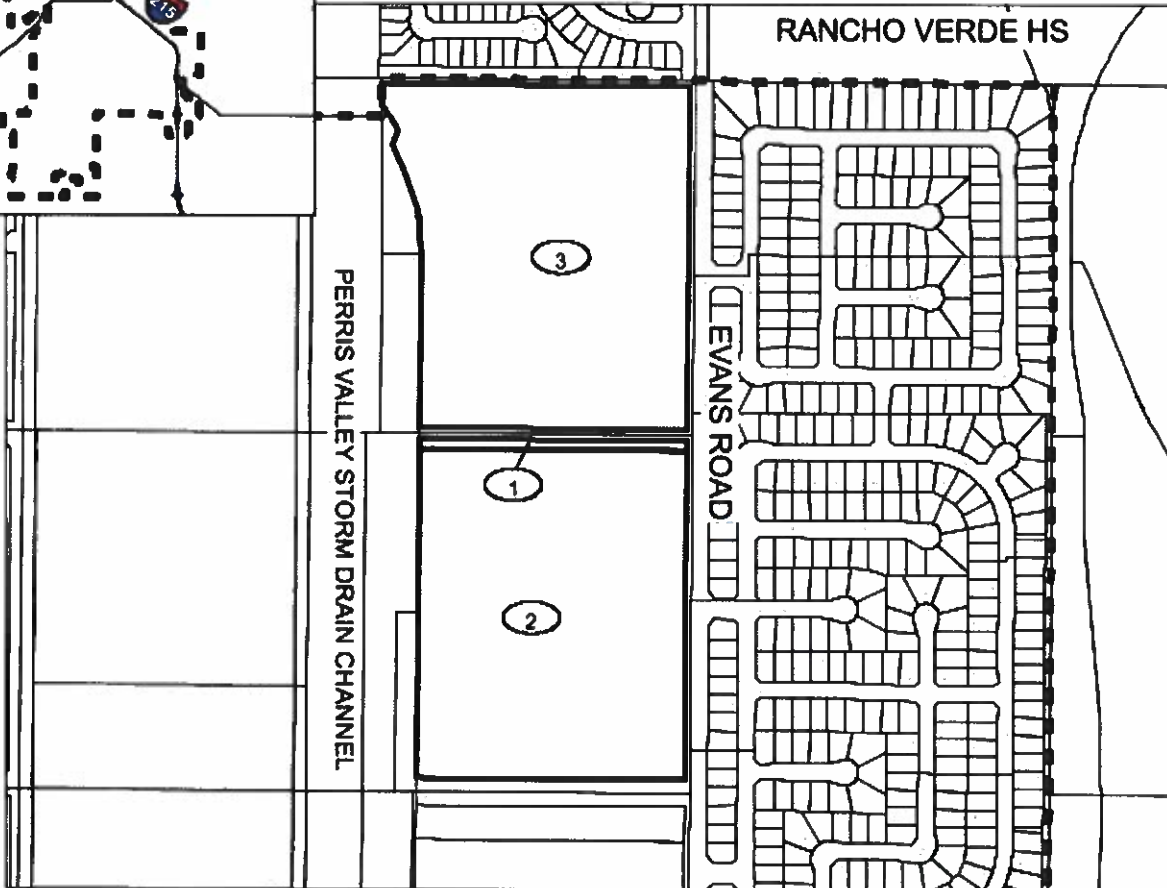
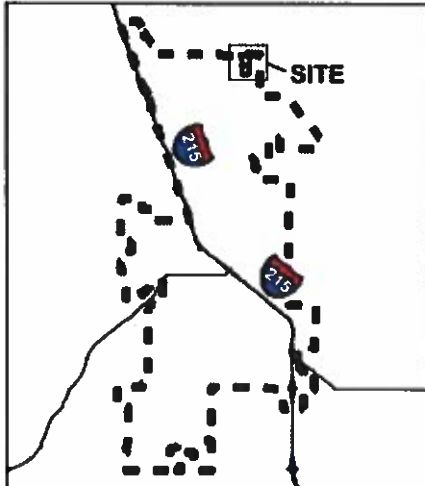







# EXHIBIT A TO CONSENT AND WAIVER ANNEXATION OF TR 36648 TO BENEFIT ZONE 119 FLOOD CONTROL MAINTENANCE DISTRICT NO. 1

## SITE LOCATION

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



- Legend**
-  ANNEXATION BOUNDARY
  -  MAP REFERENCE NUMBER
  -  CITY OF PERRIS BOUNDARY

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024



REFERENCE THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

## **Attachment No. 3**

**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DECLARING INTENTION TO AUTHORIZE LEVYING ASSESSMENTS UPON CERTAIN PARCELS OF REAL PROPERTY, TO ORDER ANNEXATION OF TR 36648 TO BENEFIT ZONE 119, FLOOD CONTROL MAINTENANCE DISTRICT NUMBER 1, PURSUANT TO THE BENEFIT ASSESSMENT ACT OF 1982; AND OFFERING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO ON MAY 25, 2021**

**WHEREAS**, the City Council of the City of Perris, County of Riverside, California ("this City Council"), wishes to provide continued financing for necessary maintenance of certain flood control and drainage improvements within the boundaries of TR 36648 through the levy of benefit assessments pursuant to the provisions of Chapter 6.4 (commencing with Section 54703) of Part 1 of Division 2 of Title 5 of the California Government Code commonly known as the "Benefit Assessment Act of 1982", (the "Act"); and

**WHEREAS**, Pulte Home Company, LLC (the "Owner") has presented signed petitions to the City Council requesting the annexation of TR 36648 to a benefit assessment district to finance the maintenance of those certain drainage and flood control improvements permitted pursuant to Sections 54710 and 54710.5 of the Act (the "Improvements") which benefit properties within TR 36648 ; and

**WHEREAS**, the City Council now proposes to levy benefit assessments under the provisions of the Act to insure continued financing to maintain the Improvements pursuant to the Act, all for the benefit of parcels within TR 36648 and

**WHEREAS**, to accomplish such purposes, the City Council proposes to annex TR 36648 to Benefit Zone 119, Flood Control Maintenance District No. 1.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Perris, California, as follows:

**Section 1.** The public interest, convenience, and necessity require, and it is the intention of the City Council pursuant to the provisions of the Act to maintain the Improvements for the benefit of the properties within the area of benefit.

**Section 2.** Maintenance of the improvements will be of direct benefit to parcels within TR 36648 which are hereby declared to be the properties benefited by the Improvements and to be assessed to pay the cost and expenses thereof. The area of benefit shall be all that part of the City within the boundaries shown on the map entitled "Diagram of Annexation of TR 36648 to Benefit Zone 119, Flood Control Maintenance District Number 1" on file in the office of the City Clerk of the City of Perris, California.

**Section 3.** At least forty-five (45) days prior to the date set for the hearing on the proposed assessment, the Assessment Engineer is hereby directed to file with the City Clerk a written report (the "Engineer's Report") pursuant to the Act, Government Code Section 53753 and Article XIID of the Constitution of the State of California, containing the following:

- a. A description of the service proposed to be financed through the revenue derived from the benefit assessments.
- b. A description of each lot or parcel of property proposed to be subject to the benefit assessments. The assessor's parcel number or Tract Map number shall be a sufficient description of the parcel.
- c. The amount of the proposed assessment for each parcel.
- d. The basis and schedule of the assessments.
- e. Other such matters as the Assessment Engineer shall deem appropriate.

**Section 4.** On the 25th day of May, 2021, at 6:30 p.m., in the City Council Chambers of the City Council of the City of Perris, California, 101 North "D" Street, in the City of Perris, State of California, the City Council will conduct a Protest Hearing at which time any and all persons having any objections to the work or extent of the annexation to the assessment district, may appear and show cause why said work should not be done or carried out in accordance with this Resolution of Intention. The City Council will consider all oral and written protests.

**Section 5.** The City Clerk is hereby directed to publish notice of the hearing on the proposed assessment and notice of the filing of the Engineer's Report once a week for two successive weeks, with at least five days intervening between the respective publication dates, not counting such publication dates, in the Perris City News, a newspaper of general circulation within the area of benefit. The notice shall be 1/8 of a page in size and contain the following information:

- a. The amount of the assessment.
- b. The purpose of the assessment.
- c. The total estimated assessments expected to be generated annually.
- d. The method and frequency for collecting the assessment.
- e. The date, time, and location of the public hearing.
- f. The phone number and address of an individual that interested persons may contact to receive additional information about the assessment.

**Section 6.** The City Clerk is also hereby instructed to give additional notice of the hearing and notice of the filing of the Engineer's Report by posting a copy of this resolution in three public places within the City of Perris.

**Section 7.** The City Clerk shall also give notice by a first-class mailing to all owners of property subject to any new or increased assessments, including the Owners. The notice shall be mailed no later than 45 days prior to the public hearing at which the City Council

will consider levying the new or increased assessments and shall be at least in 10-point type. The form of said notice shall conform in all respects with the requirements of subdivision (b) of Section 53753 of the Government Code and pursuant to subdivision (c) of that section, each notice shall contain an assessment ballot whereon the property owner may indicate support or opposition to the proposed assessment.

**Section 8.** That this City Council does hereby designate, Stuart McKibbin, City Engineer of the City of Perris, (951) 943-6504 as the person to answer inquiries regarding the District and the proposed annexation thereto.

**ADOPTED, SIGNED and APPROVED** this 30<sup>th</sup> day of March, 2021.

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Mayor, Michael M. Vargas

ATTEST:

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City Clerk, Nancy Salazar

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number XXX was duly and regularly adopted by the City Council of the City of Perris at a regular meeting thereof held 30<sup>th</sup> day of March, 2021, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

City Clerk, Nancy Salazar



9.D.

# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Annexation No. 41 – 65.80 gross acre site (APN: 302-160-043,302-160-044, and 302-170-024) located at NE part of the City of Perris West of Evans Road, North of Ramona Expressway. CFD 2001-3 (North Perris Public Safety District)

Project: TR 36648 – 270 units Residential Development

Owner(s): Pulte Home Company, LLC

**REQUESTED ACTION:** Adopt a Resolution of Intention to Annex Territory to CFD 2001-3

**CONTACT:** Ernie Reyna, Director of Finance *ER*

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#### BACKGROUND/DISCUSSION:

Tract 36648 is a subdivision of 65.80 gross acres into 270 single family lots in the northeast part of the City of Perris west of Evans Road, north of Ramona Expressway.

In early 2002, the City Council formed Community Facilities District 2001-3 (North Perris Public Safety) (the “Original District”), for the purpose of paying for additional public safety and fire protection services within the area services by the Original District. On June 10, 2002, the qualified electors within the Original District approved by more than a two-thirds (2/3) vote the proposition of levying a special tax within the Original District. The Original District encompassed certain developments, including the “Villages of Avalon” and “May Farms” developments. Subsequently, several other developments were annexed to the District and adopted the special taxes to be levied therein (the “Annexations” and, together with the Original District, the “District”). Other development and commercial projects in the City will be annexed to the District in the future.

The property owners of the parcels listed on the map attached to the following Resolution has filed a petition requesting annexation to the District and waiving the notice and time periods for the election as permitted by the Mello-Roos Community Facilities Act of 1982.

This Resolution will commence the annexation process for the property described on the map attached to the resolution to the District. This resolution will set a public hearing for May 25, 2021 regarding the proposed annexation. An election will be held following the public hearing. At that time, the landowner will vote on annexing their property to the District and levying special taxes within their District. The special tax levy for Fiscal Year 2020-21 is \$357.05 for Single-Family



Residential Units, \$71.41 for Multi-Family Residential Units, and \$1,428.24 per Acre for Non-Residential Parcels. For each subsequent fiscal year following Fiscal Year 2020-2021, the Maximum Special Tax may be increased by an amount not to exceed two percent (2.00%) per year.

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**BUDGET (or FISCAL) IMPACT:**

The property owner has forwarded a deposit to initiate the annexation process and the City may recoup all costs through the levy of the special tax

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Prepared by: Daniel Louie, Willdan Financial Services

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director ER

**Attachments:**

1. Vicinity Map
2. Perris CFD 2001-3 Annex 41 Resolution of Intention

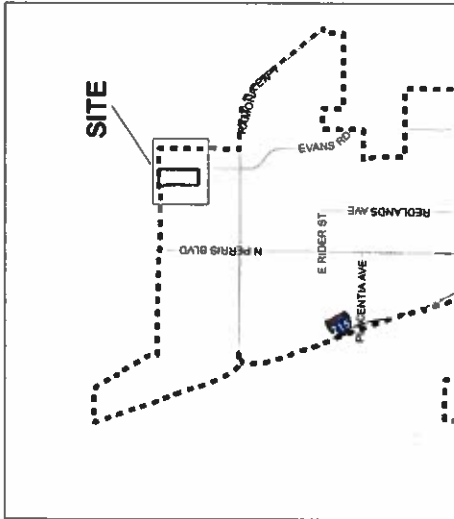
Consent: X  
Public Hearing:  
Business Item:  
Presentation:  
Other:

# ATTACHMENT 1

## VICINITY MAP

# ANNEXATION MAP NO. 41 TO COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY)

CITY OF PERRIS  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	302-160-043
2	302-160-044
3	302-170-024

FILED IN THE OFFICE OF THE CITY CLERK THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 41, TO COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY), CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PERRIS AT A REGULAR MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK  
CITY OF PERRIS

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

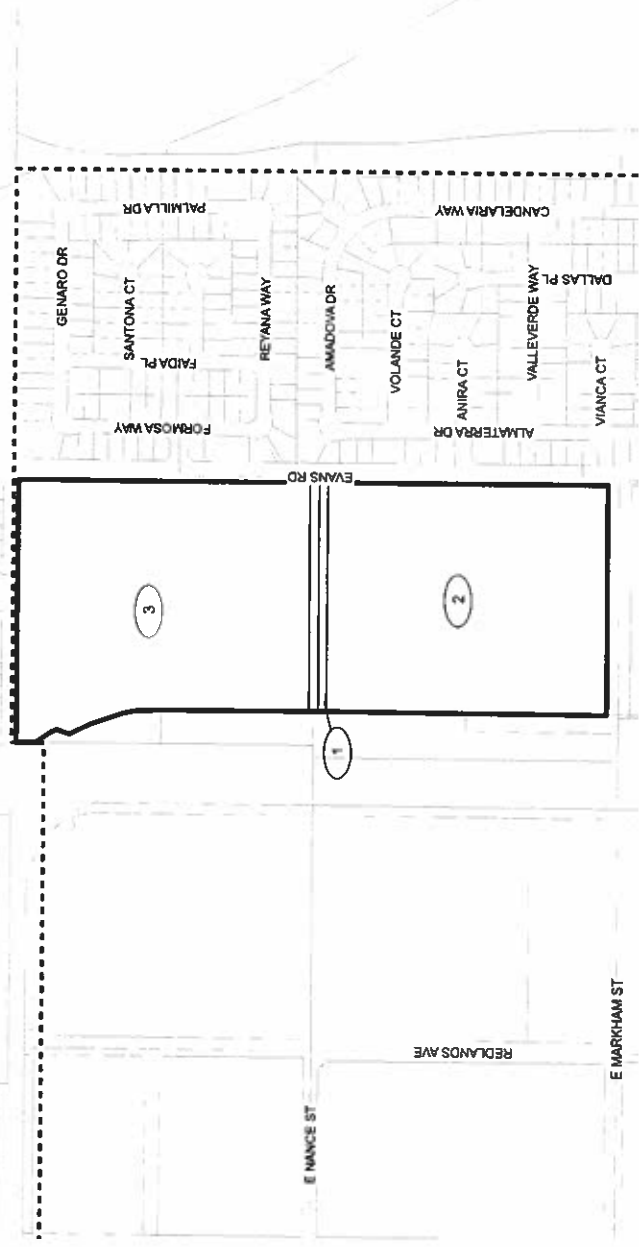
PETER ALDANA, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY  
COUNTY RECORDER  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 19, 2001 IN BOOK 50 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGE 48.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



**Legend**

- PROPOSED ANNEXATION BOUNDARY
- MAP REFERENCE NUMBER
- CITY OF PERRIS BOUNDARY



**WILLDAN**  
27368 VIA INDUSTRIA, SUITE #200  
TEMECULA, CA 92590  
(951) 587-3500

**ATTACHMENT 2**

**PERRIS CFD 2001-3 ANNEX 41 RESOLUTION  
OF INTENTION**

**RESOLUTION NUMBER XXXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2001-3 (NORTH PERRIS PUBLIC SAFETY) OF THE CITY OF PERRIS DECLARING ITS INTENTION TO ANNEX CERTAIN TERRITORY THERETO [ANNEXATION NO. 41]**

**WHEREAS**, the City Council (the “Council”) of the City of Perris, California (the “City”), on December 11, 2001, has adopted its resolution of intention (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”) being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, within the territory described more fully on the map entitled “Boundary Map, County of Riverside, California, Community Facilities District No. 2001-3 (North Perris Public Safety) of the City of Perris,” a copy of which is on file with the City Clerk of the City of Perris; and

**WHEREAS**, on January 29, 2002, the Council adopted Resolution No. 3312 (“Resolution 2912”) which established the District and called an election within the District on the proposition of levying a special tax; and

**WHEREAS**, on June 10, 2002, an election was held within the District at which the qualified electors approved by more than a two-thirds (2/3) vote the proposition of levying a special tax pursuant to a special tax formula (the “Rate and Method of Apportionment”) as set forth in Resolution No. 3312 and attached hereto and incorporated herein as Exhibit “A”, showing the tax levels in fiscal year 2005-06 and certain changes to indicate commencement of the levy the special tax; and

**WHEREAS**, the Council has heretofore adopted an Ordinance (the “Ordinance”) which provided for the levying and collection of special taxes (the “Special Taxes”) within the District, as provided in the Act and the Ordinance in accordance with the Rate and Method of Apportionment; and

**WHEREAS**, a petition (the “Petition”) requesting the institution of proceedings for annexation to the District signed by the landowner within the proposed territory to be annexed (the “Property”) as more fully described in Exhibit “B”, attached hereto and incorporated herein, has been received, filed with and accepted by the City Clerk of the City of Perris; and

**WHEREAS**, the Council has duly considered the admissibility and necessity of instituting proceedings to annex the Property to the District under and pursuant to the terms and conditions and provisions of Article 3.5 of the Act, commencing with Government Code Section 53339; and

**WHEREAS**, the Council has determined to institute proceedings for the annexation of such Property to the District, and has determined to (a) set forth the boundaries of the territory which is proposed for annexation to the District, (b) state the public services to be provided in and for the Property, (c) specify the special taxes to be levied with the Property, and (d) set a date, time and place for a public hearing relating to the annexation of the Property to the District and the levy of special tax therein to pay for such public facilities.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Perris, California, as follows:

**Section 1.** That the above recitals are all true and correct.

**Section 2.** It is the intention of the Council, acting as the legislative body of the District, to annex the Property to the District under and pursuant to the terms and provisions of the Act. The boundaries of the Property proposed for annexation to the District are more particularly described and shown on that certain map entitled "Annexation Map No. 41 to Community Facilities District No. 2001-3 (North Perris Public Safety)" that has been filed with the City Clerk of the City and a copy of which, together with a legal description of such territory, is described in Exhibit "B". The City Clerk is hereby authorized and directed to endorse the Certificate on said map evidencing the date and adoption of this resolution and is further authorized and directed to file said map with the County Recorder of the County of Riverside in accordance with the provisions of Section 3111 of the California Streets and Highways Code within fifteen (15) days of the adoption of this resolution and not later than fifteen (15) days prior to the date of the public hearing as set forth in Section 5 hereof.

**Section 3.** It is the intention of the Council to order the financing of (1) fire protection and suppression services, and ambulance and paramedic services including all furnishings, equipment and supplies related thereto; (2) police protection services, including but not limited to criminal justice services, including all furnishings, equipment and supplies related thereto (collectively, the "Services"); and (3) the incidental expenses to be incurred in connection with financing the Services and forming and administering the District (the "Incidental Expenses"). The Services are public services that the City or a public agency is authorized by law to contribute revenue to or to provide. A description of the types of Services to be financed is set forth in Resolution No. 3312 and incorporated herein by reference. The Services to be financed by or on behalf of the District are necessary to meet increased demand upon the City and other public agencies as a result of development occurring within the boundaries of the Property. The Property, on a per unit basis, will share in the cost of the Services in the same proportion as units with the existing District pursuant to the Rate and Method of Apportionment.

The final nature and location of the Services will be determined upon the preparation of final plans and specifications which may show substitutes in lieu of, or modifications to, the proposed Services. Any such substitution shall not be deemed a change or modification of the Services so long as the substitution provides a service substantially similar to the Services.

**Section 4.** It is the intention of the City Council that, except where funds are otherwise available, a special tax sufficient to pay for the Services and the Facilities, including the repayment

of funds advanced to the District, annual administration expenses in determining, apportioning, levying and collecting such special taxes, secured by recordation of a continuing lien against all non-exempt real property within the boundaries of the Property, will be levied annually on land within the boundaries of the Property. The Rate and Method of Apportionment shall remain unchanged as a result of the proposed annexation, except that the conditions to commencement of the tax have been met. The Property will be subject to the Special Tax pursuant to the Rate and Method of Apportionment. The special tax as apportioned to each parcel within the Property is fairly apportioned as determined by the City Council and as permitted by Section 53339.3 of the Act, and the apportionment of the special tax is not on or based upon the value or ownership of real property.

**Section 5.** Notice is hereby given that on the 25<sup>th</sup> day of May 2021, at the hour of 6:30 p.m., or as soon thereafter as is practicable, in the chambers of the City Council of the City of Perris, 101 North "D" Street, Perris, California 92570, a public hearing will be held at which the City Council, as the legislative body of the District, shall consider the proposed annexation of the Property and all other matters as set forth in this Resolution of Intention. At the above-mentioned time and place for such public hearing, any persons interested, including all taxpayers, property owners and registered voters within the District and the Property proposed to be annexed, may appear and be heard, and such testimony for or against the proposed annexation will be heard and considered.

**Section 6.** Any protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of such proceedings shall be in writing and shall clearly set forth the irregularities and defects to which the objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for such public hearing, and any written protest may be withdrawn in writing at any time before the conclusion of such public hearing. If written protests against the proposed annexation are filed by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the existing District, or by fifty percent (50%) or more of the registered voters, or six (6) registered voters, whichever is greater, residing within the Property proposed to be annexed, or by owners of one-half (1/2) or more of the area of land included within the existing District, or by owners of one-half (1/2) or more of the area of land proposed to be annexed to the District, the proceedings shall be abandoned as to those matters receiving a majority protest.

**Section 7.** If, following the public hearing described herein, the Council determines to annex the Property to the District and levy a special tax thereon, the Council shall then submit the annexation of the Property and levy of the special tax to the qualified voters of the Property. If at least twelve (12) persons, who need not necessarily be the same twelve (12) persons, have been registered to vote within the territory of the Property for each of the ninety (90) days preceding the close of the public hearing, the vote shall be by registered voters residing within the Property, with each voter having one (1) vote. Otherwise, the vote shall be a mail ballot election, consistent with Section 53327.5 of the Act, by the landowners of the Property who are owners of record at the close of the public hearing, with each landowner having one (1) vote for each acre or portion of an acre of land owned within the Property. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

**Section 8.** The City may accept advances of funds or work-in-kind from any sources, including, but not limited to, private persons or private entities, for any authorized purpose, including, but not limited to, paying the cost incurred in annexing the Property to the District. The District may enter into an agreement with the person or entity advancing the funds or work-in-kind, to repay all or a portion of the funds advanced, or to reimburse the person or entity for the value, or cost, whichever is less, of the work-in-kind, as determined by the Council, with or without interest.

**Section 9.** The City Clerk is hereby directed, to the extent that such notice is required, to publish a notice (“Notice”) of the hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed District. Such Notice shall contain the text of this Resolution, state the time and place of the hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the proposed District as provided in Section 53324 of the Act and a description of the proposed voting procedure for the election required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

**Section 10.** This Resolution shall take effect immediately upon its adoption.

**ADOPTED, SIGNED** and **APPROVED** this 30<sup>th</sup> day of March, 2021.

\_\_\_\_\_  
Mayor, Michael M. Vargas

ATTEST:

\_\_\_\_\_  
City Clerk, Nancy Salazar



STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, NANCY SALAZAR, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO  
HEREBY CERTIFY that the foregoing Resolution Number \_\_\_\_\_ was duly and regularly  
adopted by the City Council of the City of Perris at a regular meeting held the 30<sup>th</sup> day of March,  
2021, by the following called vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
City Clerk, Nancy Salazar

**Exhibit A**

**CITY OF PERRIS  
COMMUNITY FACILITIES DISTRICT NO. 2001-3  
NORTH PERRIS PUBLIC SAFETY**

**SPECIAL TAX RATE AND METHOD OF APPORTIONMENT**

**A. BASIS OF SPECIAL TAX LEVY**

A Special Tax shall be levied on all Taxable Property in Community Facilities District No. 2001-3 ("District"), North Perris Public Safety of the City of Perris and collected each fiscal year commencing in Fiscal Year 2005/06 in an amount determined by the Council through the application of this Rate and Method of Apportionment of the Special Tax. All of the real property in the District unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

**B. DEFINITIONS**

**Act** means the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311 and following of the California Government Code.

**Administrative Expenses** means the costs incurred by the City to determine, levy and collect the Special Taxes, including salaries of City employees and the fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls; preparation of required reports, and any other costs required to administer the District as determined by the Finance Director.

**Annual Cost(s)** means for each fiscal year, the total of 1) the estimated cost of services provided through the Police & Fire Protection Program adopted by the City; 2) Administrative Expenses, and 3) any amounts needed to cure actual or projected delinquencies in Special Taxes for the current or previous fiscal year.

**Annual Tax Escalation Factor** means an increase in the Maximum Special Tax Rate each year following the Base Year in an amount not to exceed 2.00% annually.

**Base Year** means Fiscal Year ending June 30, 2006.

**City** means the City of Perris, California.

**Council** means the City Council of the City of Perris as the legislative body for the District under the Act.

**County** means the County of Riverside, California.

**Developed Parcel** means for each fiscal year, each Parcel for which a building permit for new construction or renovations was issued prior to March 1 of the previous fiscal year.

**District** means the Community Facilities District No. 2001-3, ("CFD 2001-3), North Perris Public Safety of the City of Perris.

**Exempt Parcel** means any Parcel that is not a Residential Parcel or a Non-Residential Parcel. Exempt Parcels are exempt from the levy of Special Taxes.

**Finance Director** means the Finance Director for the City of Perris or his or her designee.

**Fiscal Year** means the period starting July 1 and ending the following June 30.

**Maximum Special Tax** means the greatest amount of Special Tax that can be levied against a Parcel in a given fiscal year calculated by multiplying the Maximum Annual Special Tax Rate by the relevant acres or units of the Parcel.

**Maximum Special Tax Rate** means the amount determined pursuant to Section D below, which will be used in calculating the Maximum Special Tax for a Parcel based on its land use classification. Each fiscal year following the Base Year, the Maximum Special Tax Rate shall be increased in accordance with the Annual Tax Escalation Factor and otherwise adjusted as provided in this Special Tax Rate and Method of Apportionment.

**Maximum Special Tax Revenue** means the greatest amount of revenue that can be collected in total from a group of Parcels by levying the Maximum Special Tax.

**Multi-Family Residential Unit** means each multi-family attached residential unit located on a Developed Parcel.

**Non-Residential Acres** means the acreage of a Non-Residential Parcel. The acreage assigned to such a Parcel shall be that shown on the County assessor's parcel map.

**Non-Residential Parcel** means a Developed Parcel for which a building permit(s) was issued for private non-residential use. Non-Residential Parcels do not include Parcels that are intended to be, (1) publicly owned or owned by a regulated public utility, or (2) assigned minimal value or is normally exempt from the levy of general *ad valorem* property taxes under California law, including homeowners association property, public utility, public streets; schools; parks; and public drainage ways, public landscaping, greenbelts, and public open space.

**Parcel** means a lot or parcel shown on an assessor's parcel map with an assigned assessor's parcel number located in the District based on the last equalized tax rolls of the County.

**Police & Fire Protection Program** means a program adopted by the Council pursuant to Section 53313 of the Act for the provision, in a defined area of benefit, of police and fire protection services that are in addition to those services that would be provided to the area of the District if the District were not in existence.

**Residential Parcel** means a Developed Parcel for which a building permit(s) was issued for residential use.

**Single-Family Residential Unit** means a Developed Parcel used for single-family detached residential development.

**Special Tax(es)** means any tax levy under the Act in the District.

**Taxable Property** means every Residential Parcel and Non-Residential Parcel.

**C. DURATION OF THE SPECIAL TAX**

Duration of Special Tax for Taxable Property in the District shall remain subject to the Special Tax in perpetuity.

**D. ASSIGNMENT OF MAXIMUM SPECIAL TAXES**

**1. Classification of Parcels**

Each fiscal year, using the Definitions above, each Parcel of Taxable Property is to be classified as either a Residential Parcel or Non-Residential Parcel. Each Residential Parcel is to be further classified as either a Single-Family Unit or as the number of Multi-Family Units located on such Parcel.

**2. Maximum Special Tax Rates**

**TABLE 1**  
**Maximum Special Tax Rate for Developed Property in**  
**Community Facilities District No. 2001-3**  
**Fiscal Year 2005/06**

<b>Tax Status</b>	<b>Base Year Maximum Special Tax Rate</b>	<b>Tax Levy Basis</b>
Single Family Residential Unit	\$265.30	Per Unit
Multi-Family Residential Unit	\$53.06	Per Unit
Non-Residential Parcel	\$1,061.21	Per Acre

On July 1st of each fiscal year, commencing July 1, 2006, the Maximum Special Tax Rates shall be increased in accordance with the Annual Tax Escalation Factor.

**E. SETTING THE ANNUAL SPECIAL TAX LEVY**

The Special Tax levy for each Parcel of Taxable Property will be established annually as follows:

1. Compute the Annual Costs using the definitions in Section A.
2. Calculate the available special tax revenues by taxing each Parcel of Taxable Property at 100.00% of its Maximum Special Tax. If revenues are greater than the Annual Costs, reduce the tax proportionately against all Parcels until the tax levy is set at an amount sufficient to cover Annual Costs.
3. Levy on each Parcel of Taxable Property the amount calculated above. No Special Tax shall be levied on Exempt Parcels.

The City shall make every effort to correctly assign the number of taxable units and calculate the Special Tax for each Parcel. It shall be the burden of the taxpayer to correct any errors in the determination of the Parcels subject to the tax and their Special Tax assignments.

**F. ADMINISTRATIVE CHANGES AND APPEALS**

The Finance Director or designee has the authority to make necessary administrative adjustments to the Special Tax Rate and Method of Apportionment in order to remedy any portions of the Special Tax formula that require clarification.

Any taxpayer who feels that the amount of the Special Tax assigned to a Parcel is in error may file a notice with the Finance Director appealing the levy of the Special Tax. The Finance Director will then promptly review the appeal, and if necessary, meet with the applicant. If the Finance Director verifies that the tax should be modified or changed, a recommendation at that time will be made to the Council and, as appropriate, the Special Tax levy shall be corrected and, if applicable in any case, a refund shall be granted.

Interpretations may be made by Resolution of the Council for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties, or any definition applicable to the District.

**G. MANNER OF COLLECTION**

The Special Tax will be collected in the same manner and at the same time as *ad valorem* property taxes; provided; however, the City or its designee may directly bill the Special Tax and may collect the Special Tax at a different time, such as on a monthly or other periodic basis, or in a different manner, if necessary to meet its financial obligation.



# CITY OF PERRIS

9.E.

## CITY COUNCIL AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** MOU Between the City of Perris and the City of Lathrop to Mitigate Allocation of Revenues over Eight Quarters

**REQUESTED ACTION:** Approve and MOU between the City of Perris and the City of Lathrop and authorize the Interim City Manager to execute related documents, approved as to form by the City Attorney.

**CONTACT:** Ernie Reyna, Director of Finance

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### BACKGROUND/DISCUSSION:

In October of 2019, Wayfair began operating a distribution center within the City of Lathrop. At that point, the distribution center in Lathrop began to generate sales that were erroneously posted and transferred to the City of Perris. Upon conducting an audit at the request of the City of Lathrop, the California Department of Tax and Fee Administration (CDTFA) discovered that revenues belonging to the City of Lathrop were being transferred to Perris for the time period of October 2019 through June of 2020 amounting to a total of \$1,959,255.38.

As a solution to rectify the situation, the CDTFA has offered mitigating the revenues over a period of eight quarters rather than requiring Perris to repay the entire amount in one lump sum. This mitigation process; however, requires the approval of the City of Lathrop and fortunately the City Council of Lathrop has agreed to allow the mitigation over the eight quarters.

The Memorandum of Understanding attached to this staff report memorializes the agreement between the City of Lathrop and the City of Perris and repayment will take place in accordance with CDTFA guidelines.

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**BUDGET (or FISCAL) IMPACT:** \$244,906.92 per quarter, or \$979,627.68 per fiscal year for a total of \$1,959,255.38 over two fiscal years will be paid from the general fund.

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Prepared by: Ernie Reyna, Director of Finance

**REVIEWED BY:**

City Attorney \_\_\_\_\_

Assistant City Manager \_\_\_\_\_

Finance Director \_\_\_\_\_

**Attachments: Memorandum of Understanding**

Consent:  X

Public Hearing: \_\_\_\_\_

Business Item: \_\_\_\_\_

Presentation: \_\_\_\_\_

Other: \_\_\_\_\_

**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding ("Agreement") is made and entered into as of March \_\_\_\_, 2021, the date of last execution by the parties ("**Effective Date**"), by and between the City of Lathrop, a municipal corporation ("**Lathrop**"), and the City of Perris, a municipal corporation ("**Perris**"). Lathrop and Perris may each be referred to as a "**Party**," and collectively, as the "**Parties**."

**RECITALS**

A. The Financial Management Division of the California Department of Tax and Fee Administration ("CDTFA") issued a Decision on January 20, 2021 ("Decision") to reallocate \$1,959,255.38 from Perris to Lathrop pursuant to Regulation 35056 (c)(3) for the period beginning October 1, 2019 through June 30, 2020 for sales made by the Retailer listed in the Decision ("Retailer"), ("Reallocation").

B. On February 26, 2021, CDTFA received a request from Perris for mitigation of eight (8) quarters, or \$244,906.92 per quarter for a total of \$1,959,255.38. The CDTFA forwarded the request to Lathrop on March 1, 2021. Lathrop is willing to consent to the requested mitigation so long as Perris confirms it shall not object to or otherwise challenge the Decision or the Reallocation.

**AGREEMENT**

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged and as a compromise in settlement of each Party's rights pursuant to the Decision and the Reallocation, the Parties hereby agree as follows:

1. Waiver of Right to Object. Perris hereby waives any right to object to the Decision, including any and all objections to the Reallocation.
2. Payment. Lathrop agrees to consent to Perris' mitigation request for CDTFA to disburse the payment of \$1,959,255.38 from Perris to Lathrop evenly over 8 quarters (\$244,906.92 per quarter), beginning on the effective date of this Agreement and in accordance with CDTFA requirements.
3. Binding Upon Successors and Assigns. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and/or upon their heirs, administrators, representatives, executors, successors, transferees, assigns, parent and other affiliated companies, predecessors, and/or business entities owned in whole or part by each of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

**CITY OF LATHROP, a municipal corporation**

**CITY OF PERRIS, a municipal corporation**

By: \_\_\_\_\_  
Stephen J. Salvatore  
City Manager

By: \_\_\_\_\_  
Clara Miramontes  
Interim City Manager

APPROVED AS TO FORM BY THE CITY OF  
LATHROP CITY ATTORNEY

APPROVED AS TO FORM BY THE CITY OF  
PERRIS CITY ATTORNEY

By: \_\_\_\_\_  
Salvador Navarrete  
City Attorney

By: \_\_\_\_\_  
Eric Dunn  
City Attorney





# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Ordinance No. 1397 adding Section 10.24.210 - Parking Time Limits on Certain Streets.

**REQUESTED ACTION:** **Second Reading and Adoption** of Ordinance No.1397 adding to the Perris Municipal Code Section 10.24.210 codifying a limited time parking zone on D Street between San Jacinto Avenue and Eighth Street.

**CONTACT:** Candida Neal, Interim Director of Development Services

#### BACKGROUND/DISCUSSION:

On March 9, 2021, the City Council introduced the first reading of Ordinance Number 1397 to unanimously approve Parking Time Limits on Certain Streets to the Perris Municipal Code. Concurrently, the City Council adopted Resolution No. (next in order) to update the Parking Fee Schedule and creating a \$45.00 fee for violating the posted parking limits. In approving the fee, the City Council directed staff to notify area residents and business owners that effective May 8, 2021 violators of the posted parking time limits will be fined.

The ordinance considered for the second reading and adoption will add to the Perris Municipal Code Section 10.24.210, establishing a limited time parking zone on D Street between San Jacinto Avenue and Eighth Street. The limited time parking zone was established previously by Resolution No. 5081. However, to levy a fine for violation, the restriction must be codified. In the future, Section 10.24.210 may be amended to allow other streets to similarly be designated for time limited parking, if needed.

Staff recommends that the City Council approve Second Reading and Adoption of Ordinance No. 1397.

Upon adoption, the Ordinance will become enacted thirty days thereafter on (April 22,2021). The fee will go into effect on May 8, 2021, 60 days after adoption of the resolution.

**BUDGET (or FISCAL) IMPACT:** No impact on the General Fund 20-21 Fiscal Year.

**Prepared by:** Robert Trejo, Code Compliance Supervisor  
**REVIEWED BY:** Candida Neal, Interim Director of Development Services  
 City Attorney \_\_\_\_\_  
 Assistant City Manager \_\_\_\_\_  
 Finance Director *ER* \_\_\_\_\_

**Attachments:**

1. City Council Ordinance No. 1397
2. Agenda Submittal City Council March 9, 2021 w-o attachments

Consent: X  
Public Hearing:  
Business Item:

# ATTACHMENT 1

ORDINANCE NUMBER 1397

**ORDINANCE NO. 1397**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS ADDING SECTION 10.24.210, "PARKING TIME LIMITS ON CERTAIN STREETS," TO CHAPTER 10.24 OF TITLE 10 OF THE PERRIS MUNICIPAL CODE REGARDING STOPPING, STANDING, PARKING.**

**WHEREAS**, Vehicle Code Section 22507 authorizes the City to prohibit or restrict the stopping, parking, or standing of vehicles on certain streets or highways, or portions thereof during all or certain hours of the day; and

**WHEREAS**, the City of Perris has enacted ordinances regulating the parking of vehicles in the City of Perris; and

**WHEREAS**, demand for public parking exceeds available spaces in many areas of the city; and

**WHEREAS**, the City Council desires to address these parking issues by restricting parking via the creation of time limits on certain streets where parking shortages exist; and

**WHEREAS**, on January 31, 2017, the City Council adopted Resolution No. 5081 creating a 2-hour time limit for parking on D Street between San Jacinto Avenue and Fourth Street; and

**WHEREAS**, the City Council has determined that it is in the public interest and welfare to adopt this Ordinance in order to codify the 2-hour time limit for parking on D Street adopted via Resolution No. 5081 as part of the Perris Municipal Code, and to allow for this Ordinance to be amended in the future to add time limits for parking on other affected streets where such need is determined.

**THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** Recitals Incorporated. The City finds the above recitals are true and correct and incorporated herein by this reference.

**Section 2.** New Section 10.24.210. Section 10.24.210, entitled "Parking time limits on certain streets," is hereby added to Chapter 10.24, "Stopping, Standing, Parking," of Title 10, "Vehicles and Traffic," of the Perris Municipal Code as follows:

10.24.210. – Parking time limits on certain streets.

- (a) No person shall stop, stand, or park any vehicle, as defined in the California Vehicle Code, on the following streets, or portions of

streets, within the city for a period of time longer than that indicated in the table below, between the respective hours set forth in the table below, except as herein provided:

Street	Period of Time (Consecutive Minutes)	Hours Affected	Sides of Street	Portion	Exceptions
D Street	120	6:00 a.m. to 8:00 p.m.	Both	Between San Jacinto Ave. and Eighth St.	None

- (b) Fines for violation of this section 10.24.210 shall be established by resolution of the city council, and may differ from street to street in order to achieve compliance with this section.

**Section 3. CEQA.** The City Council finds that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) because: (1) it does not constitute a “project” under CEQA Guidelines Section 15378(b)(2) in that it constitutes general policy and procedure making; (2) it does not constitute a “project” under CEQA Guidelines Section 15378(b)(5) in that it has no potential for resulting in physical change to the environment, either directly or indirectly, and (3) in the alternative, it is exempt from CEQA pursuant to CEQA Guidelines Section 15060(c)(2), since the activity will not result in direct or reasonably foreseeable indirect physical change in the environment, and Section 15061(b)(3), since it can be seen with certainty that there is no possibility that this Ordinance will have a significant effect on the environment, because the Ordinance merely regulates the use of the City’s dog park facilities.

**Section 4. Effective Date.** This Ordinance shall take effect 30 days after its adoption.

**Section 5. Certification.** The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

**ADOPTED, SIGNED, and APPROVED** this 9<sup>th</sup> day of March, 2021.

---

MAYOR, MICHAEL M. VARGAS

ATTEST:

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City Clerk, Nancy Salazar

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE )  
CITY OF PERRIS )

I, Nancy Salazar, City Clerk of the City of Perris that the foregoing Ordinance Number 1397 was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 9<sup>th</sup> day of March 2021, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

---

City Clerk, Nancy Salazar

# ATTACHMENT 2

AGENDA SUBMITTAL CITY COUNCIL MEETING MARCH 9, 2021

W/O ATTACHMENTS





# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 9, 2021

**SUBJECT:** Establish a \$45.00 fee for violating posted parking time limits.

**REQUESTED ACTION:** Approve first reading of Ordinance No. (next in order) adding Section 10.24.210 – Parking Time Limits on Certain Streets to the Perris Municipal Code and Adopt Resolution No. (next in order) to update the Parking Fee Schedule, effective May 8, 2021.

**CONTACT:** Candida Neal, Interim Development Services Director

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#### **BACKGROUND/DISCUSSION:**

California Vehicle Code Section 22507 authorizes the City to prohibit or restrict the stopping, parking, or standing of vehicles on certain streets or highways, or portions thereof, during all or certain hours of the day. On January 31, 2017, the City Council adopted Resolution No. 5081 creating a 2-hour time limit for parking on “D” Street between San Jacinto Avenue and Eight Street.

When the D Street parking restrictions were enacted, the Perris Municipal Code and the Parking Fee Schedule was not updated. As a result, the City cannot charge a fee for violation of posted parking time limits. Parking enforcement officers currently issue warning notices when vehicles violate the posted time limits. No fines are associated with the citation and some vehicle owners regularly violate the 2-hour parking limit.

To encourage compliance, staff recommends that the City Council approve first reading of Ordinance No. (next in order). The ordinance will add Section 10.24.210 to the Perris Municipal Code establishing a limited time parking zone on D Street between San Jacinto Avenue and Eighth Street. The limited time parking zone was established previously by Resolution No. 5081. However, to levy a fine for violation, the restriction must be codified. In the future, Section 10.24.210 may be amended to allow other streets to similarly be designated for time limited parking, if the needed.

Staff also recommends adoption of Resolution No. (next in order) amending the Parking Fee Schedule to create a \$45.00 fee for violating posted time limits. The proposed fee is consistent with the \$45.00 fee assessed when vehicles park on the street on scheduled street sweeping days. In addition, the fee is less than or similar to fees charged by neighboring communities. Lake Elsinore charges \$58.00 per citation; and Moreno Valley charges \$41.00

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**BUDGET (or FISCAL) IMPACT:** No impact the General Fund 20-21 Fiscal Year.

Prepared by: Robert Trejo, Code Compliance Supervisor

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**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director \_\_\_\_\_

**Public Hearing:** March 9, 2021

Attachments: ~~1. Resolution No. (Next in order)  
2. Ordinance No. (Next in order)~~



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Contract Service Agreement with Flo-Services for Replacement of 7<sup>th</sup> Street Duplex Sewage Pump Lift Station Repairs.

**REQUESTED ACTION:** Council to Approve a Contract Service Agreement with Flo-Services, Inc for the replacement of the 7<sup>th</sup> Street Duplex Sewage Pump Lift Station and authorize Interim City Manager to execute the service agreement, approved as to form by the City Attorney.

**CONTACT:** Bryant Hill, Director of Public Works *BH*

#### BACKGROUND/DISCUSSION:

Flo-Services, Inc. is the contractor who originally installed the sewage pump lift stations at 4<sup>th</sup> and 7<sup>th</sup> Street over twenty years ago. Flo-Services, Inc. for the past twenty years, has been providing ongoing maintenance and repairs to these lift stations on an as-needed basis. During the last routine maintenance, it was found the 7<sup>th</sup> Street lift station needs multiple repairs. Two pumps within the wet well and the piping/fittings need to be replaced as they were installed when the lift station was built over twenty years ago. Also, there is no monitoring system to notify staff when the wet well is close to overflowing. An internet/cellular-based alarm and monitoring unit will be installed, including a one-year monitoring service package. The mechanism adds a protective device to eliminate the potential of a sewer overflow. The electrical panel will have to be updated to support the new equipment, as it's the original electrical panel installed when the lift station was built and will not support the monitoring system.

Attached is the estimate provided by Flo-Services, Inc. for the replacement of the non-guided style pumps; repairs and replacement of the piping/fittings; installation of an internet/cellular-based alarm and monitoring unit; and upgrades to the electrical panel to support updated equipment. To avoid potential sewage overflow, staff is recommending we move forward with the estimate. Per Municipal Code 3.32.280, A contract may be awarded without competition when the purchasing officer determines in writing, after conducting a good faith review of available sources, that there is only one source for the required goods, service, or construction item. The work being performed within the wet well is specialty in nature, and having Flo-Services do the repairs is beneficial, as they were the company who installed the original items.

Staff is recommending Council approve the agreement with Flo-Services in the amount of \$129,857.84 for repairs to the 7<sup>th</sup> Street Sewage Pump Station, including a 10% contingency.

**BUDGET (or FISCAL) IMPACT:** Budget for repairs was approved by Council at mid-year budget review.

Prepared by: Liset Hernandez, Public Works Manager

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director SR

- Attachments:
1. Aerial Map of Pump Location
  2. Estimate Provided by Flo-Services
  3. Agreement with Flo-Services

Consent: \_\_\_\_\_  
Public Hearing: \_\_\_\_\_  
Business Item: \_\_\_\_\_  
Presentation: \_\_\_\_\_  
Other: \_\_\_\_\_

March 30, 2021

# ATTACHMENT 1

AERIAL MAP OF 7<sup>TH</sup> STREET LIFT STATION

**7th STREET LIFT STATION AERIAL  
VICINITY MAP**



**LEGEND:**  
○ 7TH STREET LIFT STATION LOCATION

**TRI LAKE**  
CONSULTANTS, INC.  
CITY ENGINEER  
DATE: 03/14/21



# ATTACHMENT 2

FLO-SERVICES ESTIMATE OF REPAIRS



3010 FLOYD ST. \* BURBANK, CA 91504-2599  
 TEL: (818) 847-2188 \* FAX: (818) 847-2256  
 www.flo-servicesinc.com \* LIC#988692

March 10, 2012-R1  
 Proposal #21-012  
 Page 1 of 6

City of Perris  
 1015 South G. Street  
 Perris, CA. 92570

Attn: Bryant Hill

Phone: 951 657-3280

E Mail- [bhill@cityofperris.org](mailto:bhill@cityofperris.org)

Reference: City of Perris  
 Perform Repairs and Pump replacement @  
 7th Street Duplex Sewage Pump Stations  
 Prevailing Wage Project

Dear Bryant,

Flo-Services is pleased to present our estimated budget proposal to provide repairs and pump replacement on a time and material basis for the 7th Street Sewage Pump Station as follows:

**Item #1-** Pump and motor replacements non guide rail style pumps to include replacement of the existing internal wet well pump piping/fittings, replacement of the existing pump discharge piping with fittings between the existing wet well and the existing valve vault, relocating the existing 316 stainless steel wet well pipe support, furnishing/installing a new valve vault bypass tee with bypass valve and furnishing and installing (3) new stainless-steel pipe on the existing valve vault piping:

Two- New submersible recessed impeller pumps to include new 7.5 horsepower U/L Explosion Proof submersible motors with outer Tungsten Carbide mechanical and 50-foot electrical cords. External coating of the complete pump and motor assemblies with a 300 M Two Part epoxy.

\$13,338.00 Each      \$ 26,676.00

(1) One Lot-Estimated wet well piping and fittings with blow down assemblies, pump discharge piping and fittings between the existing valve vault and the existing wet well, bypass tee with valve/fitting to include 316 Stainless steel flange kits, ring gaskets, 316 Stainless Steel pipe support material with 316 stainless steel hardware and wedge anchors  
 \$14,000.00

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(1) One-Lot-300 M Two Part Coating and coating material	\$ 600.00
One Lot Incoming Freight to Flo-Services	\$ 1,400.00
Sales tax 7.75%	\$ 3,198.89

Estimated Shop Hours-Precoat wet well piping and start fabrication of valve vault pipe supports  
 16 Hours @ \$125.00 Per Hour \$ 2,000.00

Field remove and replace the existing submersible pumps with similar non guide rail style pumps to include replacement of the existing wet well piping with fittings up to the existing flanged spool inside the wet well. Install the three new valve vault pipe supports and installation of the valve vault bypass fitting and valve

Estimated Field Labor and Travel-Portal to Portal-4 Men  
 80 hours @ \$525.00 Per Hour \$42,000.00

Mileage-Portal to Portal-Service Truck  
 169 Miles @ \$1.55 Per Mile X Two Trips \$ 523.90

Mileage-Portal to Portal-Utility Trucks  
 169 Miles @ \$1.35 Per Mile X 2 trucks X Two Trips \$ 912.60

10 Days confine space entry fee- Per day-\$425.00 \$ 4,250.00

10 Days Equipment and tool truck fee- Per day-\$480.00 \$ 4,800.00

8 Nights Estimated Per Diem- 4 Men-\$700.00 Per night \$ 5,600.00

1-One Lot Pneumatics Rentals Plug Assembly X Three assemblies  
 \$ 115.00 Each Assembly \$ 345.00

Estimated Price for Item #1 \$ 106,306.39  
 Initial

Item #2-Furnish and Install a new internet/cellular based alarm and monitoring unit

1-Lot Mission Communications M850 RTU in a NEMA 4X enclosure to include back up battery, antenna, cable, bracket, account set-up fee and the first-year service package. \$ 4,512.69

Note: There will be an annual service fee which is currently \$563.40 per year which will be invoiced directly to the City of Perris after the first year of service.

One lot- Miscellaneous control panel relay's, liquid tight flex with fittings, wire and din rail	\$ 475.00
Sales Tax 7.75%	\$ 386.55
Incoming parts freight To Flo-Services	\$ 122.00
Estimated Field Labor and Travel – Portal to Portal (2 Men) 16 Hours @ \$270.00 Per Hour	\$ 4,320.00
Mileage-Portal to Portal-Service Truck 169 Miles @ \$1.55 Per Mile	\$ 269.95
2 Days Equipment and tool truck fee- Per day-\$480.00	\$ 960.00
1 Nights Estimated Per Diem- 2 Men-\$350.00 Per night	\$ 700.00
<b>Estimated price for Item #2</b>	<b>\$ 11,746.19</b> _____ Initial
<b>Estimated Price for Items #1 and #2</b>	<b>\$118,052.58</b> _____ Initial

Note: This is an estimated price. We are performing this work on a time and material basis and you will be invoiced accordingly. It will be the responsibility of the City of Perris to remove from the jobsite and dispose of all old material and debris. It will be the responsibility of the City of Perris to hire and pay for pumper trucks to maintain the flow while we bypass the pump station to perform some of the work listed above. It will also be the responsibility of the City of Perris to provide digging, backfill and shoring around the existing pump discharge wet well piping with fitting between the existing pump valve vault and the existing wet well. This excavation must be completed before we arrive onsite to perform the work listed in this proposal. This excavation must be shored properly or excavated per code for our personnel to safely enter the excavation and perform the piping replacement mentioned above. The excavation will need to be completed around the existing discharge piping so our crew will be able to access and replace the existing piping with fittings easily and without any issues. The above price estimate does not include any digging, backfill or shoring.

**THIS PROPOSAL EXPIRES IN 30 DAYS** from the date of this proposal or bid opening date, if applicable.

The Sellers work and responsibility is expressly limited to providing materials and performing the services listed in this proposal. Design, application and direction for work and materials are to be provided by and responsibility of the Buyer. Flo- Services Total liability of the Seller for this purchase agreement including indemnity, liquidated damages, actual damages, special damages and consequential damages is limited to the coverage offered and paid by the Seller's insurance policies for all other Seller's liabilities, including liquidated/actual damages, due to delivery delays. Liquidated/Actual damages are further limited to what is assessed by the Owner, paid to Owner and assessed due to the sole cause of Seller's delays.

Proposal #21-012-R1

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FLO-SERVICES Contractor's license Number is: 988492

The expiration date of FLO-SERVICES Contractor's license is: 11/30/21

Bidder acknowledges that Section 7028.15 (e) of the Business and Professions Code provides as follows:

A license contractor shall not submit a bid to a public agency unless his or her contractor's license number appears clearly on the bid, the license expiration date is stated, and the bid contains a statement that the representations herein are made under penalty of perjury. Any bid not containing this information, or a bid containing the information, which is subsequently proven false, shall be considered non-responsive and shall be rejected by the public agency "

The undersigned declares, under penalty of perjury, that the representations made by the undersigned in the bid proposal are true and correct.

Thank you for your consideration to this proposal.

Very truly yours,

Sincerely,



John Krukowski  
Flo-Services, Inc

TERMS OF SALE

1. ACCEPTANCE. "SELLER" is Flo-Service, Inc. who may function as a SUB-CONTRACTOR, REPAIR AND SERVICE ORGANIZATION OR VENDOR. "BUYER" is the CUSTOMER who may function as a CONTRACTOR, OWNER, ETC. These terms govern the purchase and sale of equipment, contractor's services, etc., referred to in SELLER'S proposal or acknowledgement. SELLER rejects all additional or different terms in any of BUYER'S forms or documents unless specifically accepted by SELLER in writing.
2. PAYMENT. Terms are Net 30 days from date of shipment and invoice, subject to approval of credit. SELLER may proceed on a "when ready" basis and partial invoice for the equipment that has shipped and /or services rendered. Interest at one percent per month or at the legal maximum rate will be assessed for late payment.
3. RETENTIONS, unless herein authorized by SELLER, are not allowed.
4. BACK CHARGES The BUYER agrees to pay reasonable BACK CHARGES (based on actual cost plus profit, overhead and taxes) for any special services, additional equipment, repairs etc. made necessary by the omissions, mistakes, accidents, negligence or miscalculations of the BUYER, ENGINEER or OWNER. Commensurate with the urgency, nature and scope of the back charge. SELLER shall give BUYER advance notice of the intended back charge, but such advance notice shall not be a prerequisite for BACK CHARGES against the BUYER. Any BACK CHARGES from the intended BUYER, not authorized in writing by SELLER, will not be recognized.
5. DELIVERY. SELLER shall not be liable for delays due to fire, flood, labor issues, war, civil disorders, delay in transportation, inability to obtain materials, accidents, acts of God or other causes beyond SELLER'S reasonable control.
6. RESPONSIBILITY SELLER shall not be responsible for damage to equipment if misused, improperly stored, installed or maintained. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, COLLATERAL, LIQUIDATED OR OTHER INDIRECT DAMAGES. CONSEQUENTIAL DAMAGES FOR THE PURPOSES OF THIS AGREEMENT SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF USE, INCOME, PROFIT, LOSS OF OR DAMAGE TO PROPERTY, ETC. These limitations apply whether the liability is based upon contract, tort, strict liability or any other theory.
7. WARRANTY. For benefit of the original user, SELLER warrants all new equipment sold to be free from defects in material and workmanship, and will replace or repair, F.O.B. at its factories or other location designated by it, any part or parts returned to it which SELLER'S examination shall show to have failed under normal use and service by the original user within one year following initial shipment to the BUYER. This warranty does not cover damage by decomposition from chemical action or wear caused by abrasive materials nor does it cover damage resulting from misuse, alteration, accident or neglect, or from improper operation, maintenance, installation, modification or adjustment. Such repair or replacement shall be free for all items except for those items that are consumable and normally replaced during maintenance. THIS WARRANTY IS EXPRESSLY MADE BY SELLER AND ACCEPTED BY BUYER IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED.
8. COMPLIANCE WITH LAWS. BUYER shall be solely responsible for securing any necessary permits and for compliance with all safety, health, sanitation and any other laws, ordinances and regulations in connection with the design, installation and operation of the equipment.
9. INDEMNIFICATION. It is understood that SELLER has relied upon data furnished by and on behalf of BUYER with respect to the safety aspects and application of the equipment and that it is BUYER'S responsibility to assure that the equipment will, when installed and put in use, be in compliance with requirements fixed by law and otherwise legally adequate to safeguard against injuries or damage to persons or property. BUYER hereby agrees to defend, indemnify and hold harmless SELLER, its agents and employees against any and all losses, costs, damages, claims, liabilities or expenses, arising out of or resulting from any injury or damage to any person or property caused by the inadequacy of safety features, devices or characteristics in the equipment or in the installation, use or operation of the same, except claims for repair or replacement of defective parts are provided in Paragraph 7 hereof. Within the policy limitations of the SELLER'S insurance policies, SELLER will indemnify, defend and hold BUYER harmless from any claim, cause of action or liability incurred by BUYER as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by SELLER'S sole negligence. SELLER shall have the sole authority to direct the defense of and settle any indemnified claim. SELLER'S indemnification is conditioned on BUYER (a) promptly notifying SELLER of any claim, and (b) providing reasonable cooperation in the defense of any claim.
- 8 TITLE & LIEN RIGHTS. After delivery to Buyer, Seller will have all such rights, including security interests and liens, in the equipment as lawfully may be conferred upon Seller by contract under any applicable provision of law.
9. MISCELLANEOUS Goods may not be returned without previous written permission and are subject to a restocking charge. The SELLER may cancel agreement only upon written notice and payment of reasonable cancellation charges, including anticipated profit. Attorney's fees and court costs necessary to enforce these terms of sale will be paid to the prevailing party. No part of the Agreement may be changed or cancelled except by a written document signed by SELLER and BUYER. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable and all other terms shall remain in full force and effect. BUYER may not assign or permit any other transfer of the Agreement without SELLER'S prior written consent. The Agreement shall be governed by the laws of the State of California without regard to its conflict of law's provisions.

Acceptance of this proposal with the terms referred to herein may be accomplished by executing this document or by providing a BUYER'S purchase order/contract.

Accepted: SELLER  
Flo-Service, Inc.

Accepted: BUYER

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Submitted: FLO-SERVICES, INC

  
By: John Krukowski

Date: 3-11-2021

## NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceeding, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device that is appropriate under the circumstances, such as a contractor's payment bond.

**CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTOR'S STATE LICENSE BOARD** which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten years of the date of the alleged violation. Any questions concerning a contractor may be referred to:

Registrar Contractor's State License Board  
P.O. Box 26000  
Sacramento, California 95826

CONTRACTORS STATE LICENSE BOARD  
STATE OF CALIFORNIA  
DEPARTMENT OF  
CONSUMER AFFAIRS  
CONTRACTORS - LICENSE NO. 988492



# FL -SERVICES, INC.



3010 FLOYD ST • BURBANK, CA 91504-2599  
TEL: (818) 841-2889 FAX: (818) 841-2889  
WWW.FLSERVICES.COM • 988492

# ATTACHMENT 3

FLO-SERVICES AGREEMENT

**CITY OF PERRIS  
PUBLIC WORKS CONTRACT FOR  
SEWER REPAIR**

THIS PUBLIC WORKS CONTRACT (herein "Agreement") is made and entered into this day of \_\_\_\_\_ day of March 2021, by and between the CITY OF PERRIS, a municipal corporation, (herein "City") and FLO-SERVICES, INC., a California corporation (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

**1.0 SERVICES OF CONTRACTOR**

**1.1 Contract.**

The complete contract includes all contract documents, to this Agreement including the Scope of Services related to the 7<sup>th</sup> Street Duplex Sewage Pump Station attached hereto as Exhibit "A," along with specifications supplied by the City (herein "Specifications") and provided to the Contractor as part of the bid solicitation process.

**1.2 Scope of Services.**

In compliance with all of the terms and conditions of this Agreement, the Contractor shall furnish all labor, technical and professional services, supervision, materials, testing and equipment, to perform all operations necessary or reasonably incidental to provide repairs and pump replacement at 7<sup>th</sup> Street Duplex Sewage Pump Station as noted in Exhibit "A". Contractor warrants that all work, permit and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner .

**1.3 Incorporation of and Compliance with State, Federal and Local Law.**

All applicable State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions required to be contained in public works contracts which are not specifically referenced in the Agreement are incorporated herein by this reference. The Contractor is responsible for and has an independent duty to be familiar with all State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions related to, pertaining to, and/or associated with the work and services to be provided under the Agreement. All work and services rendered hereunder shall be provided in accordance with all laws, statutes, rules, regulations, orders, determinations, and resolutions of the City and any Federal, State or local governmental agency of competent jurisdiction.

**1.4 Licenses, Permits, Fees and Assessments.**

As applicable, the Contractor shall obtain all required approvals and meet all requirements needed for this project by the City Engineering and/or Public Works Department, at its sole cost and expense including such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

## 1.5 Additional Services.

City shall have the right at any time during the performance of the work and services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor and are limited to ten percent (10%) of the Contract Sum. It is expressly understood by Contractor that the provisions of this Section shall not apply to services and work specifically set forth in the Scope of Services and finish product specifications or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the work and services to be provided pursuant to the Scope of Services may be more costly or time consuming than the Contractor anticipates and that the Contractor shall not be entitled to additional compensation therefore.

## 2.0 COMPENSATION

### 2.1 Contract Sum.

For the services rendered pursuant to this Agreement, the Contractor shall be compensated, except as provided in Section 1.5, a total, not to exceed one hundred and twenty-nine thousand eight hundred and fifty seven dollars and eighty four cents (\$129,857.84) that includes a 10% contingency amount ("Contract Sum").

### 2.2 Method of Payment.

Contractor shall submit to the City an invoice for services rendered prior to the date of the invoice. Upon receipt and approval of invoice by the City, City shall pay Contractor within a reasonably prompt manner consistent with City's normal procedures for payable accounts, but not to exceed thirty (30) days from date received by City. A retention of ten percent (10%), unless otherwise directed by the Contract Officer shall be withheld from this payment. Upon completion of the work by the contractor, a final inspection shall be made by the City. Unless otherwise directed by the Contract Officer, upon approval, the City shall file a Notice of Completion and a final payment will be issued (minus ten percent (10%) retention). The final retention payment shall be issued following 30 days from the filing of the Notice of Completion, unless otherwise directed by the Contract Officer.

### 2.3 Retention Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount



or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

### **3.0 COORDINATION OF WORK**

#### **3.1 Representation of Contractor.**

John Krukowski is hereby designated as being Contract Officer being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

#### **3.2 Contract Officer.**

Bryant Hill, Director of Public Works hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer at any time.

#### **3.3 Prohibition Against Subcontracting Assignment.**

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

#### **3.4 Independent Contractor.**

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way for any purpose become or deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise of Contractor.

### **4.0 INSURANCE AND INDEMNIFICATION**

#### **4.1 Insurance.**

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension

thereof, the following policies of insurance:

a. Comprehensive General Liability Insurance.

A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than either (i) a combined single limit of \$1,000,000.00 or (ii) bodily injury limits of \$1,000,000.00 per person, \$1,000,000.00 per occurrence and \$1,000,000.00 products and completed operations and property damage limits of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate.

b. Worker's Compensation Insurance.

A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

c. Automotive Insurance.

A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 for bodily injury liability and property damage liability. Said policy shall include coverage for owned, non-owned, leased and hired cars.

All of the above policies of insurance shall be primary insurance and shall name the City, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

The Contractor agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

#### 4.2 Indemnification.

Contractor agrees to indemnify and defend the City of Perris, California, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, including paying any legal costs, attorney's fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work or services of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision covenant or condition of this Agreement, or from any violation of any State of California, Federal, or local, laws, statutes, rules, regulations, orders, determinations, and/or resolutions, whether or not there is concurrent passive negligence on the part of the City of Perris, California, its officers, agents, or employees, but excluding such claims or liabilities to the extent caused by the sole negligence or willful misconduct of the City of Perris, California, its officers, agents or employees.

#### 5.0 **TERM**

##### 5.1 Time For Completion and Liquidated Damages.

Contract shall commence the Work on the \_\_\_\_\_ day of \_\_\_\_\_, 2021 and shall complete the work within fifteen (15) calendar days from and after said date. It is expressly agreed that, except for extensions of time duly granted in writing by the City Manager and for reasons authorized in this Agreement, time shall be of the essence, and Contractor shall be held responsible for liquidated damages in a sum equal to five hundred and 00/100 dollars (\$500.00) for each and every day after the permitted time if the Work is not completed to the City's satisfaction.

##### 5.2 Force Majeure.

The time period(s) specified in this Agreement for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

### 5.3 Termination for Default of Contractor.

If the Contract Officer determines that the Contractor is in default due to the Contractor's failure to fulfill its obligations under this Agreement, City will give Contractor a written Notice of Default which will be served personally on the Contractor's representative or sent via U.S. First Class Mail to the Contractor at the address set forth in Section 8.1. The Contractor shall continue performing its obligations hereunder so long as the Contractor commences to cure such default within five (5) calendar days of service of such notice and completes the cure of such default within forty-five (45) calendar days after service of the notice, or such longer period as may be permitted by the City; provided that if the default is an immediate danger to the health, safety and general welfare, the City reserves the right to not notify the Contractor of the default and to take any and all action that may be necessary to cure the default.

If a Notice of Default is issued and the Contractor fails to cure the default within the time periods set forth in this Section, the City may take over the work and prosecute the same to completion by contract or otherwise. The City may use any portion or all of the Contract Sum to pay for said work. The Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages).

Contractor agrees that if the default is an immediate danger to the health, safety, and general welfare, the City may take immediate action to cure the default and the Contractor shall be liable for all costs and expenses associated with curing the default.

Compliance with the provisions of this Section shall only be a condition precedent to termination of this Agreement for cause. Such compliance shall not be a waiver of the City's right to take legal action in the event that the dispute is not cured. Further, compliance with this Section shall not be a waiver of the City's right to seek liquidated damages or other damages from the Contractor caused by the Contractor's failure to comply with any term of the Agreement.

### 5.4 Resolution of Contractor Construction Claims.

Public Contracts Code section 20104 et. seq. sets forth detailed procedures for resolving disputes of \$375,000 or less. In the event that a dispute, valued at \$375,000 or less, arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a claim therefore. Contractor and City shall comply with the detailed procedures stipulated in Public Contract Code Section 20104-20104.6, for resolving claims of \$375,000 or less.

In the event of any dispute valued at more than \$375,000 arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a detailed claim that sets forth the amount of damages, the basis and/or cause of the damages and all supporting documents which support the claim within ten (10) calendar days after the claim arose. Contractor agrees to submit any additional information or documents requested by the City so it can fully analyze the claim.

In the event of any dispute, the Contractor shall not be relieved of its obligations under this Agreement and shall continue performing its obligations hereunder unless the City agrees in writing to release the Contractor from its obligations under the Agreement. Compliance with the provisions of this Section shall be a condition precedent to any legal action.

## **6.0 CITY OFFICERS, EMPLOYEES, AND U.S. MEMBERS OF CONGRESS**

### **6.1 Non-liability of City Officers and Employees**

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

### **6.2 Conflict of Interest**

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

### **6.3 Federal Employee Benefit Clause**

No member of or delegate to the Congress of the United States, and no resident commissioner shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

## **7.0 NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

### **7.1 Covenants Against Discrimination**

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

### **7.2 Statement of Equal Opportunity Clause**

- (a) Contractor will not discriminate against any employee or applicant for employment because of race, color religion, sex, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without

regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discriminating clause.

- (b) Contractor will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

## 8.0 MISCELLANEOUS PROVISIONS

### 8.1 Notice

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail addressed as follows:

#### City

City of Perris  
Public Works Department 101 N. "D" Street  
Perris, CA 92570  
ATTN: Liset Hernandez, Public Works Manager

#### Contractor

FLO-SERVICES, INC.  
310 Floyd St.,  
Burbank, CA 91504-2599

### 8.2 Handicap Accessibility Certification.

Contractor certifies that with respect to the public facilities or parts thereof that are altered by the Work in this Agreement, the altered portions of the facilities are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, and meet the laws established by the Americans With Disabilities Act of 1990, Public Law 101-336, and applicable portions of Title 24 of the California Code of Regulations (Access Code).

### 8.3 Records Retention Clause Examination and Audit

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable

accounting principles. Said books and records shall be made available to the City of Perris, the State Auditor of California, and the Federal Government and to any authorized representatives thereof for purposes of audit at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least four (4) years after expiration of any agreement.

#### 8.4 Payroll Records

Contractor shall comply with State Labor Code section 1776, and shall maintain and keep accurate payroll records of employees, and shall certify these records upon request by the City. Said payroll records shall be made available to the City, the State Division of Labor Standards Enforcement, and the State Division of Apprenticeship Standards. If the Contractor fails to comply with State Labor Code Section 1776, Contractor shall be held responsible for penalties as set forth in said section.

#### 8.5 Prevailing Wages.

Pursuant to State and Federal statutes, rules, orders, resolutions, and regulations, the Contractor is required to pay the higher of the State of California or Federal prevailing wages. The Contractor is required to be fully familiar with and comply with all State of California and Federal statutes, rules, regulations, orders, resolutions, and determinations which govern the payment of wages for the work and services provided for in this Agreement.

Under the State Labor Code, Contractor shall not pay less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate per diem wages for holiday, overtime, health and welfare, pension, vacation and similar purposes to all workers employed on the work described in this Agreement. The City has obtained from the Director of the Department of Industrial Relations, State of California, the determination of general prevailing rates of per diem wages believed to be applicable to the work described in this Agreement, including employer payments for health and welfare, pension, vacation and similar purposes. Contractor shall obtain from the City Clerk said General Prevailing Wage Determination, and post it in a conspicuous place at the site of the work described in this Agreement.

#### 8.6 Working Hours Restriction and Penalties for Non-Compliance

Contractor agrees that eight (8) hours is a legal days work for all employees hired by the Contractor, and that any worker's time of service is restricted to eight (8) hours during any calendar day, and forty (40) hours during any calendar week, unless overtime compensation is paid at not less than one and one half times the basic rate of pay. Contractor shall comply with said working hours restrictions and overtime compensation provisions, and shall pay a penalty of \$50.00 (fifty and 00/100 dollars) for each and every day a worker is employed in violation of said working hours restrictions and overtime compensation provisions.

8.7 Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

8.8 Integration; Amendment

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.9 Severability

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.10 Corporate Authority

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[END – SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

**CITY:**  
CITY OF PERRIS,  
a Municipal Corporation

\_\_\_\_\_  
Nancy Salazar, City Clerk

\_\_\_\_\_  
Clara Miramontes, Interim City Manager

APPROVED AS TO FORM.

Aleshire & Wynder, LLP

\_\_\_\_\_  
Eric L. Dunn, City Attorney

**CONTRACTOR:**  
FLO-SERVICES, INC.  
a California Corporation

By: \_\_\_\_\_

Print Name and Title

By: \_\_\_\_\_

Print Name and Title

By: \_\_\_\_\_

(Corporations require two signature; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Treasurer, or Chief Financial Officer).

[END OF SIGNATURES]

**EXHIBIT "A"**  
**SCOPE OF WORK (ATTACHED ESTIMATE)**

# FL -SERVICES, INC.

3010 FLOYD ST. \* BURBANK, CA 91504-2599  
TEL: (818) 847-2188 \* FAX: (818) 847-2256  
www.flo-servicesinc.com \* LIC#988492

March 10, 2012-R1  
Proposal #21-012  
Page 1 of 6

City of Perris  
1015 South G. Street  
Perris, CA. 92570

Attn: Bryant Hill

Phone: 951 657-3280

E Mail- [bhill@cityofperris.org](mailto:bhill@cityofperris.org)

Reference: City of Perris  
Perform Repairs and Pump replacement @  
7th Street Duplex Sewage Pump Stations  
Prevailing Wage Project

Dear Bryant,

Flo-Services is pleased to present our estimated budget proposal to provide repairs and pump replacement on a time and material basis for the 7th Street Sewage Pump Station as follows:

Item #1- Pump and motor replacements non guide rail style pumps to include replacement of the existing internal wet well pump piping/fittings, replacement of the existing pump discharge piping with fittings between the existing wet well and the existing valve vault, relocating the existing 316 stainless steel wet well pipe support, furnishing/installing a new valve vault bypass tee with bypass valve and furnishing and installing (3) new stainless-steel pipe on the existing valve vault piping:

Two- New submersible recessed impeller pumps to include new 7.5 horsepower U/L Explosion Proof submersible motors with outer Tungsten Carbide mechanical and 50-foot electrical cords. External coating of the complete pump and motor assemblies with a 300 M Two Part epoxy.

\$13,338.00 Each      \$ 26,676.00

(1) One Lot-Estimated wet well piping and fittings with blow down assemblies, pump discharge piping and fittings between the existing valve vault and the existing wet well, bypass tee with valve/fitting to include 316 Stainless steel flange kits, ring gaskets, 316 Stainless Steel pipe support material with 316 stainless steel hardware and wedge anchors  
\$14,000.00

---

(1) One-Lot-300 M Two Part Coating and coating material	\$ 600.00
One Lot Incoming Freight to Flo-Services	\$ 1,400.00
Sales tax 7.75%	\$ 3,198.89

Estimated Shop Hours-Precoat wet well piping and start fabrication of valve vault pipe supports  
16 Hours @ \$125.00 Per Hour \$ 2,000.00

Field remove and replace the existing submersible pumps with similar non guide rail style pumps to include replacement of the existing wet well piping with fittings up to the existing flanged spool inside the wet well. Install the three new valve vault pipe supports and installation of the valve vault bypass fitting and valve

Estimated Field Labor and Travel-Portal to Portal-4 Men  
80 hours @ \$525.00 Per Hour \$42,000.00

Mileage-Portal to Portal-Service Truck  
169 Miles @ \$1.55 Per Mile X Two Trips \$ 523.90

Mileage-Portal to Portal-Utility Trucks  
169 Miles @ \$1.35 Per Mile X 2 trucks X Two Trips \$ 912.60

10 Days confine space entry fee- Per day-\$425.00 \$ 4,250.00

10 Days Equipment and tool truck fee- Per day-\$480.00 \$ 4,800.00

8 Nights Estimated Per Diem- 4 Men-\$700.00 Per night \$ 5,600.00

1-One Lot Pneumatics Rentals Plug Assembly X Three assemblies  
\$ 115.00 Each Assembly \$ 345.00

Estimated Price for Item #1 \$ 106,306.39  
Initial

Item #2-Furnish and install a new internet/cellular based alarm and monitoring unit

1-Lot Mission Communications M850 RTU in a NEMA 4X enclosure to include back up battery, antenna, cable, bracket, account set-up fee and the first-year service package. \$ 4,512.69

Note: There will be an annual service fee which is currently \$563.40 per year which will be invoiced directly to the City of Perris after the first year of service.

One lot- Miscellaneous control panel relay's, liquid tight flex with fittings, wire and din rail	\$ 475.00
Sales Tax 7.75%	\$ 386.55
Incoming parts freight To Flo-Services	\$ 122.00
Estimated Field Labor and Travel – Portal to Portal (2 Men) 16 Hours @ \$270.00 Per Hour	\$ 4,320.00
Mileage-Portal to Portal-Service Truck 169 Miles @ \$1.55 Per Mile	\$ 269.95
2 Days Equipment and tool truck fee- Per day-\$480.00	\$ 960.00
1 Nights Estimated Per Diem- 2 Men-\$350.00 Per night	\$ 700.00
<b>Estimated price for Item #2</b>	<b>\$ 11,746.19</b> _____
	<b>Initial</b>
<b>Estimated Price for Items #1 and #2</b>	<b>\$118,052.58</b> _____
	<b>Initial</b>

Note: This is an estimated price. We are performing this work on a time and material basis and you will be invoiced accordingly. It will be the responsibility of the City of Perris to remove from the jobsite and dispose of all old material and debris. It will be the responsibility of the City of Perris to hire and pay for pumper trucks to maintain the flow while we bypass the pump station to perform some of the work listed above. It will also be the responsibility of the City of Perris to provide digging, backfill and shoring around the existing pump discharge wet well piping with fitting between the existing pump valve vault and the existing wet well. This excavation must be completed before we arrive onsite to perform the work listed in this proposal. This excavation must be shored properly or excavated per code for our personnel to safely enter the excavation and perform the piping replacement mentioned above. The excavation will need to be completed around the existing discharge piping so our crew will be able to access and replace the existing piping with fittings easily and without any issues. The above price estimate does not include any digging, backfill or shoring.

**THIS PROPOSAL EXPIRES IN 30 DAYS from the date of this proposal or bid opening date, if applicable.**

The Sellers work and responsibility is expressly limited to providing materials and performing the services listed in this proposal. Design, application and direction for work and materials are to be provided by and responsibility of the Buyer. Flo- Services Total liability of the Seller for this purchase agreement including indemnity, liquidated damages, actual damages, special damages and consequential damages is limited to the coverage offered and paid by the Seller's insurance policies for all other Seller's liabilities, including liquidated/actual damages, due to delivery delays. Liquidated/Actual damages are further limited to what is assessed by the Owner, paid to Owner and assessed due to the sole cause of Seller's delays.

Proposal #21-012-R1  
Page 4 of 6

FLO-SERVICES Contractor's license Number is: 988492

The expiration date of FLO-SERVICES Contractor's license is: 11/30/21

Bidder acknowledges that Section 7028.15 (e) of the Business and Professions Code provides as follows:

A license contractor shall not submit a bid to a public agency unless his or her contractor's license number appears clearly on the bid, the license expiration date is stated, and the bid contains a statement that the representations herein are made under penalty of perjury. Any bid not containing this information, or a bid containing the information, which is subsequently proven false, shall be considered non-responsive and shall be rejected by the public agency "

The undersigned declares, under penalty of perjury, that the representations made by the undersigned in the bid proposal are true and correct.

Thank you for your consideration to this proposal.

Very truly yours,

Sincerely,



John Krukowski  
Flo-Services, Inc

TERMS OF SALE

1. ACCEPTANCE. "SELLER" is Flo-Services, Inc. who may function as a SUB-CONTRACTOR, REPAIR AND SERVICE ORGANIZATION OR VENDOR. "BUYER" is the CUSTOMER who may function as a CONTRACTOR, OWNER, ETC. These terms govern the purchase and sale of equipment, contractor's services, etc., referred to in SELLER'S proposal or acknowledgement. SELLER rejects all additional or different terms in any of BUYER'S forms or documents unless specifically accepted by SELLER in writing.
2. PAYMENT. Terms are Net 30 days from date of shipment and invoice, subject to approval of credit. SELLER may proceed on a "when ready" basis and partial invoice for the equipment that has shipped and /or services rendered. Interest at one percent per month or at the legal maximum rate will be assessed for late payment.
3. RETENTIONS, unless herein authorized by SELLER, are not allowed.
4. BACK CHARGES The BUYER agrees to pay reasonable BACK CHARGES (based on actual cost plus profit, overhead and taxes) for any special services, additional equipment, repairs etc. made necessary by the omissions, mistakes, accidents, negligence or miscalculations of the BUYER, ENGINEER or OWNER. Commensurate with the urgency, nature and scope of the back charge. SELLER shall give BUYER advance notice of the intended back charge, but such advance notice shall not be a prerequisite for BACK CHARGES against the BUYER. Any BACK CHARGES from the intended BUYER, not authorized in writing by SELLER, will not be recognized.
5. DELIVERY. SELLER shall not be liable for delays due to fire, flood, labor issues, war, civil disorders, delay in transportation, inability to obtain materials, accidents, acts of God or other causes beyond SELLER'S reasonable control.
6. RESPONSIBILITY. SELLER shall not be responsible for damage to equipment if misused, improperly stored, installed or maintained. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, COLLATERAL, LIQUIDATED OR OTHER INDIRECT DAMAGES. CONSEQUENTIAL DAMAGES FOR THE PURPOSES OF THIS AGREEMENT SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF USE, INCOME, PROFIT, LOSS OF OR DAMAGE TO PROPERTY, ETC. These limitations apply whether the liability is based upon contract, tort, strict liability or any other theory.
7. WARRANTY. For benefit of the original user, SELLER warrants all new equipment sold to be free from defects in material and workmanship, and will replace or repair, F.O.B. at its factories or other location designated by it, any part or parts returned to it which SELLERS examination shall show to have failed under normal use and service by the original user within one year following initial shipment to the BUYER. This warranty does not cover damage by decomposition from chemical action or wear caused by abrasive materials nor does it cover damage resulting from misuse, alteration, accident or neglect, or from improper operation, maintenance, installation, modification or adjustment. Such repair or replacement shall be free for all items except for those items that are consumable and normally replaced during maintenance. THIS WARRANTY IS EXPRESSLY MADE BY SELLER AND ACCEPTED BY BUYER IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED.
8. COMPLIANCE WITH LAWS. BUYER shall be solely responsible for securing any necessary permits and for compliance with all safety, health, sanitation and any other laws, ordinances and regulations in connection with the design, installation and operation of the equipment.
9. INDEMNIFICATION. It is understood that SELLER has relied upon data furnished by and on behalf of BUYER with respect to the safety aspects and application of the equipment and that it is BUYERS responsibility to assure that the equipment will, when installed and put in use, be in compliance with requirements fixed by law and otherwise legally adequate to safeguard against injuries or damage to persons or property. BUYER hereby agrees to defend, indemnify and hold harmless SELLER, its agents and employees against any and all losses, costs, damages, claims, liabilities or expenses, arising out of or resulting from any injury or damage to any person or property caused by the inadequacy of safety features, devices or characteristics in the equipment or in the installation, use or operation of the same, except claims for repair or replacement of defective parts are provided in Paragraph 7 hereof. Within the policy limitations of the SELLERS insurance policies, SELLER will indemnify, defend and hold BUYER harmless from any claim, cause of action or liability incurred by BUYER as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by SELLERS sole negligence. SELLER shall have the sole authority to direct the defense of and settle any indemnified claim. SELLER'S indemnification is conditioned on BUYER (a) promptly notifying SELLER of any claim, and (b) providing reasonable cooperation in the defense of any claim.
- 8 TITLE & LIEN RIGHTS. After delivery to Buyer, Seller will have all such rights, including security interests and liens, in the equipment as lawfully may be conferred upon Seller by contract under any applicable provision of law.
9. MISCELLANEOUS. Goods may not be returned without previous written permission and are subject to a restocking charge. The SELLER may cancel agreement only upon written notice and payment of reasonable cancellation charges, including anticipated profit. Attorney's fees and court costs necessary to enforce these terms of sale will be paid to the prevailing party. No part of the Agreement may be changed or cancelled except by a written document signed by SELLER and BUYER. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable and all other terms shall remain in full force and effect. BUYER may not assign or permit any other transfer of the Agreement without SELLERS prior written consent. The Agreement shall be governed by the laws of the State of California without regard to its conflict of law's provisions.

Acceptance of this proposal with the terms referred to herein may be accomplished by executing this document or by providing a BUYERS purchase order/contract.

Accepted: SELLER  
Flo-Service, Inc.

Accepted: BUYER

Submitted: FLO-SERVICES, INC

By: \_\_\_\_\_

By: \_\_\_\_\_

  
By: John Krukowski

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: 3-11-2021

## NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceeding, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device that is appropriate under the circumstances, such as a contractor's payment bond.

**CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTOR'S STATE LICENSE BOARD** which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten years of the date of the alleged violation. Any questions concerning a contractor may be referred to:

Registrar Contractor's State License Board  
P.O. Box 26000  
Sacramento, California 95826

CONTRACTORS STATE LICENSE BOARD  
STATE OF CALIFORNIA  
DEPARTMENT OF  
CONSUMER AFFAIRS  
CONTRACTORS - LICENSE NO. 988492



# FL -SERVICES, INC.



3010 FELIX ST • RUBY, CA 91504 2599  
(916) 847-8547 • (916) 847-8547  
[www.fl-services.com](http://www.fl-services.com) • LIC# 988492





# CITY OF PERRIS

## CITY COUNCIL AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** **Consider Adoption of Resolution of Necessity to Acquire the Fee Simple Interest in Real Property for Development of Enchanted Hills Park**

**REQUESTED ACTION:** (1) That the City Council hold a public hearing on the proposed Resolution of Necessity and (2) adopt the Resolution of Necessity authorizing the commencement of an eminent domain action to acquire the fee simple interest in APNs 326-062-017, 326-071-001, and 326-072-005 ("Property")

**CONTACT:** Eric Dunn, City Attorney

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### BACKGROUND/DISCUSSION:

Acquisition of the fee simple interest in certain privately-owned property located on the south side of W. Metz Road, east of Carter Drive, and west of Altura Drive (APNs 326-062-017, 326-071-001, and 326-072-005) (See Exhibits to proposed Resolution) is necessary for the development, construction, and maintenance of Enchanted Hills Park, a community park ("Project"). A written offer was presented to the property owners of record ("Owners"), as required by California Government Code Section 7267.2. The Owners have not accepted the offer made by the City or presented a counteroffer, and consequently, the City has not reached a negotiated agreement with the Owners. Although the Owners have been contacted and the City remains willing to negotiate, the Property is necessary to construct the Project. Therefore, staff recommends the City Council authorize the acquisition of the Property through eminent domain.

In accordance with California Government Code Section 1245.235, the City has prepared and mailed notice of this hearing to the Owners informing them of their right to appear at this hearing and be heard on the following issues: (1) whether the public interest and necessity require the Project; (2) whether the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) whether the Property is necessary for the Project; (4) whether the offer required by Section 7267.2 of the Government Code has been made to the owner or owners of record, or has not been made because the owner cannot be located with reasonable diligence; and (5) whether the offer required by Section 7267.2 of the Government Code was made in the form and substance required by law.

While a hearing on a resolution of necessity is often referred to as a public hearing, the only notice required is 15 days' notice by regular mail to the property owner. No published notice is required.

The affirmative vote of two-thirds of all the members of the City Council is required to adopt the Resolution of Necessity.

#### COMPLIANCE WITH CEQA

Acquisition of real property by a public agency for development of Enchanted Hills Park is a discretionary action subject to the California Environmental Quality Act ("CEQA").

Based on the Initial Study, Planning Division staff have reviewed the Project and have concluded it is exempt from CEQA because it will not have a significant effect on the environment.

The City of Perris Development Services Department approved Mitigated Negative Declaration No. 2350 for the Project on March 3, 2020. Accordingly, Planning Division staff filed a Notice of Determination with the Riverside County Clerk on March 3, 2020, pursuant to Section 21152 of the California Public Resources Code.

#### EVIDENCE IN SUPPORT OF THE FINDINGS IN THE RESOLUTIONS

Public acquisition of private property by eminent domain for development for recreational purposes is authorized by Section 19 of Article I of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050, and Government Code Sections 37350, 37350.5, and 37361.

Pursuant to California Government Code Section 1240.030, the power of eminent domain may be exercised to acquire property for a proposed project only if all of the following are established:

- (a) The public interest and necessity require the project.
- (b) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- (c) The property sought to be acquired is necessary for the project.

In addition, a resolution of necessity must include a finding that the offer required by Government Code Section 7267.2 has been made to the owner or owners of record, or the offer was not made because the owner could not be located with reasonable diligence.

The public interest, convenience, and necessity require the Project to assist the City in creating parkland for residents' recreational use in accordance with the Land Use and Open Space Elements of the City's General Plan. The Property is located on the south side of W. Metz Road, east of Carter Drive, and west of Altura Drive. Currently, the Property is predominantly undeveloped. The Project includes the development of park and recreation facilities, including a multi-use field, child play area, toddler play area, restrooms, picnic shelters, hardscape, parking

lots, bridges, trails, a basketball court, bicycle motocross (BMX) course improvements, art rocks, splash pad, a skating area, and a zip line.

The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. The Land Use Element of the City's General Plan identifies the region where the Project area is located as a region in need of parkland and sports fields for use by residents. The Project is the most practical means of meeting the parkland need in the region. Although surrounded by residential homes, the Project area is predominantly undeveloped, yet already contains a number of trails and an unofficial BMX course. The Project would improve upon the present use of the land by converting it into an official community park for the benefit of the surrounding residents. Constructing the Project anywhere else would deprive the region's residents of the benefits and enjoyment of a community park and hinder the parkland goals of the City's Land Use Element for the region.

The Property proposed to be acquired is APNs 326-062-017, 326-071-001, and 326-072-005.

The Property is the only property the City needs at the present time.

The acquisition of the Property is necessary for the Project because, without the Property, the Project cannot be constructed.

The City of Perris made the precondemnation offer to the property owner to purchase the Easement as required by Government Code § 7267.2 on February 8, 2021.

#### **REQUIRED FINDINGS AND SUPPORTING EVIDENCE**

After the City receives testimony and evidence from all interested parties, the City Council must make a determination as to whether to acquire the Property by eminent domain and adopt the proposed Resolution of Necessity (Attachment "A"). The City must find and determine that based upon all the evidence and the existence of the above stated conditions, (a) public interest and necessity require the project, (b) the project is planned in the manner that will be most compatible with the greatest public good and the least private injury, (c) acquisition by eminent domain is necessary, and (d) the offer required by Government Code Section 7267.2 has been made to the owner or owners of record, or the offer was not made because the owner could not be located with reasonable diligence.

If this action is approved by the City Council, the City Attorney will be instructed to take all steps necessary to commence legal proceedings in a court of competent jurisdiction to acquire the Property by eminent domain. Counsel will also be directed to seek and obtain an order of prejudgment possession in accordance with the provisions of the eminent domain law so that the City may complete the project while eminent domain proceedings are pending in the court.

#### **BUDGET (or FISCAL) IMPACT:**

The Project is funded by a Proposition 68 – Statewide Park Development and Community Revitalization Program competitive grant.

Prepared by: Nick Papajohn, Deputy City Attorney

**REVIEWED BY:**

City Attorney   X  

Assistant City Manager \_\_\_\_\_

Finance Director   ER  

**Attachments:**

A. Vicinity Map

B. Resolution of Necessity for APNs 326-062-017, 326-071-001, and 326-072-005

Consent:

Public Hearing: X

Business Item:

Presentation:

Other:

# ATTACHMENT 1

VICINITY MAP

# VICINITY MAP



# ATTACHMENT 2

RESOLUTION NUMBER (NEXT IN ORDER)

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DECLARING THAT PUBLIC INTEREST AND NECESSITY REQUIRE ACQUISITION OF THE FEE SIMPLE INTEREST IN REAL PROPERTY KNOWN AS ASSESSOR'S PARCEL NOS. 326-062-017, 326-071-001, and 326-072-005**

**WHEREAS**, for the public purposes set forth herein, the City of Perris, California is authorized to acquire property through the exercise of eminent domain pursuant to Section 19 of Article 1 of the California Constitution, Section 1240.010 through 1240.050 of the California Code of Civil Procedure, and Sections 37350, 37350.5, and 37361 of the California Government Code; and

**WHEREAS**, the “Project” for the purposes of this acquisition is the development, construction, and maintenance of Enchanted Hills Park, a community park (referred to herein as the “Project”); and

**WHEREAS**, in order to carry out and make effective the principal purpose of the Project, it is necessary for the City of Perris to acquire the fee simple interest in certain privately-owned real property located on the south side of W. Metz Road, east of Carter Drive, and west of Altura Drive, in the City of Perris, County of Riverside, California, Assessor’s Parcel Nos. 326-062-017, 326-071-001, and 326-072-005 (hereinafter the “Property”); and

**WHEREAS**, the Property the City seeks to acquire is described in Exhibit “A” which is attached hereto and incorporated by this reference, and depicted on the diagram attached hereto as Exhibit “B” which is incorporated by this reference; and

**WHEREAS**, on or about February 8, 2021 the City made a written offer to acquire the Property to the record owners of the Property at an amount that was not less than the appraised fair market value in compliance with Government Code Section 7267.2(a), and the owners of the Property have not accepted said offer or otherwise conveyed the Property to the City as of the date of this Resolution; and



**WHEREAS**, on March 11, 2021 a Notice of Intent to Adopt a Resolution of Necessity for Acquisition of the fee simple interest in certain real property identified as Assessor's Parcel Nos. 326-062-017, 326-071-001, and 326-072-005 (a copy of which is attached hereto as Exhibit "C" and incorporated by this reference) was mailed to all persons whose names appear on the last equalized County Assessment Roll as having an ownership interest in the Property, and to the address appearing on said Roll, which Notice of Hearing advised said persons of their right to be heard on the matters referred to therein on the date and at the time and place stated therein; and

**WHEREAS**, the hearing that was the subject of said Notice of Hearing was held on March 30, 2021, at the time and place stated therein and all interested parties were given an opportunity to be heard on the following matters:

- (a) Whether the public interest and necessity require the Project;
- (b) Whether the Project is planned or located in a manner which is most compatible with the greatest public good and the least private injury;
- (c) Whether the Property proposed to be acquired is necessary for the Project;
- (d) Whether an offer meeting the requirements of Government Code Section 7267.2 has been made to the owner or owners of record;
- (e) Whether all other prerequisites for the exercise of eminent domain to acquire the Property have been met; and

**WHEREAS**, the City Council, as a result of such hearing, has determined that the public health, safety, and welfare require the City to acquire the Property for the stated purposes; and

**WHEREAS**, the City of Perris Development Services Department approved Mitigated Negative Declaration No. 2350 for the Project on March 3, 2020; and

**WHEREAS**, the Planning Division has determined the Project for which the Property is being acquired is exempt from the California Environmental Quality Act pursuant to the Notice of Determination filed with the Riverside County Clerk on March 3, 2020.

**NOW THEREFORE, BE IT RESOLVED**, that the City Council hereby does find, determine, and declare based upon evidence presented to it as follows:

Section 1. The staff report presented regarding this matter at the March 30, 2021 hearing is incorporated herein by this reference. The facts referenced in this Resolution and the staff report, and specifically the recitals above, are found to be true and are incorporated herein by this reference. The findings made by the City Council herein are supported by substantial evidence contained in the record of this proceeding.

Section 2. The Property to be acquired is located within the City of Perris, County of Riverside, State of California, Assessor's Parcel Nos. 326-062-017, 326-071-001, and 326-072-005, is described in Exhibit "A" and depicted in Exhibit "B".

Section 3. The public interest, convenience, and necessity require the Project to assist the City in creating parkland for residents' recreational use in accordance with the Land Use and Open Space Elements of the City's General Plan. The Property is located on the south side of W. Metz Road, east of Carter Drive, and west of Altura Drive. Currently, the Property is predominantly undeveloped. The Project is the development of park and recreation facilities, including a multi-use field, child play area, toddler play area, restrooms, picnic shelters, hardscape, parking lots, bridges, trails, a basketball court, bicycle motocross (BMX) course improvements, art rocks, splash pad, a skating area, and a zip line.

Section 4. The Project is planned in the manner which will be the most compatible with the greatest public good and the least private injury. The Land Use Element of the City's General Plan identifies the region where the Project area is located as a region in need of parkland and sports fields for use by residents. The Project is the most practical means of meeting the parkland need in the region. Although surrounded by residential homes, the Project area is predominantly undeveloped, yet already contains a number of trails and an unofficial BMX course. The Project would improve upon the present use of the land by converting it into an official community park for the benefit of the surrounding residents. Constructing the Project anywhere else would deprive the region's residents of the benefits and enjoyment of a community park and hinder the parkland goals of the City's Land Use Element for the region.

Section 5. The acquisition of the Property is necessary for the Project because, without the Property, the Project cannot be constructed. Acquisition of the Property is expressly authorized by Section 19 of Article 1 of the California Constitution, California Code of Civil Procedure Sections 1240.010 through 1240.050 and Government Code Sections 37350, 37350.5, and 37361.

Section 6. The offer required by Government Code Section 7267.2 has been made to the owners of record of the Property, by way of letter dated February 8, 2021, and the owners of record of the Property have not accepted the City's offer or made an acceptable counter offer.

Section 7. The City hereby declares its intent to acquire the Property described in Exhibit "A" in the City's name, in accordance with the provisions of the law of the State of California and finds that all conditions, statutory requirements and prerequisites to the exercise of eminent domain to acquire the Property described herein and the Project have been complied with by the City.

Section 8. The law firm of Aleshire & Wynder, LLP, is hereby authorized and directed to prepare, institute, and prosecute in the name of the City such proceedings, in the Court having proper jurisdiction thereof, as may be necessary for the acquisition of the Property in accordance with the provisions of the California Eminent Domain Law and the Constitution of California. Said counsel are also authorized and directed to obtain any necessary order of the Court granting the City the right of immediate possession and occupancy of the Property.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council of the City of Perris this 30<sup>th</sup> day of March, 2021.

---

MICHAEL M. VARGAS  
MAYOR OF THE CITY OF PERRIS

ATTEST:

---

NANCY SALAZAR  
CITY CLERK

STATE OF CALIFORNIA            )  
COUNTY OF RIVERSIDE        ) ss.  
CITY OF PERRIS                 )

I, NANCY SALAZAR, City Clerk of the City of Perris, California, do hereby certify that Resolution No. \_\_\_\_\_ was adopted by the City Council of the City of Perris at a regular meeting held on the 30<sup>th</sup> day of March, 2021, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

NANCY SALAZAR  
CITY CLERK

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**LEGAL DESCRIPTION OF PROPERTIES**

**Parcel 1:**

LOTS 17 THROUGH 32, INCLUSIVE, BLOCK "E", OF ALTURA ENCANTADA, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 51 OF MAPS, THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 326-062-017

**Parcel 2:**

LOTS I THROUGH 4, INCLUSIVE, BLOCK "F", OF ALTURA ENCANTADA, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 326-071-001

**Parcel 3:**

LOTS 5 THROUGH 32, INCLUSIVE, BLOCK "G" OF ALTURA ENCANTADA, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 17, PAGE 51 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF LOT 16, BLOCK "G" OF SAID ALTURA ENCANTADA, LYING WITHIN THE BOUNDARIES OF TRACT 3906 ENCHANTED HEIGHTS, UNIT NO. 7, IN THE CITY OF PERRIS, COUNTY OF RIVERIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 64, PAGES 40 AND 41, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 17, BLOCK "G" OF SAID ALTURA ENCANTADA, LYING WITHIN THE BOUNDARIES OF TRACT 4439-ENCHANTED HEIGHTS, UNIT NO. 8 IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 73, PAGE S78 AND 79, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

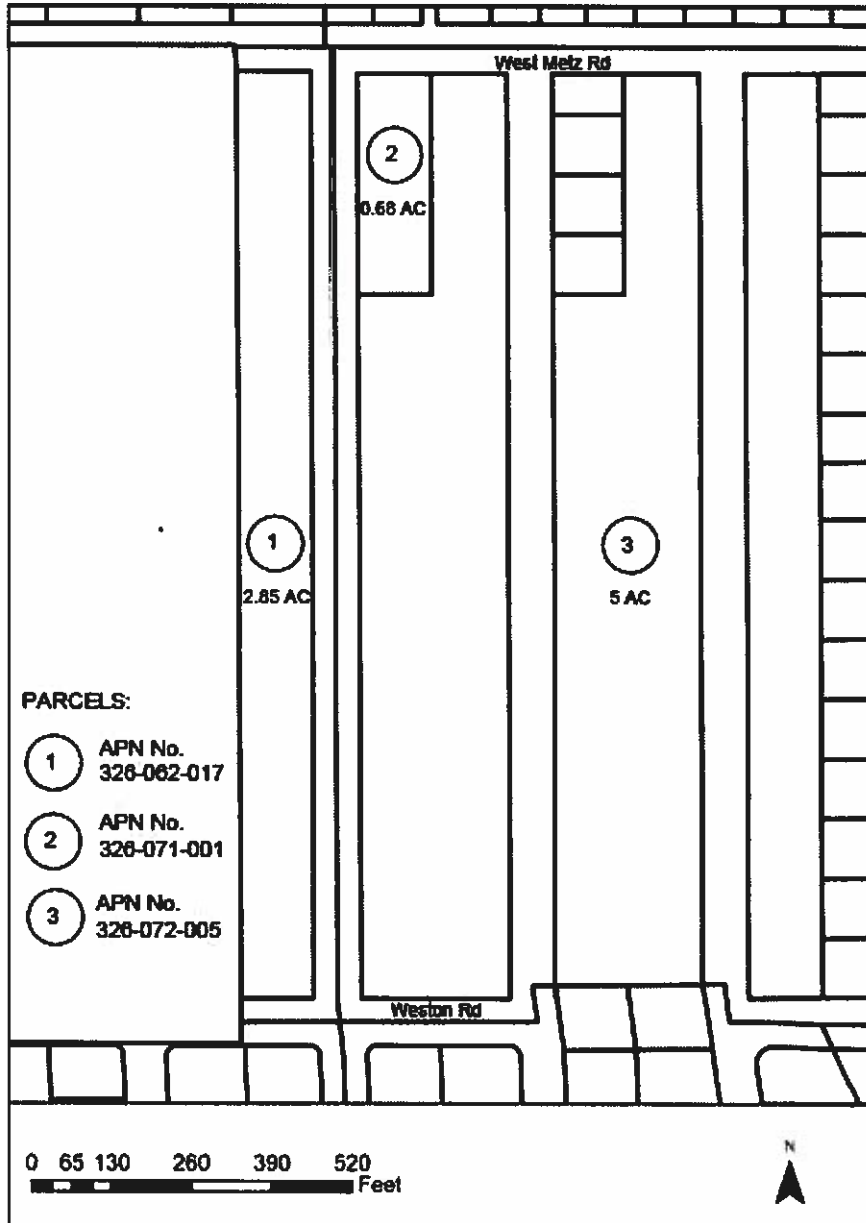
APN: 326-072-005

**EXHIBIT "B"**

**PLAT**



# SITE MAP



**EXHIBIT "C"**

**NOTICE OF INTENT TO ADOPT RESOLUTION OF NECESSITY**



**ALESHIRE &  
WYNDER LLP**  
ATTORNEYS AT LAW

ORANGE COUNTY | LOS ANGELES | RIVERSIDE | CENTRAL VALLEY

Nicolas D. Papajohn  
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(949) 223-1170

18881 Von Karman Avenue,  
Suite 1700  
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P (949) 223-1170  
F (949) 223-1180

AWATTORNEYS.COM

March 11, 2021

Douglas Whitney  
1475 S. State College #224  
Anaheim, CA 92806

Internal Revenue Service  
PO Box 145585, Stop 8420G  
Cincinnati, Oh 45250-5585

Douglas Whitney  
5524 Rich Hill Way  
Yorba Linda, CA 92886

32nd Corporation, a Corporation  
11233 Studebaker Rd.  
Norwalk, CA 90650-7536

Douglas Whitney  
P.O. Box 2795  
Fontana, CA 92334

32nd Corporation  
1285 Baring Blvd. #127  
Sparks, NV 89434

The 26th Corporation  
5524 Rich Hill Way  
Yorba Linda, CA 92886

32nd Corporation  
P.O. Box 2795  
Fontana, CA 92334

The 26th Corporation  
P.O. Box 2795  
Fontana, CA 92334

Christina M. Thayer  
Ken Thayer  
4685 MacArthur Ct. #300  
Newport Beach, CA 92660

The 26th Corporation  
1475 S. State College #224  
Anaheim, CA 92806

Coulson Family Trust  
c/o Residential First Capital  
20151 SW Birch Sr. Suite 200  
Newport Beach, CA 92660

32nd Corporation  
1475 S. State College #224  
Anaheim, CA 92806

The Metz Road Trust  
31473 Rancho Viejo Road Ste. 204  
San Juan Capistrano, CA 92675

Notice of Intent  
March 11, 2021  
Page 2

32nd Corporation, a Corporation  
11370 Moreno Beach Dr.  
Moreno Valley, CA 92555-5240

Don Kent  
Tax Collector  
4080 Lemon St-4th Floor  
Riverside, California 92501

Special Procedures Section  
PO Box 2952  
Sacramento, CA 95812-2952

Karen Deaquino and Linda Deaquino  
P.O. Box 2795  
Fontana, CA 92334

Re: APN: 326-062-017, 326-071-001, & 326-072-005  
Property: South side of W. Metz Road, east of Carter Drive and west  
of Altura Drive, City of Perris, California 92571  
Subject: Resolution of Necessity

Dear Property Owners:

This firm serves as the City Attorney's Office for the City of Perris. On February 8, 2021, the City of Perris (the "City") made an offer to purchase the fee simple interest in the property identified as Assessor's Parcel Numbers 326-062-017, 326-071-001, & 326-072-005 in the City of Perris, California, located on the south side of W. Metz Road, east of Carter Drive and west of Altura Drive, City of Perris, County of Riverside, California. The City reiterates its previous offer of \$ [REDACTED], subject to the conditions stated in the offer.

You are also hereby notified that the City intends to consider the adoption of a resolution of necessity authorizing acquisition of said property by eminent domain. The City's governing body will consider that resolution at a meeting to be held at the following time and place:

**Date:** March 30, 2021  
**Time:** 6:30 p.m.  
**Location:** City of Perris, City Hall, Council Chambers, 101 North D Street,  
Perris, California

You have the right to appear at the meeting and be heard on the following issues:

1. Whether the public interest and necessity require the project;
2. Whether the project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;

3. Whether the easement sought to be acquired is necessary for the project;
4. Whether the offer required by Section 7267.2 of the *Government Code* has been made to the owners(s) of record; and
5. Whether the offer required by Section 7267.2 of the *Government Code* was made in the form and substance required by law.

**NOTICE:** If you fail to file a written request to be heard at the hearing within 15 days after the date of this letter, then the City may decide not to hear or consider any evidence which you may have to present. Please also be advised that, if you do not appear and present information to the City at the hearing, then you may be precluded from later challenging the City's authority to acquire the easement through its use of the power of eminent domain. Information may be presented in writing if it is received before the hearing. In addition, due to the coronavirus pandemic, City Council meetings are being held via Zoom. Instructions on how to register to participate in the meeting, or watch the meeting without participating, are on the enclosed sheet.

Neither the pendency of the City's consideration of the resolution of necessity, nor the initiation of formal eminent domain proceedings, in any way prevents further negotiations from occurring for the acquisition of said property, and the City will be most willing to continue such negotiations.

If you have any comments or questions, please do not hesitate to contact me at (949) 223-1170 or Clara Miramontes, City Manager, at (951) 943-6100.

Thank you for your cooperation in this matter.

Very truly yours,

ALESHIRE & WYNDER, LLP



Nicolas D. Papajohn  
Associate

NDP:

Enclosure – Zoom instructions

Notice of Intent  
March 11, 2021  
Page 4

cc: Stuart McKibbin, City Engineer (via email)  
Eric Dunn, City Attorney (via email)  
June Ailin, Special Counsel (via email)

### **COVID-19 REMOTE PUBLIC COMMENT/CITIZEN PARTICIPATION**

*With the intent of adhering to the new community guidelines from the Center for Disease Control, the City of Perris will allow for remote public comment and participation at upcoming City Council meetings via Zoom. Public Comment is limited to three (3) minutes.*

### **ZOOM MEETING INFORMATION**

*In order to provide Public Comment participants will be required to register. Please note the link for registering for public comment will be provided in the agenda to the March 30, 2021 City Council meeting. Once the agenda is posted on the City's website, you will find it at:*

*<https://www.cityofperris.org/government/city-council/council-meetings>.*

*After registering, you will receive a confirmation email containing information about joining the meeting.*

*During the council meeting, if you wish to speak for public comment on any item, please select the raise hand icon next to your name. The moderator will grant you access to speak. Public Comment is limited to (3) three minutes.*

### **THE CITY COUNCIL MEETING IS AVAILABLE FOR VIEWING AT THE FOLLOWING:**

**City's Website:**

**<https://www.cityofperris.org/government/city-council/council-meetings>**

**YouTube:**

**<https://www.youtube.com/channel/UC24S1shebXkJFv3BnxdkPpg>**

**Facebook:**

**<https://www.facebook.com/PerrisToday/>**

**For cable subscribers only within Perris:**

**Spectrum: Channel 3**

**Frontier: Channel 16**

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# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Conduct a Public Hearing and hold a Special Election for the Proposed Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris ("CFD 2021-1"), and adopt various Resolutions and an Ordinance forming CFD 2021-1. CFD 2021-1 is located at Windflower Lane and W. Bowen Road (Avion Pointe Tract) and E. Nuevo Road and Wilson Avenue (Acacia Tract).

**REQUESTED ACTION:** That the City of Perris (the "City") adopt the following resolutions, respectively:

1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT
2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$5,000,000 OF SAID DISTRICT; AND CALLING A SPECIAL ELECTION WITHIN THE DISTRICT
3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DECLARING THE RESULTS OF A SPECIAL ELECTION RELATING TO THE LEVY OF SPECIAL TAXES THEREIN,



THE ISSUANCE OF BONDED INDEBTEDNESS AND THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF A FUNDING AGREEMENT AND A JOINT COMMUNITY FACILITIES AGREEMENT IN CONNECTION WITH THE FORMATION OF COMMUNITY FACILITIES DISTRICT 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS; AND MAKING FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH
5. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE RECORDING OF A NOTICE OF CESSATION OF THE SPECIAL TAX LIEN WITH RESPECT TO COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS AND CERTAIN RELATED MATTERS
6. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SAID DISTRICT

**CONTACT:**

Ernie Reyna, Finance Director



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**BACKGROUND/DISCUSSION:**

The City has received a Petition from the property owner, D.R. Horton Los Angeles Holding Company, Inc., to create a community facilities district for the purpose of financing public facilities in connection with a planned development project. The Petition authorizes the levy of special taxes, the issuance of bonds and establishment of an appropriations limit for the proposed community facilities district. The proposed community facilities district will be designated as "Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris." CFD 2021-1 is located in two separate areas, which are designated as "Avion Pointe" and "Acacia". The Avion Pointe Tax Zone is located at Windflower Lane and W. Bowen Road and will include 54 residential units. The grand opening for the Avion Pointe Tract was held on January 16<sup>th</sup> and D.R. Horton reported six out of eight homes in the first phase have been sold (but not yet closed). The Acacia Tax Zone is located at E. Nuevo Road and Wilson Avenue and will include 52 residential units.

In the Petition, in accordance with the provisions of the Mello-Roos Act allowing certain time and conduct requirements relative to a special landowner election to be waived with the unanimous consent of all the landowners to be included in a CFD, D.R. Horton waived such requirements of the Act for establishing CFD 2021-1 and has also waived any notices and requirements as to the

form of the ballot. As such, the election can be conducted immediately after the close of tonight's Public Hearing. Moreover, the City Clerk can immediately certify the results of the election to the City Council. The City's special tax consultant has confirmed that there are no registered voters residing within the territory of proposed CFD 2021-1 for the 90-day period preceding and including March 30, 2021, and that D.R. Horton is the only landowner in CFD 2021-1.

Community facilities district financing is a commonly-used method of financing infrastructure and services for new development in California. Commonly referred to as "Mello-Roos," this land-secured financing permits the local agency (i.e., the City) to issue bonds to pay for the public facilities and infrastructure costs and services of local development. Debt service on the bonds is paid from special taxes levied on real property within the CFD boundary.

The Act also authorizes a community facilities district to finance facilities to be owned or operated by an entity other than the agency that creates the community facilities district pursuant to a joint community facilities agreement. The Petition authorizes the financing of certain public facilities to be constructed, owned and operated by the Eastern Municipal Water District (EMWD) in lieu of payment of fees imposed by EMWD upon the property to finance such facilities and certain water and sewer facilities to be constructed by D.R. Horton and acquired by EMWD. Accordingly, the City, D.R. Horton and EMWD intend on entering into a joint community facilities agreement pursuant to which CFD 2021-1, when and if formed, will be authorized to finance the acquisition and/or construction of all or a portion of the EMWD facilities and/or acquisition facilities.

Moreover, the City and D.R. Horton intend on entering into a Funding Agreement relating to the authorized facilities and authorized fees to be funded by the City pursuant to the Act.

In connection with the formation of CFD 2021-1, the City Council has taken the following actions thus far:

1. On January 12, 2021, the City Council approved a Memorandum of Understanding ("MOU") with D.R. Horton to dissolve the existing CFD No. 2006-3 (Alder) ("CFD 2006-3") that encumbered the Avion Pointe and Acacia Tracts and agreed to form a new CFD.
2. On February 9, 2021, the City Council approved Resolutions declaring intent to form CFD 2021-1, authorize future bonded indebtedness in the amount not to exceed \$5,000,000 and set the time and place for tonight's Public Hearing.

#### **PUBLIC HEARING AND TONIGHT'S ACTIONS:**

The proposed CFD 2021-1 will meet all requirements of the City's adopted local goals and policies specified in the Debt Issuance and Management Policy, approved on May 9, 2017, except for the allowance of an annual 2% escalation of the special tax, as was agreed to pursuant to the MOU. Since the proposed CFD 2021-1 is replacing CFD 2006-3 that had an escalator, it is necessary to include an annual escalator in the new CFD 2021-1.

The City Council has initiated proceedings to consider the establishment of a community facilities district pursuant to the provisions of the Act. Tonight's Public Hearing will provide the public an opportunity to provide testimony related to the formation of CFD 2021-1 and the CFD Report (attached) prepared by Willdan & Associates. The CFD Report describes the CFD boundaries, the

rate and method of apportionment of the special taxes to be levied and the facilities to be financed by CFD 2021-1.

The below table shows the special taxes which would be applicable to an Assessor's Parcel classified as Developed Property, as defined in the rate and method of apportionment, commencing in Fiscal year 2021-22:

Zone	Land Use Class	Land Use Type	Building Square Footage	Assigned Special Tax
1	1	Residential Property	> 2,400	\$2,064 per Residential Unit
1	2	Residential Property	2,201 – 2,400	\$1,997 per Residential Unit
1	3	Residential Property	≤ 2,200	\$1,930 per Residential Unit
2	1	Residential Property	> 2,400	\$2,446 per Residential Unit
2	2	Residential Property	2,201 – 2,400	\$2,371 per Residential Unit
2	3	Residential Property	≤ 2,200	\$2,295 per Residential Unit

Every year the maximum tax will increase by 2%. The proceedings to establish CFD 2021-1 will be accomplished by the adoption of the Resolution of Formation, as well as the other Resolutions and the Ordinance, identified in the recommended actions. The City Council will be taking certain actions including:

1. Adopt a Resolution of the City Council of the City of Perris determining the validity of prior proceedings, establishing Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, authorizing the levy of a special tax within such Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, establishing an appropriations limit, and taking certain other actions relating to said District.
2. Adopt a Resolution of the City Council of the City of Perris acting in its capacity as the legislative body of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, determining the necessity to incur bonded indebtedness in an amount not to exceed \$5,000,000 of said District; and calling a special election within the District.

After the Resolution of Formation and the Resolution calling the special election are adopted, the City Clerk will open the ballots and state the results of the election. As mentioned above, D.R. Horton expressly consented to the conduct of the special election at the earliest possible time following the adoption of the Resolution of Formation and expressly waived the noticing and time

requirements of Section 53326 of the Government Code and the California Elections Code. Accordingly, the election is an all-mailed or personal delivery ballot landowner election, and the ballots for the special election have been mailed or personally delivered to D.R. Horton. The ballot contains a proposition relating to the levying of the special taxes, the incurring of bonded indebtedness and the establishment of an appropriations limit for CFD 2021-1. If the results of the special election reveals that the proposition has received the affirmative vote of two-thirds of the votes cast, the City Council will then:

3. Adopt Resolution declaring the results of the consolidated special election for CFD 2021-1.
4. Adopt Resolution approving execution of the Joint Community Facilities Agreement and Funding Agreement.
5. Adopt Resolution approving the recordation of a Notice of Cessation of the Special Tax Lien with respect to CFD 2006-3. The Notice of Cessation will be recorded and the Special Tax Lien for CFD 2006-3 will be extinguished and cease with respect to all property within CFD 2006-3.
6. Adopt a motion to introduce and waive the first reading of the Ordinance levying special taxes within CFD 2021-1.

### **CONCLUSION AND NEXT STEPS**

Adopting the attached Resolutions and Ordinance is the last step to establish CFD 2021-1, authorize special taxes and incur a bonded indebtedness. Following tonight's Public Hearing, the proposed schedule to complete the formation of CFD 2021-1 is as follows:

- April 13, 2021: Second reading of Ordinance authorizing special tax levy
- May 14, 2021: Ordinance authorizing special tax levy becomes effective

The Resolutions, Ordinance and related documents have been prepared and reviewed by the City's finance team, which includes bond counsel, municipal advisor, and special tax consultant.

### **FISCAL IMPACT**

The recommended action carries no immediate fiscal impact on the City. Special taxes from CFD 2006-3 or the developer will be bearing the costs of formation per the MOU. The formation of CFD 2021-1 will occur after tonight's public hearing. Any further obligation of the City to pay costs for CFD formation will be reimbursed out of existing special taxes collected in CFD 2006-3.

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**BUDGET (or FISCAL) IMPACT:** None. Costs will be paid out of existing special taxes collected in CFD 2006-3.

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Prepared by: Payam J. Mostafavi, Aleshire & Wynder, LLP

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director ER

**Attachments:**

1. Vicinity Map
2. Resolution of Formation
3. Resolution Determining Necessity to Incur Bonded Indebtedness and Calling Election
4. Resolution Declaring Results of Election
5. Resolution Approving the JCFA and Funding Agreement
6. Resolution Approving Notice of Cessation

The remaining documents associated with this staff report are available for viewing at:  
<https://www.cityofperris.org/government/city-council/council-meetings>

7. Landowner's Petition & Waiver
8. Landowner's Ballot
9. CFD Report
10. JCFA with EMWD
11. Funding Agreement
12. Notice of Cessation
13. Ordinance Authorizing Levy of Special Tax

A Binder containing all documents is on file with the City Clerk and made a part of the record.

Consent:

Public Hearing: X

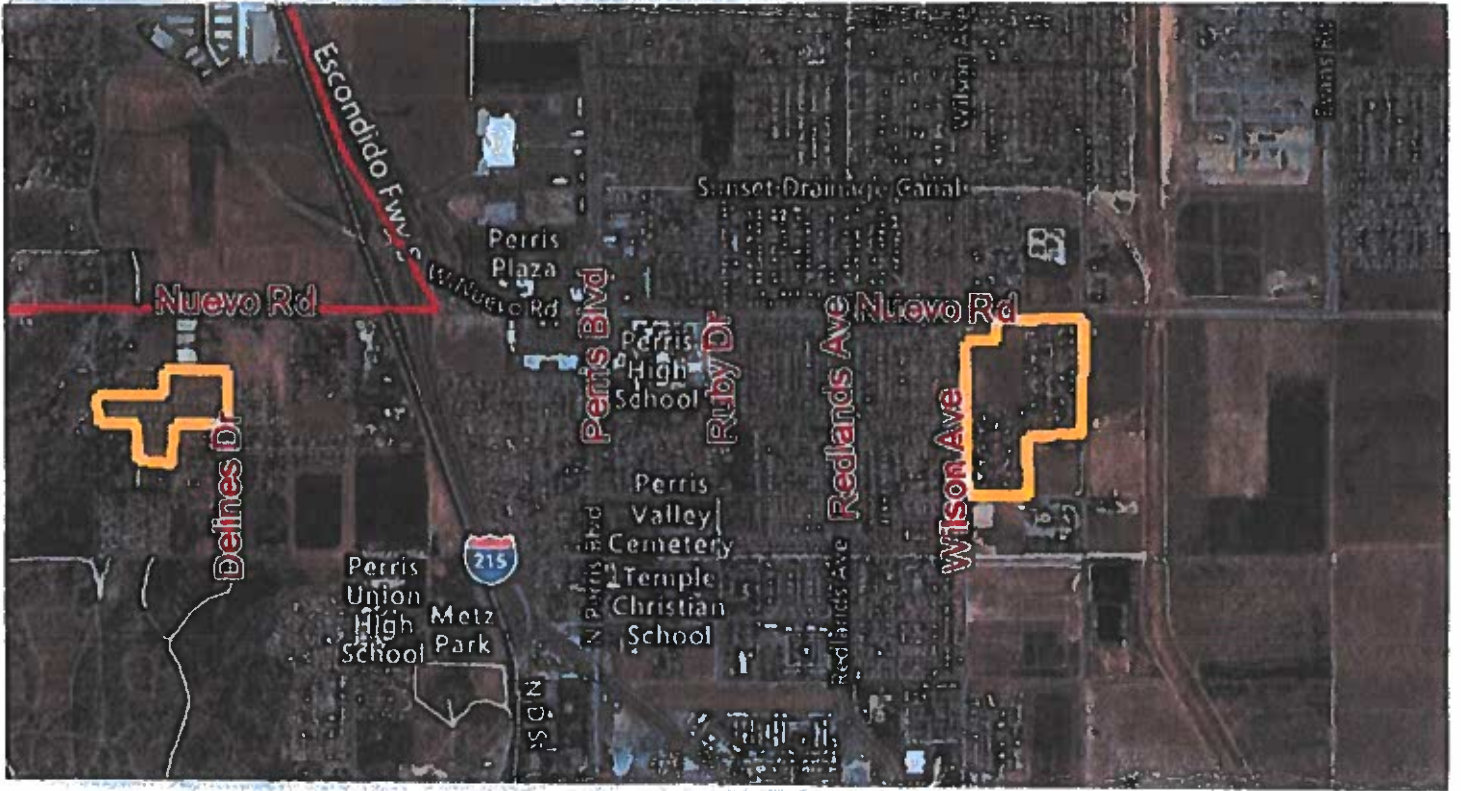
Business Item:

Presentation:

Other:

## **ATTACHMENT 1**

**VICINITY MAP FOR CFD NO. 2021-1 (AVION  
POINTE / ACACIA) OF THE CITY OF PERRIS**



## **ATTACHMENT 2**

### **RESOLUTION OF FORMATION**



## **ATTACHMENT 3**

# **RESOLUTION DETERMINING NECESSITY TO INCUR BONDED INDEBTEDNESS AND CALLING ELECTION**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS DETERMINING THE VALIDITY OF PRIOR PROCEEDINGS, ESTABLISHING COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN SUCH COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, ESTABLISHING AN APPROPRIATIONS LIMIT, AND TAKING CERTAIN OTHER ACTIONS RELATING TO SAID DISTRICT**

**WHEREAS**, the City Council (the “Council”) of the City of Perris, California (the “City”), on February 9, 2021, has heretofore adopted its Resolution No. 5756 (the “Resolution of Intention”) stating its intention to form Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (the “District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the “Act”); and

**WHEREAS**, it is the intent of the District to finance (1) the purchase, construction, modification, expansion, improvement or rehabilitation of certain real or other tangible property described in Exhibit “B” hereto and incorporated herein by this reference, including all furnishings, equipment and supplies related thereto; (2) the payment of development and other fees and the acquisition or construction of public facilities (collectively, the “Facilities”), which Facilities have a useful life of five years or longer; and (3) the incidental expenses to be incurred in connection with financing the Facilities and forming and administering the District (the “Incidental Expenses”); and

**WHEREAS**, the District will be in compliance with all the requirements of the City’s adopted local goals and policies specified in its Debt Issuance and Management Policy (the “Debt Policy”), adopted on May 9, 2017, with the exception of the allowance of an annual two percent (2%) escalation of the special tax to be levied in the District, which the City agreed to waive this requirement in the Memorandum of Understanding (the “MOU”), approved on January 12, 2021, between the City and D.R. Horton Los Angeles Holding Company, Inc.; and

**WHEREAS**, the Resolution of Intention set March 30, 2021 as the date of the public hearing on the formation of the District; and

**WHEREAS**, a copy of the Resolution of Intention, incorporating a description and map of the proposed boundaries of the District, the Facilities, and setting forth the rate and method of apportionment and manner of collection of the special tax to be levied within the District, is on file with the City Clerk and incorporated herein by reference; and

**WHEREAS**, a report by each City officer who is or will be responsible for the District (the “Report”), has been filed with the Council pursuant to the Resolution of Intention;

and

**WHEREAS**, on March 30, 2021, pursuant to the Resolution of Intention, this Council held said public hearing as required by law and the Act; and

**WHEREAS**, at said hearing all persons not exempt from the special tax desiring to be heard on all matters pertaining to the formation of the District, including the boundaries of the District, the special tax, and the Facilities, were heard and a full and fair hearing was held, and such matters were not precluded by a majority protest; and

**WHEREAS**, at said hearing evidence was presented to the Council on said matters before it, and this Council at the conclusion of said hearing is fully advised in the premises;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris, as follows:

**Section 1.** That the above recitals are all true and correct.

**Section 2.** Pursuant to Section 53325.1(b) of the Government Code, the Council finds and determines that the proceedings prior hereto were valid and in conformity with the requirements of the Act including, without limitation, the following:

(i) Filing of a petition of a landowner requesting institution of proceedings to establish the District;

(ii) Adoption of a Resolution of Intention to establish the District;

(iii) Adoption of a Resolution of Intention to Incur Bonded Indebtedness in an amount not to exceed \$5,000,000;

(iv) Publication and mailing of notice of public hearing on the establishment of the District and of the proposed debt issue;

(v) Conducting of a public hearing on the establishment of the District, the proposed public facilities and the incurring of the proposed debt, at which time all interested persons or taxpayers not exempt from the special tax were permitted to protest orally or in writing against the establishment of the District, were permitted to file written protests to the regularity or sufficiency of the proceedings, and any person interested, including persons owning property within the District, were permitted to appear and present any matters material to the questions set forth in the Resolution of Intention to Incur Bonded Indebtedness.

**Section 3.** The Report, as now submitted is hereby approved and is made a part of the record of the hearing, and is ordered kept on file with the transcript of these proceedings and open for public inspection.

**Section 4.** A community facilities district to be designated "Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris" ("the District") is

hereby established pursuant to the Act.

**Section 5.** The description and map of the boundaries of the District on file in the City Clerk's office and as described in said Resolution of Intention and incorporated herein by reference, shall be the boundaries of the District. The map of the proposed boundaries of the District has been recorded in the Office of the County Recorder of Riverside County, California in Book 86, Pages 47-49 of the Book of Maps of Assessment and Community Facilities Districts, as Document Number 2021-0170673.

**Section 6.** The type of public facilities authorized to be provided within the District include certain real and other tangible property with an estimated useful life of five years or longer, including public infrastructure facilities, and other governmental facilities which the City or the Eastern Municipal Water District ("EMWD") is authorized by law to construct, acquire, own, operate or contribute revenue to, within or without the District, which is necessary to meet increased demands placed upon the City as result of development or rehabilitation occurring within the District. The public facilities are more fully described in Exhibit "B" attached hereto and by this reference incorporated herein.

**Section 7.** Except where funds are otherwise available, there shall be levied annually in accordance with procedures contained in the Act a special tax within the District (the "Special Tax") sufficient to pay for the costs of financing the acquisition and/or construction of the Facilities and Incidental Expenses, including the principal and interest and other periodic costs on bonds or other indebtedness proposed to be issued to finance the Facilities and Incidental Expenses, including the establishment and replenishment of any reserve funds, the credit enhancement fees, the costs of administering the levy and collection of the Special Tax and all other costs of the levy of the Special Tax and issuance of the bonds, including any foreclosure proceedings, architectural, engineering, inspection, legal, fiscal, and financial consultant fees, discount fees, capitalized interest on bonds, if applicable, election costs and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, disclosure counsel, financing consultants and printing costs, and all other administrative costs of the tax levy and bond issue. The Special Tax will be secured by recordation of a continuing lien against all non-exempt real property in the District. In the first year in which such a Special Tax is levied, the levy shall include a sum sufficient to repay to the City all amounts, if any, transferred to the District pursuant to Section 53314 of the Act and interest thereon. The schedule of the rate and method of apportionment and manner of collection of the Special Tax within the proposed District is described in detail in Exhibit "A" attached hereto and incorporated herein by this reference (the "Rate and Method"). The Special Tax is based upon the cost of financing the Facilities and Incidental Expenses in the District, the demand that each parcel will place on the Facilities and the benefit (direct and/or indirect) received by each parcel from the Facilities.

**Section 8.** If the Special Tax is levied against any parcel used for private residential purposes, (i) the maximum special tax rate shall not be increased over time except that it may be increased by an amount not to exceed two percent (2%) per year to the extent permitted in the rate and method of apportionment; (ii) such tax shall be levied for a period not to exceed forty (40) years commencing with Fiscal Year 2021-2022, as further described in Exhibit "A" hereto; and (iii) under no circumstances will such special tax levied in any fiscal year be increased as a consequence of delinquency or default by the owner of any other parcel within the

District by more than ten percent (10%) above the amount that would have been levied in that fiscal year had there never been any such delinquency or default.

**Section 9.** The Council hereby waives the City's requirement and policy that no annual escalation factor be permitted for special taxes, which is specified in the Debt Policy, and determines that the Special Tax shall escalate by two percent (2%) each Fiscal Year. The Council hereby determines that it is necessary to waive this requirement related to escalators pursuant to the MOU, because the District will be replacing Community Facilities District No. 2006-3 (Alder) of the City of Perris, which included an escalator.

**Section 10.** The Special Tax is based on the expected demand that each parcel of real property within the District will place on the Facilities on the benefit that each parcel derives from the right to access the Facilities and on other factors. The Council hereby determines that the proposed Facilities are necessary to meet the increased demand placed upon the City and the existing infrastructure in the City as a result of the development of land proposed for inclusion to the District. The Council hereby determines the Rate and Method set forth in Exhibit "A" to be reasonable. The Special Tax is apportioned to each parcel within the District on the foregoing basis pursuant to Section 53325.3 of the Act and such special tax is not based upon the value or ownership of real property. In the event that a portion of the property within the District shall become for any reason exempt, wholly or partially, from the levy of the Special Tax, the Council shall, on behalf of the District, increase the levy to the extent necessary upon the remaining property within the District which is not delinquent or exempt in order to yield the required payments, subject to the maximum tax. The obligation to pay special taxes may be prepaid as set forth in Exhibit "A."

**Section 11.** Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Council hereby establishes the following accountability measures pertaining to the levy by the District of the Special Tax described in Section 7 above:

(i) Such Special Tax shall be levied for the specific purposes set forth in Section 7 hereof.

(ii) The proceeds of the levy of such Special Tax shall be applied only to the specific purposes set forth in Section 7 hereof.

(iii) The District shall establish an account or accounts into which the proceeds of such Special Tax shall be deposited.

(iv) The City Manager or the City Finance Director/Treasurer, or their designee, acting for and on behalf of the District, shall annually file a report with the Council as required pursuant to Government Code Section 50075.3.

**Section 12.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the District, and this lien shall continue in force and effect until the special tax obligation is prepaid or otherwise permanently satisfied and the lien cancelled in accordance with law or until collection of the tax by the District ceases.

**Section 13.** The Council finds that the Facilities are necessary to meet the increased demand put upon the City as a result of the development within the District.

**Section 14.** The Council finds that there is not an ad valorem property tax currently being levied on property within the proposed District for the exclusive purpose of paying principal of or interest on bonds or other indebtedness incurred to finance construction of capital facilities which provide the same services to the territory of the District as provided by the Facilities.

**Section 15.** An appropriation limit for the District is hereby established at \$5,000,000 and as defined by Article XIII B of the California Constitution, as adjusted for changes in the cost of living and changes in population.

**Section 16.** Written protests against the establishment of the District, or against the furnishing of specified services or facilities or the levying of a specified special tax within the District, have not been filed by fifty percent (50%) or more of the registered voters or property owners of one-half (1/2) or more of the area of land within the District.

**Section 17.** The Special Tax to be levied in the District to pay for all the proposed Facilities has not been precluded by protests by owners of one-half (1/2) or more of the land in the territory included in the District pursuant to Government Code Section 53324.

**Section 18.** The Office of the City Manager, 101 North "D" Street, Perris, California 92570, (909) 943-6100, or its designee, is designated to be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and for estimating future special tax levies pursuant to Section 53340.1 of the Government Code.

**Section 19.** The City Clerk is directed to certify and attest to this Resolution and to take any and all necessary acts to call, hold, canvass and certify an election or elections on the incurring of bonded indebtedness, the levy of the special tax, and the establishment of the appropriation limit.

**ADOPTED, SIGNED and APPROVED** this 30th day of March, 2021.

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MAYOR OF THE CITY OF PERRIS

Attest:

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CITY CLERK OF THE CITY OF PERRIS

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar Rey, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution Number \_\_\_\_\_ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 30th day of March, 2021, and that it was so adopted by the following vote:

AYES:  
NOES:  
ABSENT:

By: \_\_\_\_\_  
City Clerk

**EXHIBIT A**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX  
FOR COMMUNITY FACILITIES DISTRICT NO. 2021-1  
(AVION POINTE/ACACIA) OF THE CITY OF PERRIS**

[SEE ATTACHED]



# RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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## COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)

A Special Tax shall be levied on all Taxable Property within the boundaries of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (“CFD No. 2021-1”) and collected each Fiscal Year commencing in Fiscal Year 2021-22, in an amount determined by the CFD Administrator through the application of the procedures described below. All of the real property within CFD No. 2021-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

### 1. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Acre**” or “**Acreage**” means the land area of an Assessor’s Parcel as shown on an Assessor’s Parcel Map, or if the land area is not shown on an Assessor’s Parcel Map, the land area shown on the applicable Final Map. An Acre means 43,560 square feet of land.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

“**Administrative Expenses**” means the following actual or reasonably estimated costs related to the administration of CFD No. 2021-1 including, but not limited to: the costs of preparing and computing the Annual Special Tax (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City, the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2021-1, or any designee thereof complying with arbitrage rebate requirements, including without limitation rebate liability costs and periodic rebate calculations; the costs to the City, CFD No. 2021-1, or any designee thereof complying with disclosure or reporting requirements of the City or CFD No. 2021-1, associated with applicable federal and State laws; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs to the City, CFD No. 2021-1, or any designee thereof related to an appeal of the Special Tax; and the City’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2021-1 for any other administrative purposes of CFD No. 2021-1, including attorney’s fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

“**Annual Special Tax**” means the Special Tax actually levied in any Fiscal Year on any Assessor’s Parcel.

“**Assessor**” means the Assessor of the County of Riverside.

“**Assessor's Parcel**” means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

**“Assessor’s Parcel Map”** means an official map of the Assessor designating parcels by Assessor’s Parcel Number.

**“Assessor’s Parcel Number”** means the number assigned to an Assessor’s Parcel by the County for purposes of identification.

**“Assigned Special Tax”** means the Special Tax of that name described in Section 3.A below.

**“Backup Special Tax”** means the Special Tax of that name described in Section 3.B below.

**“Bonds”** means any bonds or other Debt of CFD No. 2021-1, whether in one or more series, secured by the levy of Special Taxes.

**“Boundary Map”** means the map of the boundaries of CFD No. 2021-1 recorded on March 17, 2021, in the Riverside County Recorder’s Office in Book 86, Page 47-49, of Maps of Assessments and Community Facilities Districts (instrument number 2021-0170673).

**“Building Permit”** means a building permit for construction of a Residential Unit within CFD No. 2021-1 issued by the City.

**“Building Square Footage”** means all of the square footage of usable area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, or similar area. The determination of Building Square Footage shall be made by reference to the Building Permit(s) issued for such Assessor’s Parcel and/or by reference to appropriate records kept by the City.

**“Calendar Year”** means the period commencing January 1 of any year and ending the following December 31.

**“CFD Administrator”** means an authorized representative of the City, or designee thereof, responsible for determining the Special Tax Requirement, for preparing the Annual Special Tax roll and/or calculating the Backup Special Tax.

**“CFD No. 2021-1”** means the Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris.

**“City”** means the City of Perris, California.

**“Council”** means the City Council of the City acting as the legislative body of CFD No. 2021-1 under the Act.

**“County”** means the County of Riverside, California.

**“Debt”** means any binding obligation to pay or repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts.

**“Debt Service”** means for each Fiscal Year, the total amount of principal and interest payable on any Outstanding Bonds during the Calendar Year commencing on January 1 of such Fiscal Year.

**“Developed Property”** means for each Fiscal Year, all Taxable Property, exclusive of Provisional Property, for which a Building Permit was issued prior to May 1 of the previous Fiscal Year. An Assessor’s Parcel classified as Developed Property but for which the Building Permit that caused such Assessor’s Parcel to be classified as Developed Property has been cancelled and/or voided prior to the Fiscal Year for which Special Taxes are being levied shall be reclassified as

Undeveloped Property, provided that the levy of the Annual Special Tax after such reclassification shall not be less than 1.1 times the annual Debt Service less Administrative Expenses on all Outstanding Bonds. If Bonds have not been issued, an Assessor's Parcel classified as Developed Property for which such a Building Permit has been cancelled and/or voided shall be reclassified as Undeveloped Property.

**"Exempt Property"** means for each Fiscal Year, all Assessor's Parcels designated as being exempt from Special Taxes pursuant to Section 8 below.

**"Final Map"** means a subdivision of property by recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or recordation of a condominium plan pursuant to California Civil Code 4285 that creates individual lots for which Building Permits may be issued without further subdivision.

**"Fiscal Year"** means the period starting on July 1 and ending the following June 30.

**"Indenture"** means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**"Land Use Class"** means any of the classes listed in Table 1 under Section 3 below.

**"Lot"** means a parcel created by a Final Map on which a Residential Unit can be constructed.

**"Maximum Special Tax"** means for each Assessor's Parcel, the maximum Special Tax, determined in accordance with Sections 3.C and 3.D below, which may be levied in a given Fiscal Year on such Assessor's Parcel of Taxable Property.

**"Non-Residential Property"** means all Assessor's Parcels of Developed Property for which a building permit has been issued for the purpose of constructing one or more non-residential units or facilities.

**"Outstanding Bonds"** means all Bonds, which are deemed to be outstanding under the Indenture.

**"Prepayment Amount"** means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel as described in Section 6.A below.

**"Property Owner Association Property"** means any Assessor's Parcel within the boundaries of CFD No. 2021-1 owned in fee by a property owner association, including any master or sub-association.

**"Proportionately" or "Proportionate"** means for Developed Property, that the ratio of the actual Special Tax levy to the applicable Assigned Special Tax or Backup Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. **"Proportionately"** may similarly be applied to other categories of Taxable Property as listed in Section 4 below.

**"Provisional Property"** means all Assessor's Parcels of Public Property, Property Owner Association Property or property that would otherwise be classified as Exempt Property pursuant to the provisions of Section 8, but cannot be classified as Exempt Property because to do so would reduce the Acreage of all Taxable Property below the required minimum Acreage as set forth in Section 8.

**“Public Property”** means any property within the boundaries of CFD No. 2021-1, which is owned by, or irrevocably offered for dedication to the federal government, the State of California, the County, the City or any other public agency; provided however that any property owned by a public agency and leased to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for the purpose of constructing one or more Residential Units.

**“Residential Unit”** means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental, separate from adjacent residential dwelling units.

**“Special Tax”** means any special tax levied within CFD No. 2021-1 pursuant to the Act and this Rate and Method of Apportionment of Special Tax.

**“Special Tax Obligation”** means the total obligation of an Assessor’s Parcel of Taxable Property to pay the Special Tax for the remaining life of CFD No. 2021-1.

**“Special Tax Requirement”** means that amount required in any Fiscal Year to: (i) pay regularly scheduled Debt Service on all Outstanding Bonds; (ii) pay periodic costs on the Outstanding Bonds, including but not limited to, credit enhancement and rebate payments on the Outstanding Bonds; (iii) pay Administrative Fees and Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) accumulate funds to pay directly for acquisition or construction of facilities provided that the inclusion of such amount does not cause an increase in the Special Tax to be levied on Undeveloped Property; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the Annual Special Tax levy, as determined by the CFD Administrator pursuant to the Indenture.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor's Parcels within the boundaries of CFD No. 2021-1, which are not exempt from the levy of the Special Tax pursuant to law or Section 8 below.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Provisional Property.

**“Zone”** means, as the context requires, either Zone 1 or Zone 2.

**“Zone 1”** means all property located within the area identified as Zone 1 in the Boundary Map.

**“Zone 2”** means all property located within the area identified as Zone 2 in the Boundary Map.

## **2. LAND USE CLASSIFICATION**

Each Fiscal Year, beginning with Fiscal Year 2021-22, each Assessor’s Parcel within CFD No. 2021-1 shall be assigned to Zone 1 or Zone 2 and classified as Taxable Property or Exempt Property. In addition, all Taxable Property shall further be classified as Developed Property, Undeveloped Property or Provisional Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Tax determined pursuant to Sections 3 and 4 below. Furthermore, each Assessor’s Parcel of

Developed Property shall be classified according to its applicable Land Use Class based on its Building Square Footage.

**3. SPECIAL TAX RATES**

**A. Assigned Special Tax for Developed Property**

The Assigned Special Tax applicable to an Assessor's Parcel classified as Developed Property commencing in Fiscal Year 2021-22 shall be determined pursuant to Table 1 below.

**Table 1  
Assigned Special Tax Rates**

<b>Zone</b>	<b>Land Use Class</b>	<b>Land Use Type</b>	<b>Building Square Footage</b>	<b>Assigned Special Tax</b>
1	1	Residential Property	> 2,400	\$2,064 per Residential Unit
1	2	Residential Property	2,201 – 2,400	\$1,997 per Residential Unit
1	3	Residential Property	≤ 2,200	\$1,930 per Residential Unit
2	1	Residential Property	> 2,400	\$2,446 per Residential Unit
2	2	Residential Property	2,201 – 2,400	\$2,371 per Residential Unit
2	3	Residential Property	≤ 2,200	\$2,295 per Residential Unit

Each July 1, commencing July 1, 2022, the Assigned Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

**B. Backup Special Tax for Developed Property**

The Backup Special Tax for Developed Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Backup Special Tax rates for Developed Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

For the purpose of calculating the Backup Special Tax, the land area applicable to a Condominium shall be computed from the Acreage of the Lot on which the Condominium is located, with the Acreage for such Lot allocated equally among all of the Condominiums located or to be located on such Lot.

**C. Maximum Special Tax for Developed Property**

The Maximum Special Tax for Developed Property shall be the greater of the Assigned Special Tax for Developed Property and the Backup Special Tax for Developed Property.

**D. Maximum Special Tax for Provisional Property and Undeveloped Property**

The Maximum Special Tax for Provisional Property and Undeveloped Property commencing in Fiscal Year 2021-22 shall be \$11,607 per Acre for property within Zone 1 and \$17,109 per Acre for Property within Zone 2. Each July 1, commencing July 1, 2022, the Maximum Special Tax rates for Provisional Property and Undeveloped Property shall be increased by two percent (2%) of the amount in effect the prior Fiscal Year.

**4. METHOD OF APPORTIONMENT**

For each Fiscal Year, commencing Fiscal Year 2021-22, the CFD Administrator shall levy the Special Tax on all Taxable Property in accordance with the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property in an amount up to 100% of the applicable Assigned Special Tax as necessary to satisfy the Special Tax Requirement;

Step 2: If additional monies are needed to satisfy the Special Tax Requirement after Step 1 has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property;

Step 3: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the Special Tax amount determined in Step 1 shall be increased Proportionately on each Assessor's Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property;

Step 4: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the Maximum Special Tax for Provisional Property;

Notwithstanding the above, under no circumstances will the Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased as a result of a delinquency or default in the payment of the Special Tax applicable to any other Assessor's Parcel within CFD No. 2021-1 by more than ten percent (10%) above what would have been levied in the absence of such delinquencies or defaults.

**5. COLLECTION OF SPECIAL TAXES**

Collection of the Annual Special Tax shall be made by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the Council may provide for (i) other means of collecting the Special Tax, including

direct billings thereof to the property owners; and (ii) judicial foreclosure of delinquent Annual Special Taxes.

## **6. PREPAYMENT OF SPECIAL TAX OBLIGATION**

### **A. Prepayment in Full**

Property owners may prepay and permanently satisfy the Special Tax Obligation by a cash settlement with the City as permitted under Government Code Section 53344. The following definitions apply to this Section 6:

**“CFD Public Facilities Costs”** means \$3,400,000 or such lower number as (i) shall be determined by the CFD Administrator as sufficient to acquire or construct the facilities to be financed under the Act and financing program for CFD No. 2021-1, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds (except refunding bonds).

**“Construction Fund”** means the fund (regardless of its name) established pursuant to the Indenture to hold funds, which are currently available for expenditure to acquire or construct the facilities or pay fees authorized to be funded by CFD No. 2021-1.

**“Future Facilities Costs”** means the CFD Public Facilities Costs minus (i) costs previously paid from the Construction Fund to acquire or construct the facilities, (ii) monies currently on deposit in the Construction Fund, and (iii) monies currently on deposit in an escrow or other designated fund that are expected to be available to finance CFD Public Facilities Costs.

**“Outstanding Bonds”** means all Previously Issued Bonds, which remain outstanding as of the first interest and/or principal payment date following the current Fiscal Year excluding Bonds to be redeemed at a later date with proceeds of prior Special Tax prepayments.

**“Previously Issued Bonds”** means all Bonds that have been issued prior to the date of prepayment.

The Special Tax Obligation applicable to an Assessor’s Parcel of Developed Property, or Undeveloped Property for which a Building Permit has been issued may be prepaid and the obligation to pay the Special Tax for such Assessor’s Parcel permanently satisfied as described herein, provided that a prepayment may be made with respect to a particular Assessor’s Parcel only if there are no delinquent Special Taxes with respect to such Assessor’s Parcel at the time of prepayment or the delinquent special taxes are paid off concurrently with the prepayment to the satisfaction of the CFD Administrator. An owner of an Assessor’s Parcel eligible to prepay the Special Tax Obligation shall provide the CFD Administrator with written notice of intent to prepay, and designate or identify the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the Prepayment Amount for such Assessor’s Parcel within thirty (30) days of the request, and may charge a reasonable fee for providing this service. Prepayment must be made at least 60 days prior to any redemption date for the CFD No. 2021-1 Bonds to be redeemed with the proceeds of such prepaid Special Taxes, unless a shorter period is acceptable to the Trustee and the City.

The Prepayment Amount (defined below) shall be calculated for each applicable Assessor's Parcel or group of Assessor's Parcels as summarized below (capitalized terms as defined below):

Bond Redemption Amount  
plus Redemption Premium  
plus Future Facilities Prepayment Amount  
plus Defeasance Amount  
plus Prepayment Administrative Fees and Expenses  
less Reserve Fund Credit  
less Capitalized Interest Credit  
Total: equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined in Step 14 below) shall be calculated as follows:

**Step No.:**

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, determine the Maximum Special Tax. For Assessor's Parcels of Undeveloped Property for which a Building Permit has been issued, compute the Maximum Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit which has already been issued for that Assessor's Parcel.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total expected Maximum Special Tax revenue for CFD No. 2021-1 assuming all Building Permits have been issued (build-out) within CFD No. 2021-1, excluding any Assessor's Parcels for which the Special Tax Obligation has been previously prepaid.
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid for all applicable parcels and round that amount up to the nearest \$5,000 increment (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (expressed as a percentage), if any, on the Outstanding Bonds to be redeemed at the first available call date (the "Redemption Premium").
6. Compute the Future Facilities Costs.
7. Multiply the quotient computed pursuant to paragraph 3 by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Prepayment Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the expected redemption date for the Outstanding Bonds which, depending on the Indenture, may be as early as the next interest payment date, but the redemption date may be any date determined by the CFD Administrator as



convenient and appropriate and permitted by the Indenture and does not have to be the next interest payment date.

9. Compute the amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Prepayment Amount and the Prepayment Administrative Fees from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.

10. Subtract the amount computed in paragraph 9 from the amount computed in paragraph 8 (the "Defeasance Amount").

11. Calculate the administrative fees and expenses of CFD No. 2021-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 2021-1, and the costs of recording any notices to evidence the prepayment and the redemption (the "Prepayment Administrative Fees").

12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment calculation date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if, after the Prepayment Amount is calculated, reserve funds are below 100% of the reserve requirement.

13. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to paragraph 3 by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "Capitalized Interest Credit").

14. The amount to prepay the Special Tax Obligation is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10, and 11, less the amounts computed pursuant to paragraphs 12 and 13 (the "Prepayment Amount").

15. From the Prepayment Amount, the sum of the amounts computed pursuant to paragraphs 4, 5, and 10, less the amounts computed pursuant to paragraphs 12 and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make Debt Service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 2021-1.

The Prepayment Amount may be sufficient to redeem an amount other than a \$5,000 increment of CFD No. 2021-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to redeem CFD No. 2021-1 Bonds to be used with the next prepayment of CFD No. 2021-1 Bonds.

The CFD Administrator will confirm that all previously levied Special Taxes have been paid in full. With respect to any Assessor's Parcel for which the Special Tax Obligation is prepaid in full, once the CFD Administrator has confirmed that all previously levied Special Taxes have been paid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of the owner of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on Taxable Property, respectively, after the proposed prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

### **B. Partial Prepayment**

The Special Tax on an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section 6.A.; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

P<sub>E</sub> = the Prepayment Amount calculated according to Section 6.A

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax Obligation

A = the Prepayment Administrative Fees and Expenses from Section 6.A

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of (i) such owner's intent to partially prepay the Special Tax Obligation, (ii) the percentage by which the Special Tax Obligation shall be prepaid, and (iii) the company or agency that will be acting as the escrow agent, if any. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax Obligation for an Assessor's Parcel within sixty (60) days of the request and may charge a reasonable fee for providing this service.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Section 6.A., and (ii) indicate in the records of CFD No. 2021-1 that there has been a partial prepayment of the Special Tax Obligation and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the Maximum Special Tax, shall continue to be levied on such Assessor's Parcel.

Notwithstanding the foregoing, no partial prepayment shall be allowed unless the aggregate amount of Maximum Special Taxes less Administrative Expenses that may be levied on

Taxable Property, respectively, after the proposed partial prepayment is at least 1.1 times the Debt Service on all Outstanding Bonds in each Fiscal Year.

## **7. TERM OF SPECIAL TAX**

The Special Tax shall be levied as long as necessary to meet the Special Tax Requirement for a period not to exceed forty (40) Fiscal Years commencing with Fiscal Year 2021-22, provided however that the Special Tax will cease to be levied in an earlier Fiscal Year if the CFD Administrator has determined that all required interest and principal payments on CFD No. 2021-1 bonds have been paid.

## **8. EXEMPTIONS**

The CFD Administrator shall classify as Exempt Property (i) Assessor's Parcels of Public Property, (ii) Assessor's Parcels of Property Owner Association Property, or (iii) Assessor's Parcels which are used as places of worship and are exempt from ad valorem property taxes because they are owned by a religious organization, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, and (v) Assessor's Parcels of Developed Property classified as Non-Residential Property as determined reasonably by the CFD Administrator, provided that no such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or less than 7.21 Acres in Zone 2. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the sum of all Taxable Property in CFD No. 2021-1 to less than 9.29 Acres in Zone 1 or 7.21 Acres in Zone 2 shall be classified as Provisional Property and will continue to be subject to the CFD No. 2021-1 Special Taxes accordingly. Tax exempt status for the purpose of this paragraph will be assigned by the CFD Administrator in the chronological order in which property becomes eligible for classification as Exempt Property, for each Zone.

If the use of an Assessor's Parcel of Exempt Property changes so that such Assessor's Parcel is no longer classified as one of the uses set forth in the first paragraph of Section 8 above that would make such Assessor's Parcel eligible to be classified as Exempt Property, such Assessor's Parcel shall cease to be classified as Exempt Property and shall be deemed to be Taxable Property.

## **9. APPEALS**

Any landowner who pays the Special Tax and claims the amount of the Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than thirty-six (36) months after first having paid the first installment of the Special Tax that is disputed. If following such consultation the CFD Administrator determines that an error has occurred, then the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) Amend the Special Tax levy on the landowner's Assessor's Parcel(s) for the current Fiscal Year prior to the payment date,
- (ii) Require the CFD to reimburse the landowner for the amount of the overpayment to the extent of available CFD funds, or
- (iii) Grant a credit against, eliminate or reduce the future Special Taxes on the landowner's Assessor's Parcel(s) in the amount of the overpayment.

If following such consultation and action by the CFD Administrator the landowner believes such error still exists, such person may file a written notice of appeal with the City Council. Upon the receipt of such notice, the City Council or designee may establish such procedures as deemed necessary to undertake the review of any such appeal. If the City Council or designee determines an error still exists, the CFD Administrator shall take any of the actions described as (i), (ii) and (iii) above, in order of priority, in order to correct the error.

The City Council or designee thereof shall interpret this Rate and Method of Apportionment of Special Tax for purposes of clarifying any ambiguities and make determinations relative to the administration of the Special Tax and any landowner appeals. The decision of the City Council or designee shall be final.

## **EXHIBIT B**

### **TYPES OF FACILITIES TO BE FINANCED BY COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS**

The General Description of the Facilities that may be acquired or constructed is as follows:

- Street facilities, including, but not limited to, major arterials, highways, bridge facilities, regional transportation facilities and streets, intersections, access ramps, roadways, sidewalk, curb, gutters, striping, lighting, traffic signalization, signage, landscaping of public streets and rights-of-way and appurtenant facilities;
- Storm control facilities, including, but not limited to, storm drains, channels, detention, headwalls, riprap pads, water quality basins, retention and/or catch basins and appurtenant facilities;
- Sewer improvements, sanitary sewers, including, but not limited to, lift stations, force mains, pump stations, transmission and main lines, valves, and appurtenant facilities;
- Domestic water facilities, including, but not limited to, reservoirs, pump stations, transmission lines, distribution facilities, main lines, valves, fire hydrants and appurtenant facilities;
- Park, recreational facilities, trails, open space and appurtenant facilities;
- Impact and other City or public agency fees, including but not limited to, Transportation Uniform Mitigation Fees, Development Impact Fees, school fees, water fees, drainage fees, sewer treatment and connection fees, water supply fees, water meter fees, water connection fees, storm drain fees, capital facilities' fees and other city or public agency fees and all capital facilities which are part of these fee programs and capital improvement programs;
- Incidental expenses;
- City facilities.

#### **OTHER**

The District may also finance any of the following:

1. Bond related expenses, including underwriters' discount, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel, special tax consultant fees and expenses, dissemination agent fees and all other incidental expenses.

2. Administrative fees of the City and the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the City or any related entity, or any landowner or developer within the District, as well as reimbursement of any costs advanced by the City or any related entity, or any landowner or developer within the District, for facilities or other purposes or costs of the District.

This description of the public capital facilities is general in nature. The final nature and location of improvements and facilities will be determined upon the preparation of final plans and specifications. The final plans and specifications may show substitutes in lieu of, or modifications to, proposed work. Any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in the city officer's report, containing a brief description of the facilities which will be required to adequately meet the needs of the District.

**ATTACHMENT 4**

**RESOLUTION DECLARING RESULTS OF  
ELECTION**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, ACTING IN ITS CAPACITY AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS, DECLARING THE RESULTS OF A SPECIAL ELECTION RELATING TO THE LEVY OF SPECIAL TAXES THEREIN, THE ISSUANCE OF BONDED INDEBTEDNESS AND THE ESTABLISHMENT OF AN APPROPRIATIONS LIMIT**

**WHEREAS**, the City Council (the “Council”) of the City of Perris, California (the “City”), in its capacity as the legislative body of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (the “District”), called and duly held an election in the District pursuant to Resolution No. \_\_\_\_ (“the Resolution Calling Election”) for the purpose of presenting to the qualified electors within the District, a proposition for the levy of special taxes (the “Proposition”) in accordance with the respective method set forth in Exhibit “A” to Resolution No. \_\_\_\_ (the “Resolution of Formation”), the issuance of bonded indebtedness, and establishment of the appropriation limit; and

**WHEREAS**, the landowners of record within the District, as of the close of the public hearing held on March 30, 2021, unanimously consented to a waiver of the time limits for setting the election and a waiver of any written analysis, arguments or rebuttals as set forth in California Government Code sections 53326 and 53327. Such waivers are set forth in written certificates executed by the landowners which are on file with the City Clerk, as the election official (the “Election Official”) concurring therein; and

**WHEREAS**, pursuant to the terms of the Resolution Calling Election and the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”), the special election was held on March 30, 2021; and

**WHEREAS**, there has been presented to the Council a Certificate of the Election Official as to the results of the canvass of the election returns (the “Certificate of the Election Official”), a copy of which is attached hereto as Exhibit “A” and incorporated herein.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris acting as the Legislative Body of the Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, as follows:

**Section 1.** The above recitals are all true and correct.

**Section 2.** The canvass of the votes cast in the District at the special election held in the District on March 30, 2021, as shown in the Certificate of the Election Official, is hereby approved and confirmed.

**Section 3.** The Proposition presented to the qualified electors of the District for receipt by the Election Official on March 30, 2021, has received a unanimous vote of the



qualified electors voting at said election, and the Propositions has carried. The Council is hereby authorized to take the necessary steps to levy the special taxes authorized by the Proposition on the property within the District, and to issue, from time to time as it determines appropriate, bonds for the benefit of the District secured by such special taxes.

**Section 4.** Pursuant to and in compliance with the provisions of Government Code Section 50075.1, the Council hereby establishes the following accountability measures pertaining to the levy of the special taxes on the District described in Section 3 above:

(i) Such special taxes shall be levied for the specific purposes set forth in the Proposition described in Section 3 hereof.

(ii) The proceeds of the levy of such special taxes shall be applied only to the specific purposes set forth in the Proposition described in Section 3 hereof.

(iii) The District shall establish an account or accounts into which the proceeds of such special taxes shall be deposited.

(iv) The City Manager or the City Finance Director/Treasurer, or their designee, acting for and on behalf of the District, shall annually file a report with the Council as required pursuant to Government Code Section 50075.3.

**Section 5.** This Resolution shall take effect immediately upon its adoption.

**Section 6.** The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

**ADOPTED, SIGNED and APPROVED** this 30th day of March, 2021.

\_\_\_\_\_  
MAYOR OF THE CITY OF PERRIS

Attest:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF PERRIS

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 30th day of March, 2021, and that it was so adopted by the following vote:

AYES:  
NOES:  
ABSENT:

By: \_\_\_\_\_  
City Clerk

**EXHIBIT A**

**CITY OF PERRIS, CALIFORNIA**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)  
OF THE CITY OF PERRIS**

**CERTIFICATE OF THE ELECTION OFFICIAL  
AS TO THE RESULTS OF THE CANVASS OF THE ELECTION RETURNS**

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) ss.  
CITY OF PERRIS )

I, Nancy Salazar, City Clerk in my capacity as Elections Official in the City of Perris, California, in its capacity as the legislative body of Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, DO HEREBY CERTIFY, that pursuant to the provisions of Section 53325.4 of the Government Code and Division 15, commencing with Section 15000 of the Elections Code of the State of California, I did canvass the return of the votes cast at the Special Tax Election on March 30, 2021, held in

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 (AVION POINTE/ACACIA)  
OF THE CITY OF PERRIS**

I FURTHER CERTIFY that the Statement of All Votes Cast, to which this certificate is attached, shows the total number of ballots cast within the property within Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris for the proposition, and the totals of the respective columns and the totals as shown for the proposition are full, true and correct.

WITNESS my hand and Official Seal this 30th day of March, 2021.

CITY OF PERRIS, CALIFORNIA, acting as the  
LEGISLATIVE BODY OF THE COMMUNITY  
FACILITIES DISTRICT NO. 2021-1 (AVION  
POINTE/ACACIA) OF THE CITY OF PERRIS

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

**CITY OF PERRIS  
COMMUNITY FACILITIES DISTRICT NO. 2021-1  
(AVION POINTE/ACACIA) OF THE CITY OF PERRIS**

**STATEMENT OF ALL VOTES CAST  
SPECIAL TAX ELECTIONS  
March 30, 2021**

	<u>Qualified Landowner Votes</u>	<u>Votes Cast</u>	<u>YES</u>	<u>NO</u>
City of Perris, Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, Special Election March 30, 2021				<u>0</u>

PROPOSITION A SUBMITTED TO VOTE OF VOTERS: Shall the measure entitled Proposition A authorizing Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (the “CFD”) to incur an indebtedness and issue bonds in the maximum aggregate principal amount of \$5,000,000 at interest rates not to exceed the maximum rate permitted by law to finance the authorized facilities and incidental expenses; levy a special tax of up to \$2,446 per residential unit, with different rates by square footage of property, plus annual increases, as described in the Rate and Method of Apportionment of the Special Taxes for the CFD, raising approximately \$231,188 annually, plus permitted adjustments, for forty (40) years, to pay the principal of and interest on such indebtedness and bonds and to pay directly the cost of the authorized facilities and incidental expenses; and establish an appropriations limit for the CFD in an amount of \$5,000,000, all as specified in the City of Perris’ Resolution Nos. 5756 and 5757 adopted on February 9, 2021 and Resolution calling the election adopted on March 30, 2021 be adopted?

Dated: March 30, 2021

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Nancy Salazar, City Clerk and Election Officer

**ATTACHMENT 5**

**RESOLUTION APPROVING THE JCFA AND  
FUNDING AGREEMENT**

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING AND AUTHORIZING EXECUTION OF A FUNDING AGREEMENT AND A JOINT COMMUNITY FACILITIES AGREEMENT IN CONNECTION WITH THE FORMATION OF COMMUNITY FACILITIES DISTRICT 2021-1 (AVION POINTE/ACACIA) OF THE CITY OF PERRIS; AND MAKING FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH.**

**WHEREAS**, the City of Perris (the “City”) is taking proceedings pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, commencing with Section 53311 of the Government Code of the State of California (the “Act”) for the formation of Community Facilities District 2021-1 (Avion Pointe/Acacia) of the City of Perris (“District”) and for the issuance of bonds by the District; and

**WHEREAS**, D.R. Horton Los Angeles Holding Company, Inc., a California corporation, is the owner of the entirety of the 22.7 gross acres of property within the District (the “Developer”); and

**WHEREAS**, pursuant to Section 53316.2 of the Act, a community facilities district is authorized to finance facilities to be owned or operated by an entity other than the agency that created the community facilities district pursuant to a joint community facilities agreement; and

**WHEREAS**, attached hereto as Exhibit “A” is the Joint Community Facilities Agreement (the “EMWD Agreement”), among the City, the Developer, and Eastern Municipal Water District (“EMWD”); and

**WHEREAS**, attached hereto as Exhibit “B” is the Funding Agreement (the “Funding Agreement”) by and between the City and the Developer, relating to the authorized facilities and authorized fees to be funded by the City pursuant to the Act; and

**WHEREAS**, the Developer has approved the EMWD Agreement and the Funding Agreement; and

**WHEREAS**, the City has determined that it is necessary and desirable to enter into the EMWD Agreement and the Funding Agreement and that such agreements will be beneficial to the interests of the residents residing within the boundaries of the EMWD, the City and the District.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris as follows:

**Section 1.** The above recitals are all true and correct.

**Section 2.** That said forms of EMWD Agreement and the Funding Agreement on file with the City Clerk be and are each hereby approved, with such changes as may be approved by the Mayor, City Manager, Assistant City Manager or Finance Director (each, an "Authorized Officer"), said Authorized Officer's execution thereof to constitute conclusive evidence of said Authorized Officer's approval of all such changes, and each of said Authorized Officers be and is hereby authorized, together or alone to execute and deliver said EMWD Agreement and said Funding Agreement. The City Clerk or a duly authorized Deputy or Assistant City Clerk is hereby authorized to attest to said Authorized Officer's signature.

**ADOPTED, SIGNED and APPROVED** this 30th day of March, 2021.

\_\_\_\_\_  
MAYOR OF THE CITY OF PERRIS

Attest:

\_\_\_\_\_  
CITY CLERK OF THE CITY OF PERRIS

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Resolution Number \_\_\_\_\_ was duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 30th day of March, 2021, by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

City Clerk, Nancy Salazar



**EXHIBIT A**  
**JOINT COMMUNITY FACILITIES AGREEMENT**

[SEE ATTACHED]

## JOINT COMMUNITY FACILITIES AGREEMENT

relating to

Community Facilities District No. 2021-1 of the City of Perris (Avion Pointe/Acacia)

by and among

City of Perris, Eastern Municipal Water District and  
D.R. Horton Los Angeles Holding Company, Inc.

THIS JOINT COMMUNITY FACILITIES AGREEMENT (the "Agreement") is entered into effective as of the \_\_\_\_ day of \_\_\_\_, 2021, by and among CITY OF PERRIS, a California general law city (the "City"), EASTERN MUNICIPAL WATER DISTRICT, a public agency organized and existing pursuant to Division 20 of the California Water Code ("EMWD"), and D.R. HORTON LOS ANGELES HOLDING COMPANY, INC., a California corporation ("Property Owner"), and relates to the community facilities district known as "Community Facilities District No. 2021-1 of the City of Perris (Avion Pointe/Acacia)" (the "CFD") for the purpose of financing certain facilities to be owned, operated or maintained by the City or EMWD from proceeds of bonds issued by the CFD and the proceeds of special taxes levied by the CFD.

### RECITALS:

A. The property ("Property") described in Exhibit "A" hereto, which is located in the City, County of Riverside, State of California, constitutes the land within the boundaries of the CFD.

B. Property Owner owns the Property included in the CFD. Property Owner intends to develop the Property for residential purposes. The Property is depicted in Exhibit "B" hereto.

C. The City received a petition in accordance with the Act (defined below) to form the CFD for the purpose of financing, among other things, certain public facilities to be constructed and owned and operated by EMWD (the "EMWD Facilities") in lieu of the payment of EMWD Fees (defined herein) and certain water and sewer facilities to be constructed by Property Owner and acquired by EMWD (the "Acquisition Facilities").

D. In conjunction with the issuance of permits for the construction of homes on the Property and/or receipt of water meters for such homes, the Property Owner, or its successors or assigns, may elect to advance EMWD Facilities costs in lieu of payment of EMWD Fees (the "Advances") before Bond Proceeds (defined herein) are available in sufficient amounts to pay for EMWD Facilities. In such case, the Property Owner shall be entitled to (i) reimbursement of such Advances limited to Bond Proceeds available to EMWD, if any (the Advances being considered an interest free loan by the Property Owner with no repayment obligation except to the extent there are Bond Proceeds received by or made available to EMWD as described herein, all as further described in Section 5(a) below), and (ii) credit against EMWD Fees which would otherwise be due to EMWD equal to the amount of Bond Proceeds disbursed to EMWD or at the direction of EMWD for EMWD Facilities, all as further described herein.

E. The City will have sole discretion and responsibility for the formation and administration of the CFD.

F. The City is authorized by Section 53313.5 of the Act to assist in the financing of the acquisition and/or construction of the EMWD Facilities and/or the Acquisition Facilities. This Agreement constitutes a joint community facilities agreement, within the meaning of Section 53316.2 of the Act, by and among EMWD, the Property Owner and the City, pursuant to which the CFD, when and if formed, will be authorized to finance the acquisition and/or construction of all or a portion of the EMWD Facilities and/or the Acquisition Facilities. As authorized by Section 53316.6 of the Act, responsibility for constructing, providing for and operating the EMWD Facilities and/or the Acquisition Facilities is delegated to EMWD.

G. The Parties (defined below) hereto find and determine that the residents residing within the boundaries of EMWD, the City and the CFD will be benefited by the construction and/or acquisition of the EMWD Facilities and/or the Acquisition Facilities and that this Agreement is beneficial to the interests of such residents.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereto agree as follows:

1. **Recitals.** Each of the above recitals is incorporated herein and is true and correct.

2. **Definitions.** Unless the context clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.

(a) "Acquisition Facility(ies)" means the sewer and water facilities described as such in Exhibit "C" hereto.

(b) "Act" means the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

(c) "Advance" or "Advances" means an amount advanced by Property Owner to EMWD for EMWD Facilities in lieu of payment of EMWD Fees prior to the availability of sufficient Bond Proceeds. Advances shall be deemed payment of EMWD Fees to the extent sufficient Bond Proceeds are not received by or made available to EMWD.

(d) "Bond Proceeds" or "Proceeds of the Bonds" shall mean those net funds generated by the sale of the Bonds and investment earnings thereon, net of costs of issuance, reserve fund, capitalized interest and administrative expenses, and may include net funds generated by the levy of Special Taxes and investment earnings thereon. Such Bond Proceeds are only up the amount allocated by the CFD for EMWD Fees, EMWD Facilities or Acquisition Facilities.

(e) "Bond Resolution" means that Resolution, Resolution Supplement, Fiscal Agent Agreement, Indenture of Trust or other equivalent document(s) providing for the issuance of the Bonds.

(f) "Bonds" shall mean those bonds, or other securities, issued by, or on behalf of the CFD, in one or more series, as authorized by the qualified electors within the CFD.

(g) "Disbursement Request" means a request for payment relating to EMWD Facilities in the form attached hereto as Exhibit "D."

(h) "EMWD Engineer Representative" means an EMWD engineer duly authorized to act on behalf of EMWD or his or her designee.

(i) "EMWD Fees" means water supply development fees, water backup fees, water financial participation fees, water meter fees, sewer financial participation fees, sewer backup fees, sewer treatment capacity charges and all components thereof imposed by EMWD upon the Property to finance EMWD Facilities.

(j) "EMWD Facilities" means those sewer and water facilities listed on Exhibit "C" hereto, which are necessary for the provision of water and sewer services to the Property and paid for with Bond Proceeds in lieu of the payment of EMWD Fees. All EMWD Facilities are public facilities.

(k) "Other Facilities Account of the Improvement Fund" means the fund, account or subaccount of the CFD (regardless of its designation within the Bond Resolution) into which a portion of the Bond Proceeds may be deposited in accordance with the Bond Resolution to finance EMWD Facilities and/or the Acquisition Facilities and which may have subaccounts.

(l) "Party" or "Parties" shall mean any one or all of the parties to this Agreement.

(m) "Payment Request" means a request for payment relating to Acquisition Facilities in the form attached hereto as Exhibit "E".

(n) "Rate and Method" means the Rate and Method of Apportionment of the Special Tax authorizing the levy and collection of Special Taxes pursuant to proceedings undertaken for the formation of the CFD pursuant to the Act.

(o) "Special Taxes" means the special taxes authorized to be levied and collected within the CFD pursuant to the Rate and Method.

(p) "State" means the State of California.

**3. Formation of the CFD.** The City has undertaken to analyze the appropriateness of forming the CFD to finance the EMWD Facilities, Acquisition Facilities, and other facilities. The City has and will retain, at the expense of the Property Owner, the necessary consultants to analyze the formation of the CFD.

**4. Sale of Bonds and Use of Bond Proceeds.** In the event that the CFD is formed and Bonds are issued, the City and the Property Owner shall determine the amount of Bond Proceeds to be deposited in the Other Facilities Account of the Improvement Fund and each subaccount thereof. As Bond Proceeds are transferred to EMWD and reserved to fund EMWD Facilities, as described in Section 5 below, the Property Owner shall receive a credit in the amount transferred against the payment of EMWD Fees with respect to the Property. Nothing herein shall supersede the obligation of an owner of the Property to make an Advance or pay EMWD Fees to EMWD when due. The purpose of this Agreement is to provide a mechanism by which the CFD may issue the Bonds and levy Special Taxes to provide a source of funds to finance EMWD Facilities in lieu of the payment of

EMWD Fees and or Acquisition Facilities. In the event that Bond Proceeds, including investment earnings thereon, are not available or sufficient to satisfy the obligation, then the Property Owner shall remain obligated to make an Advance for which it will receive no reimbursement (except to the extent Bond Proceeds later become available to EMWD), or pay EMWD Fees to EMWD as a condition of receiving water and sewer service to the Property.

The Bonds shall be issued only if, in its sole discretion, the City Council determines that all requirements of State and federal law and all City policies have been satisfied or have been waived by the City. Nothing in this Agreement shall confer upon EMWD or any owner of the Property, including Property Owner, a right to compel the issuance of the Bonds or the disbursement of Bond Proceeds to fund EMWD Facilities and/or Acquisition Facilities except in accordance with the terms of this Agreement.

If and when the CFD determines to issue Bonds, the CFD shall take such actions necessary in its reasonable discretion to ensure the total effective tax rate is within the City's policies and does not exceed two percent (2%) at the time of Bond sale. The total effective tax rate shall be based on a method of determination of property values reasonably acceptable to the City. The CFD shall not include EMWD's name on property owners' special tax bills within the CFD.

By entering into this Agreement and requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax-exempt status of the Bonds for federal or California state income tax purposes.

**5. Disbursements for EMWD Facilities.**

(a) Upon the funding of the Other Facilities Account of the Improvement Fund with funds reserved to fund EMWD Facilities, the Property Owner shall notify EMWD of the amount of Bond Proceeds reserved to fund EMWD Facilities and the Property Owner and EMWD may execute and submit a Disbursement Request for payment to the City or the CFD requesting disbursement of an amount equal to all or a portion of Advances from the Other Facilities Account of the Improvement Fund to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon EMWD's receipt of funds pursuant to such Disbursement Request, the Property Owner shall receive reimbursement of the Advances from EMWD. To facilitate EMWD's bookkeeping, EMWD may direct in a Disbursement Request, that all or a portion of a payment be made directly from the Other Facilities Account to the Property Owner as reimbursement for Advances made by the Property Owner. In the event of a reimbursement to the Property Owner pursuant to the preceding sentence, EMWD shall account for an equivalent amount of Advances previously received from the Property Owner in accordance with Section 5(c) below.

To the extent that EMWD expends all or a portion of an Advance pending the deposit of Bond Proceeds in the Other Facilities Account of the Improvement Fund, for purposes of Treasury Regulations regarding investment and expenditure of Bond Proceeds and State law provisions regarding financing of public capital facilities, the Advance shall be a considered an interest free loan by the Property Owner, which EMWD only agrees to repay to the extent of the deposit, if any, of Bond Proceeds in the Other Facilities Account of the Improvement Fund and EMWD's written direction as described below to pay all or a portion of such deposit to the Property Owner as repayment of an Advance.

(b) From time to time following the funding of the Other Facilities Account of the Improvement Fund, the Property Owner may notify EMWD in writing and the Property Owner and EMWD may jointly request a disbursement from the Other Facilities Account of the Improvement Fund to fund EMWD Facilities by executing and submitting a Disbursement Request. Upon receipt of such Disbursement Request completed in accordance with the terms of this Agreement, the CFD shall wire transfer or otherwise pay to EMWD (or upon EMWD's written direction pay to the Property Owner or an EMWD contractor) such requested funds to the extent that Bond Proceeds are available in the Other Facilities Account of the Improvement Fund for such purpose. Upon such notice and EMWD's receipt of such disbursement (or upon payment to the Property Owner or an EMWD contractor in accordance with directions from EMWD relating to EMWD Facilities), the Property Owner shall be deemed to have satisfied the applicable EMWD Fees with respect to the number of dwelling units or lots for which the EMWD Fees would otherwise have been required in an amount equal to such disbursement.

(c) EMWD agrees that prior to submitting a Disbursement Request requesting payment from the CFD it shall review and approve all costs included in its request and will have already paid or incurred such costs of EMWD Facilities from its own funds (which may include Advances from the Property Owner) subsequent to the date of this Agreement, or will disburse such amounts to pay the costs of EMWD Facilities following receipt of funds from the CFD. In the event that EMWD does not disburse any Bond Proceeds (or equivalent amount of Advances repaid pursuant to the second to the last sentence of the first paragraph of Section 5(a) above) received by it to third parties within five banking days of receipt, it will trace and report to the CFD all earnings, if any, earned by EMWD, from the date of receipt of such Bond Proceeds by EMWD (or the date of disbursement pursuant to the second to the last sentence of the first paragraph of Section 5(a) above) to the date of expenditure by EMWD for capital costs of the EMWD Facilities. Such report shall be delivered at least semiannually until all Bond Proceeds are expended by EMWD. EMWD agrees that in processing the above disbursements it will comply with all legal requirements for the expenditure of Bond Proceeds under the Internal Revenue Code of 1986 and any amendments thereto.

(d) EMWD agrees to maintain adequate internal controls over its payment function and to maintain accounting records in accordance with generally accepted accounting procedures. EMWD will, upon request, provide the City and/or the Property Owner with access to EMWD's records related to the EMWD Facilities and expenditure of Advances and will provide to the City its annual financial report certified by an independent certified public accountant for purposes of assisting the City in calculating the arbitrage rebate obligation of the CFD, if any.

(e) The City or the CFD agrees to maintain full and accurate records of all amounts, and investment earnings, if any, expended from the Other Facilities Account of the Improvement Fund and expenditure of Advances. The City or the CFD will, upon request, provide EMWD and/or Property Owner with access to the City's or the CFD's records related to the Other Facilities Account of the Improvement Fund.

(f) The City acknowledges that it is in receipt of and has reviewed the EMWD Comprehensive Debt Policy ("Debt Policy"). At the time of formation of the CFD, the City and the CFD are in conformance with Section 3.1 of the Debt Policy and it is expected that the City and CFD will remain in conformance with Section 3.1 at the time of any Bond sale. However, City and EMWD acknowledge that the City has the ultimate responsibility for issuance of the Bonds, the administration of the CFD, and the tax-exempt status of any Bonds issued by the CFD. Accordingly,

the City Council shall have ultimate responsibility for making all decisions with respect to the issuance of any CFD Bonds and the levy of CFD Special Taxes.

**6. Ownership of EMWD Facilities and Acquisition Facilities.** The EMWD Facilities and Acquisition Facilities shall be and remain the property of EMWD.

**7. Acquisition Facilities.** The requirements of this Section 7 shall apply to any Acquisition Facility for which a Payment Request is submitted to EMWD pursuant to this Section 7.

(a) Design Plans and Specifications. All plans, specifications and bid documents for the Acquisition Facility ("Plans") constructed or to be constructed by the Property Owner shall be prepared by the Property Owner at the Property Owner's initial expense, subject to approval by EMWD. Costs for preparation of the Plans shall be included in the acquisition price. Reimbursement of costs for plan revisions will be considered on a case by case basis. The Property Owner shall not award bids for construction, or commence or cause commencement of construction, of the Acquisition Facility until the Plans and bidding documents have been approved by EMWD. The bid opening for the Acquisition Facility shall be coordinated with and take place at EMWD's offices, with EMWD personnel in attendance.

(b) Construction of Acquisition Facilities. A qualified engineering firm (the "Field Engineer") shall be employed by the Property Owner to provide all field engineering surveys determined to be necessary by the EMWD's inspection personnel. Field Engineer shall promptly furnish to EMWD a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from Field Engineer's engineering surveys and/or proposed facility design changes. EMWD shall have the right, but not the obligation, to review, evaluate and analyze whether such results comply with applicable specifications.

A full-time soil testing firm, approved by EMWD, shall be employed by the Property Owner to conduct soil compaction testing and certification. The Property Owner shall promptly furnish results of all such compaction testing to EMWD for its review, evaluation and decision as to compliance with applicable specifications. In the event the compaction is not in compliance with applicable specifications, the Property Owner shall be fully liable and responsible for the costs of achieving compliance. A final report certifying all required compaction in accordance with the specifications shall be a condition of final acceptance of the Acquisition Facility.

The costs of all surveying, testing and reports associated with the Acquisition Facility furnished and constructed by the Property Owner's contractor(s) shall be included in the acquisition price.

EMWD shall not be responsible for conducting any environmental, archaeological, biological, or cultural studies or any mitigation requirements that may be requested by appropriate Federal, State, and/or local agencies with respect to the Acquisition Facility. Any such work shall be paid for and conducted by the Property Owner and included in the acquisition price of the Acquisition Facility.

(c) EMWD Public Works Requirements. In order that the Acquisition Facility may be properly and readily acquired by EMWD, the Property Owner shall comply with all of the following requirements with respect to the Acquisition Facility, and the Property Owner shall

provide such proof to the EMWD as EMWD may reasonably require and at such intervals and in such form as EMWD may reasonably require, that the following requirements have been satisfied as to the Acquisition Facility:

(i) The Property Owner shall prepare a bid package for review, comment and approval by the General Manager of EMWD or his designee (the "EMWD Representative").

(ii) The Property Owner shall, after obtaining at least three sealed bids for the construction of the Acquisition Facility in conformance with the procedures and requirements of EMWD, submit to EMWD written evidence of such competitive bidding procedure, including evidence of the means by which bids were solicited, a listing of all responsive bids and their amounts, and the name or names of the contractor or contractors to whom the Property Owner proposes to award the contracts for such construction, which shall be the lowest responsible bidder.

(iii) The EMWD Representative shall attend the bid opening. If unable to attend the bid opening, the EMWD Representative shall approve or disapprove of a contractor or contractors, in writing, within five (5) business days after receipt from the Property Owner of the name or names of such contractor or contractors recommended by the Property Owner. If the EMWD Representative disapproves of any such contractor; the Property Owner shall select the next lowest responsible bidder from the competitive bids received who is acceptable to the EMWD Representative.

(iv) The specifications and bid and contract documents shall require all such contractors to pay prevailing wages and to otherwise comply with applicable provisions of the Labor Code, the Government Code and the Public Contract Code relating to public works projects and as required by the procedures and standards of EMWD with respect to the construction of its public works projects.

(v) The Property Owner shall submit faithful performance and payment bonds conforming in all respects to the requirements set forth in EMWD's "Standard Water and/or Sewer Facilities and Service Agreement." The following documents shall be submitted to EMWD along with the performance and payment bonds:

(1) The original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws, or other instrument entitling or authorizing the person who executed the bond to do so;

(2) A certified copy of the certificate of authority of the insurer issued by the State of California's Insurance Commissioner; and

(3) Copies of the insurer's most recent annual and quarterly statements filed with the Department of Insurance.

(vi) The Property Owner and its contractor and subcontractors shall be required to provide proof of insurance coverage throughout the term of the construction of the Acquisition Facility, which they will construct in conformance with EMWD's standard procedures and requirements. EMWD's insurance requirements are set out in Section 7(n) herein.



(vii) The Property Owner and all such contractors shall comply with such other requirements relating to the construction of the Acquisition Facility which EMWD may impose by written notification delivered to the Property Owner and each such contractor at the time either prior to the receipt of bids by the Property Owner for the construction of such Acquisition Facility or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof. In accordance with Section 7(f), the Property Owner shall be deemed the awarding body and shall be solely responsible for compliance and enforcement of the provisions of the Labor Code, Government Code, and Public Contract Code.

(viii) A "Change Order" is an order from the Property Owner to a contractor authorizing a change in the work to be performed. The Property Owner shall receive comments from the EMWD Representative prior to the Property Owner's approval of any Change Order. The EMWD Representative shall comment on or deny the Change Order request within five (5) business days of receipt of all necessary information. EMWD's comments to a Change Order shall not be unreasonably delayed, conditioned or withheld. The Property Owner shall not be entitled to include in the acquisition price costs associated with a Change Order that have not been approved by the EMWD Representative.

(d) Inspection; Completion of Construction. EMWD shall have primary responsibility for inspecting the Acquisition Facility to assure that the work is being accomplished in accordance with the Plans. Such inspection does not include inspection for compliance with safety requirements by the Property Owner's contractor(s). EMWD's personnel shall be granted access to each construction site at all reasonable times for the purpose of accomplishing such inspection. Upon satisfaction of EMWD's inspectors, the Property Owner shall notify EMWD in writing that an Acquisition Facility has been completed in accordance with the Plans.

Within three (3) business days of receipt of written notification from EMWD inspectors that an Acquisition Facility has been completed in accordance with the Plans, the EMWD Representative shall notify the Property Owner in writing that such Acquisition Facility has been satisfactorily completed. Upon receiving such notification, the Property Owner shall file a Notice of Completion with the County of Riverside Recorder's Office, pursuant to the provisions of Section 8182 of the Civil Code. The Property Owner shall furnish to EMWD a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County of Riverside (the "County"). EMWD will in turn file a notice with the County for acceptance.

(e) Liens. With respect to the Acquisition Facility, upon the earlier of (i) receipt of all applicable lien releases, or (ii) expiration of the time for the recording of claim of liens as prescribed by Sections 8412 and 8414 of the Civil Code, the Property Owner shall provide to EMWD such evidence or proof as EMWD shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment for the construction of the Acquisition Facility have been paid, and that no claims of liens have been recorded by or on behalf of any such person, firm or corporation.

(f) Acquisition; Acquisition Price; Source of Funds. The costs eligible to be included in the acquisition price of the Acquisition Facility (the "Actual Costs") shall include:

(i) The actual hard costs for the construction of such Acquisition Facility as established by EMWD-approved construction contracts and approved Change Orders, including

costs of payment, performance and maintenance bonds and insurance costs, pursuant to this Agreement;

(ii) The design and engineering costs of such Acquisition Facility including, without limitation, the costs incurred in preparing the Plans. Costs for plan revisions will be considered on a case by case basis;

(iii) The costs of environmental evaluations and public agency permits and approvals attributable to the Acquisition Facility;

(iv) Costs incurred by the Property Owner for construction management and supervision of such Acquisition Facility, not to exceed five percent (5%) of the actual construction cost, subject to prior approval by EMWD of any construction management or supervision contract with respect to the Acquisition Facility;

(v) Professional costs associated with the Acquisition Facility such as engineering, inspection, construction staking, materials, testing and similar professional services; and

(vi) Costs approved by EMWD of acquiring from an unrelated third party any real property or interests therein required for the Acquisition Facility including, without limitation, temporary construction easements, temporary by-pass road and maintenance easements.

Provided the Property Owner has complied with the requirements of this Agreement, EMWD agrees to execute and submit to the City a Payment Request for payment of the acquisition price of the completed Acquisition Facility to the Property Owner or its designee within thirty (30) days after the Property Owner's satisfaction of the preconditions to such payment stated herein.

As a condition to EMWD's execution of the Payment Request for the acquisition price, the property ownership of the completed Acquisition Facility shall be transferred to EMWD by grant deed, bill of sale or such other documentation as EMWD may require free and clear of all taxes, liens, encumbrances, and assessments, but subject to any exceptions determined by EMWD to not interfere with the actual or intended use of the land or interest therein (including the lien of a community facilities district so long as the subject property is exempt from taxation or is otherwise not taxable by such community facilities district). Upon the transfer of property ownership of the Acquisition Facility or any portion thereof to EMWD, EMWD shall be responsible for the maintenance of such Acquisition Facility or the portion transferred. Notwithstanding the foregoing, the acquisition price of an Acquisition Facility may be paid prior to transfer of property ownership and acceptance of the Acquisition Facility if it is substantially completed at the time of payment. The Acquisition Facility shall be considered "substantially complete" when it has been reasonably determined by EMWD to be usable, subject to final completion of such items as the final lift or any other items not essential to the primary use or operation of the Acquisition Facility.

For purposes of determining the acquisition price to be paid by the CFD for the acquisition of each Acquisition Facility by EMWD, the value of such Acquisition Facility shall include the construction costs specified in EMWD-approved contracts and EMWD-approved change orders conforming to this Section 7, as hereinbefore specified. EMWD approval is a condition prior to initiation of contract work. However, if EMWD reasonably determines that the additional Actual Costs are excessive and that the value of the Acquisition Facility is less than the total amount of such Actual Costs and such construction costs, the price to be paid for the acquisition of the Acquisition

Facility shall be the value thereof as determined by the EMWD Engineer Representative, subject, however, to the Property Owner's right to appeal to EMWD's Board of Directors.

Upon completion of the construction of an Acquisition Facility, the Property Owner shall deliver or cause to be delivered to EMWD a Payment Request in substantially the form of Exhibit "E," attached hereto, copies of the contract(s) with the contractor(s) who have constructed the Acquisition Facility and other relevant documentation with regard to the payments made to such contractor(s) and each of them for the construction of the Acquisition Facility, documentation evidencing payment of prevailing wages, and shall also provide to EMWD invoices and purchase orders with respect to all equipment, materials and labor purchased for the construction of the Acquisition Facility. EMWD shall require the EMWD Engineer Representative to complete its determination of the acquisition price of the Acquisition Facility as promptly as is reasonably possible.

Notwithstanding the preceding provisions of this Section, the source of funds for the acquisition of the Acquisition Facility or any portion thereof shall be funds on deposit in the Other Facilities Account of the Improvement Fund. If no such funds are available, EMWD shall not be required to acquire the Acquisition Facility from the Property Owner. In such event, the Property Owner shall complete the design and construction and offer to EMWD property ownership of such portions of the Acquisition Facility as are required to be constructed by the Property Owner as a condition to recordation of subdivision maps for the Property, but need not construct any portion of the Acquisition Facility which it is not so required to construct. Reimbursement for these facilities would be made pursuant to the "Standard Water and/or Sewer Facilities and Service Agreement(s)" by and between EMWD and the Property Owner.

(g) Easements and/or Fee Title Property Ownership Deeds. The Property Owner shall, at the time EMWD acquires the Acquisition Facility as provided in Section 7(f) hereof, grant or cause to be granted to EMWD, by appropriate instruments prescribed by EMWD, all easements across private property and/or fee title property ownership deeds which may be reasonably necessary for the proper operation and maintenance of such Acquisition Facility, or any part thereof.

(h) Permits. The Property Owner shall be responsible for obtaining all necessary construction permits from the City covering construction and installation of the Acquisition Facility. EMWD will request the City to issue an "operate and maintain permit" to EMWD, which will become effective upon the completion of the Acquisition Facility and acceptance of property ownership therewith by EMWD.

(i) Maintenance. Prior to the transfer of property ownership of an Acquisition Facility by the Property Owner to EMWD, as provided in Section 7(f) hereof, the Property Owner shall be responsible for the maintenance thereof and shall require its contractor(s) to repair all facilities damaged by any party, prior to acceptance by EMWD and/or make corrections determined to be necessary by EMWD's inspection personnel.

(j) Inspection of Records. EMWD shall have the right to review all books and records of the Property Owner pertaining to the costs and expenses incurred by the Property Owner for the design and construction of the Acquisition Facility during normal business hours by making arrangements with the Property Owner. The Property Owner shall have the right to review all books and records of EMWD pertaining to costs and expenses incurred by EMWD for services of the EMWD Engineer Representative by making arrangements with EMWD.

(k) Property Ownership of Improvements. Notwithstanding the fact that some or all of the Acquisition Facility may be constructed in dedicated street rights-of-way or on property which has been or will be dedicated to EMWD, each Acquisition Facility shall be and remain the property of the Property Owner until acquired by EMWD as provided in this Agreement.

(l) Materials and Workmanship Warranty. Upon the completion of the acquisition of an Acquisition Facility by EMWD, the performance bond related to such individual Acquisition Facility provided by the Property Owner pursuant to Section 7(c)(v) hereof, shall be reduced by 90%, and the remaining 10% shall serve as a maintenance bond to guarantee that such Acquisition Facility will be free from defects due to faulty workmanship or materials for a period of one year. Release of performance and payment bonds is addressed in the Standard Water and/or Sewer Facilities and Service Agreement, by and between EMWD and the Property Owner.

(m) Independent Contractor. In performing this Agreement with respect to the Acquisition Facilities, the Property Owner is an independent contractor and not the agent of EMWD. EMWD shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. It is not intended by the Parties that this Agreement create a partnership or joint venture among them and this Agreement shall not otherwise be construed.

(n) Insurance Requirements. Neither the Property Owner nor its contractor shall commence work on an Acquisition Facility under this Agreement prior to obtaining all insurance required hereunder with a company or companies acceptable to EMWD, nor shall the Property Owner's contractor allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained.

The Property Owner shall, during the life of this Agreement, notify EMWD in writing of any incident giving rise to any potential bodily injury or property damage claim and any resultant settlements, whether in conjunction with this or any other project which may affect the limits of the required coverage, as soon as is reasonable and practical.

Both the Property Owner and its contractor shall conform in every respect to the requirements set forth in the Standard Water and/or Sewer Facilities and Service Agreement, by and between EMWD and the Property Owner.

## **8. Indemnification.**

(a) Indemnification by the City. The City shall assume the defense of, indemnify and save harmless, EMWD, its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of the City with respect to this Agreement and the issuance of the Bonds; provided, however, that the City shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(b) Indemnification by Property Owner. Property Owner shall assume the defense of, indemnify and save harmless, the City, the CFD and EMWD, their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of Property Owner with respect to this Agreement;

provided, however, that Property Owner shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

(c) Indemnification by EMWD. EMWD shall assume the defense of, indemnify and save harmless, the City, the CFD and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, any act or omission of EMWD with respect to this Agreement, and the design, engineering and construction of the EMWD Facilities and the Acquisition Facilities constructed by EMWD; provided, however, that EMWD shall not be required to indemnify any person or entity as to damages resulting from negligence or willful misconduct of such person or entity or their officers, agents or employees.

**9. Allocation of Special Taxes.** The entire amount of any Special Taxes levied by the CFD to repay Bonds, or to fund other obligations, shall be allocated to the CFD.

**10. Amendment and Assignment.** This Agreement may be amended at any time but only in writing signed by each Party hereto. This Agreement may be assigned, in whole or in part, by the Property Owner to the purchaser of any parcel of land within the Property, provided, however, such assignment shall not be effective unless and until EMWD and the City have been notified, in writing, of such assignment and the assignment specifies whether the Property Owner or such assignee is authorized to execute disbursement requests.

**11. Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the Parties with respect to the subject matter of this Agreement.

**12. Notices.** Any notice, payment, instrument, statement, demand, consent, approval, authorization, offer, designation, request or other communication required or permitted by this Agreement to be given or delivered to any other Party shall be deemed delivered to the other Party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, email, telegram or telecopier upon the sender's receipt of an appropriate answer back or other written acknowledgement from the addressee of successful transmission which is not an automated reply or acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified as follows:

City: City of Perris  
101 N. D Street Perris, CA 92570  
Attention: Director of Finance  
Phone: (951) 943-4610  
Email: ereyna@cityofperris.org

EMWD: Eastern Municipal Water District  
P.O. Box 8300  
2270 Trumble Road

Perris, CA 92572-8300  
Attention: Special Funding Division  
Email: specialfundingdivision@emwd.org

Property Owner: D.R. Horton, *America's Builder*.  
2280 Wardlow Circle, Suite 100  
Corona, CA 92880  
Attention: Barbara M. Murakami  
Email: bmmurakami@drhorton.com

Each Party may change its address for delivery of notice by delivering written notice of such change of address to the other Parties hereto.

**13. Exhibits.** All exhibits attached hereto are incorporated into this Agreement by reference.

**14. Attorney's Fees.** In the event of the bringing of any action or suit by any Party against any other Party arising out of this Agreement, the Party in whose favor final judgment shall be entered shall be entitled to recover from the losing Party all costs and expenses of suit, including reasonable attorney's fees.

**15. Interpretation in the event of Ambiguities or Disputes.** The Parties acknowledge and agree that each has been given the opportunity to review this Agreement with legal counsel independently, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. In the event of an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for interpretation against the Party who causes the uncertainty to exist or against the drafter.

**16. Severability.** If any part of this Agreement is held to be illegal or unenforceable by court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

**17. Governing Law.** This Agreement and any dispute arising hereunder shall be governed by interpreted in accordance with the laws of the State of California.

**18. Waiver.** Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by any other Party hereto, or the failure by a Party to exercise its rights upon the default of any other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the terms of this Agreement thereafter.

**19. No Third Party Beneficiaries.** No person or entity other than the CFD, when and if formed, shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than EMWD, the City, the CFD and Property Owner (and their respective successors and assigns, exclusive of individual homebuyers), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**20. Singular and Plural; Gender.** As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

**21. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

**CITY OF PERRIS**

\_\_\_\_\_  
Director of Finance

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

**CITY ATTORNEY OF THE CITY OF PERRIS**

By: \_\_\_\_\_

*[SIGNATURES CONTINUED ON NEXT PAGE.]*



**EASTERN MUNICIPAL WATER DISTRICT**

\_\_\_\_\_  
Paul D. Jones II, General Manager

**ATTEST:**

By: \_\_\_\_\_  
Sheila Zelaya, Board Secretary

**PROPERTY OWNER**

**D.R. HORTON LOS ANGELES HOLDING  
COMPANY, INC.**, a California corporation

By: \_\_\_\_\_  
Barbara M. Murakami, Vice President

**EXHIBIT "A"**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE  
CITY OF PERRIS (AVION POINTE/ACACIA)**

**DESCRIPTION OF PROPERTY**

All that certain real property situated in the City of Perris, County of Riverside, State of California, described as follows:

**Phase 1 Property (Alder):**

**PARCEL A:** (APN: 311-470-001 THROUGH 311-470-008; 311-470-023; 311-470-024; 311-471-001 THROUGH 311-471-012; 311-472-001 THROUGH 311-472-005; 311-472-010 THROUGH 311-472-021

LOTS 1 THROUGH 8, INCLUSIVE, 17 THROUGH 28, INCLUSIVE, 35, 36, 41 THROUGH 45, INCLUSIVE AND 50 THROUGH 61, INCLUSIVE OF TRACT NO. 31650, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 407, PAGES 21 THROUGH 24, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**PARCEL B:** (APN: 311-340-012 THROUGH 311-340-026)

LOTS 1 THROUGH 15, INCLUSIVE, OF TRACT NO. 32406, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 414, PAGES 40 AND 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**Phase 2 Property (Acacia):**

LOTS 1 TO 57, INCLUSIVE, OF TRACT NO. 31651, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 419 PAGES 12 THROUGH 14 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 311-161-001 THROUGH 311-161-035 AND 311-162-001 THROUGH 311-162-022

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**EXHIBIT "B"**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE  
CITY OF PERRIS (AVION POINTE/ACACIA)**

**DEPICTION OF PROPERTY**

**EXHIBIT "C"**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE  
CITY OF PERRIS (AVION POINTE/ACACIA)**

**FACILITIES DESCRIPTION**

**1. EMWD Facilities.** The type of EMWD Facilities eligible to be financed by the CFD under the Act are as follows:

Those water and sewer facilities included in EMWD's water and sewer capacity and connection fee programs used to finance expansion projects, exclusive of in-tract facilities contributed by Property Owner. EMWD Facilities include, but are not limited to the following: water and sewer transmission pipelines, sewer treatment plants, disposal ponds, pumping plants, lift stations and water reservoirs, including all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction, inspection and any and all appurtenant facilities and appurtenant work relating to the foregoing.

**2. Acquisition Facilities.** The types of Acquisition Facilities eligible to be financed by the CFD under the Act shall consist of sewer and water transmission lines, sewer and water pump stations and water reservoirs, including all costs of site acquisition, planning, design, engineering, legal services, materials testing, coordination, surveying, construction staking, construction inspection and any and all appurtenant facilities to the foregoing required to serve the Property. The facilities listed above are representative of the types of facilities eligible to be financed by the CFD as Acquisition Facilities. Detailed scope and limits of specific projects will be determined by EMWD as appropriate, consistent with the standards of the EMWD.

**EXHIBIT C-1**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE  
CITY OF PERRIS (AVION POINTE/ACACIA)**

**FACILITIES LIST**

<b>City of Perris (1)</b>	<b>Per Unit</b>	<b>No. Units</b>	<b>Total</b>
Police	\$ 59	106	\$ 6,254
Fire	362	106	38,372
Community Amenities	1,120	106	118,720
Government Facilities	576	106	61,056
Parks	7,677	106	813,776
Transportation Facilities	4,025	106	426,650
<i>Sub-Total:</i>	<b>\$ 13,819</b>		<b>\$ 1,464,828</b>
<b>2021 Eastern Municipal Water District Fees (2)</b>	<b>Per Unit</b>	<b>No. Meters/Units</b>	<b>Total</b>
Water Financial Participation	\$ 5,584	106	\$ 591,904
Sewer Financial Participation	2,958	106	313,548
Sewer Treatment Plant Capacity	6,027	106	638,862
Water Supply Development Fee	300	106	31,800
Water Meter Fee	377	106	39,962
<i>Sub-Total:</i>	<b>\$ 15,246</b>		<b>\$ 1,616,076</b>
<b>City Facilities (Zone 2)</b>			<b>Total</b>
Remaining Proceeds for Nuevo Rd./Wilson Ave. Improvements			\$ 319,601
<i>Sub-Total:</i>			<b>\$ 319,601</b>
	<b>Per Unit</b>	<b>No. Units</b>	<b>Total</b>
<b>TOTAL AUTHORIZED FEES</b>	<b>\$ 32,080</b>	<b>106</b>	<b>\$ 3,400,505</b>

(1) Per the current City of Perris Development Impact Fee schedule.

(2) Per the current 2021 EMWD Fee schedule.

**EXHIBIT "D"**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE  
CITY OF PERRIS (AVION POINTE/ACACIA)**

**DISBURSEMENT REQUEST FORM  
(EMWD Facilities)**

1. Community Facilities District No. 2021-1 of the City of Perris (Avion Pointe/Acacia) ("CFD") is hereby requested to pay from the CFD bond proceeds ("Bond Proceeds") to Eastern Municipal Water District ("EMWD"), as Payee, or to EMWD's designee, the sum set forth in 3 below.

2. The undersigned certifies that the amount requested for EMWD Facilities is due and payable, has not formed the basis of prior request or payment, and is being made with respect to the connection of the property described below to the EMWD system.

3. Amount requested: \$ \_\_\_\_\_  
For Tract/Lot Nos: \_\_\_\_\_

4. The amount set forth in 3 above is authorized and payable pursuant to the terms of the Joint Community Facilities Agreement, by and among the City of Perris, EMWD and D.R. Horton Los Angeles Holding Company, Inc., dated \_\_\_\_\_, 2021 (the "Agreement"). Capitalized terms not defined herein shall have the meaning set forth in the Agreement. EMWD shall spend the Bond Proceeds allocated hereby in accordance with the requirements set forth in Section 5 of the Agreement.

5. By entering into the Agreement and requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax-exempt status of the Bonds for federal or California state income tax purposes.

**PROPERTY OWNER**

**D.R. HORTON LOS ANGELES HOLDING  
COMPANY, INC., a California corporation**

By: \_\_\_\_\_  
Barbara M. Murakami, Vice President

**EASTERN MUNICIPAL WATER DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

cc: EMWD Special Funding District

**EXHIBIT "E"**

**COMMUNITY FACILITIES DISTRICT NO. 2021-1 OF THE  
CITY OF PERRIS (AVION POINTE/ACACIA)**

**PAYMENT REQUEST FORM  
CITY OF PERRIS CFD NO. 2021-1 – OTHER FACILITIES ACCOUNT  
OF THE IMPROVEMENT FUND**

City of Perris ("City"), Eastern Municipal Water District ("EMWD") and D.R. Horton Los Angeles Holding Company, Inc. ("Property Owner") are parties to the Joint Community Facilities Agreement, dated as of \_\_\_\_\_, 2021 (the "EMWD JCFA"). Capitalized undefined terms used herein shall have the meanings ascribed thereto in the EMWD JCFA. Pursuant to the EMWD JCFA, Property Owner hereby requests approval of the acquisition price of the Acquisition Facility(ies) described in Attachment A attached hereto. In connection with this Payment Request, Property Owner hereby represents and warrants to the EMWD as follows:

(a) The person executing this Payment Request is qualified to execute this Payment Request on behalf of Property Owner and knowledgeable as to the matters set forth herein.

(b) The Acquisition Facility(ies) have been constructed in accordance with the Plans therefor, and in accordance with all applicable EMWD standards and the requirements of the EMWD JCFA.

(c) The true and correct Actual Cost of the Acquisition Facility(ies) is set forth in Attachment A.

(d) Property Owner has submitted or submits herewith to EMWD the contracts, invoices, receipts, worksheets and other evidence of Actual Costs which are in sufficient detail to allow the EMWD Representative to verify the Actual Cost of the Acquisition Facility(ies) for which payment is requested.

(e) There are no liens, rights to lien or attachment upon, or claims affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

Property Owner hereby declares under penalty of perjury that the above representations and warranties are true and correct.

*[Remainder of page intentionally left blank]*

Property Owner hereby requests that the acquisition price be paid to the person or persons, in the amount set forth in Attachment B hereto.

**PROPERTY OWNER**

**D.R. HORTON LOS ANGELES HOLDING  
COMPANY, INC.**, a California corporation

By: \_\_\_\_\_  
Barbara M. Murakami, Vice President



**CONFIRMATION AND APPROVAL BY EMWD**

EMWD has (a) confirmed that the Acquisition Facility(ies) described in Attachment A is/are complete and was/were constructed in accordance with the Plans therefor, and (b) reviewed, verified and approved the acquisition price of such Acquisition Facility(ies). Such Acquisition Facility(ies) is/are complete and the acquisition price therefor eligible for payment is \$ \_\_\_\_\_. The amount to be paid and the payee(s) are described in Attachment B.

By entering into the EMWD JCFA and confirming the matters set forth in the preceding paragraph regarding requisitioning Bond Proceeds as described herein, EMWD is not passing upon, determining or assuming the tax exempt status of the Bonds for federal or State income tax purposes.

Date: \_\_\_\_\_

**AUTHORIZED REPRESENTATIVE OF EMWD**

By: \_\_\_\_\_



**ATTACHMENT B**

**ACQUISITION PRICE PAYMENT INSTRUCTIONS**

[Include name and address of payee and wire transfer instructions]

**EXHIBIT B**  
**FUNDING AGREEMENT**

[SEE ATTACHED]

## FUNDING AGREEMENT

THIS FUNDING AGREEMENT, dated \_\_\_\_\_, 2021, is by and between the City of Perris, California (the "City"), acting on behalf of Community Facilities District No. 2021-1 (Avion Pointe/ Acacia) of the City of Perris (the "District"), and D.R. Horton Los Angeles Holding Company, Inc., a California corporation, as landowner (the "Landowner") and as developer (the "Developer").

### RECITALS

**WHEREAS**, the City has undertaken proceedings to form the City of Perris Community Facilities District No. 2021-1 (Avion Pointe/ Acacia) (the "District"), authorize the levy of special taxes within the District (the "Special Taxes"), and the issuance of bonds by the District (the "Bonds") pursuant to the Mello-Roos Community Facilities Act of 1982 (constituting Sections 53311 *et seq.* of the California Government Code) (the "Act") to fund the payment of Public Fees (as herein defined) and related costs used to acquire, rehabilitate and/or construct Public Facilities (as defined herein); and

**WHEREAS**, the Landowner is the owner and the developer of the property within the proposed District as further described on Exhibit A-1 hereto, which the Developer intends to develop for residential purposes (the "Project"); and

**WHEREAS**, the City, Landowner and Developer will benefit from a coordinated plan of financing of the Public Fees and the Public Facilities through the District; and

**WHEREAS**, the Landowner, Developer and the City wish to finance the payment of all or a portion of the Public Fees as described on Exhibit B hereto (as it may be amended or supplemented) which fund the Public Facilities with funds deposited in the Improvement Fund (as defined herein); and

**WHEREAS**, the Landowner and City have entered into a Joint Community Facilities Agreement ("EMWD JCFA") with Eastern Municipal Water District ("EMWD") in order to fund certain Public Fees and Public Facilities of EMWD; and

**WHEREAS**, the City intends to eventually authorize the issuance of the Bonds under the Act and the Fiscal Agent Agreement (as defined herein), the proceeds of which shall be used, in part, to finance Public Fees and Public Facilities; and

**WHEREAS**, in conjunction with the issuance of permits for the construction of homes on the Property, the Landowner, Developer, or their successors or assigns, have agreed to either make deposits ("Deposits") with the City to secure the future payments of Public Fees from the proceeds of the Bonds or loans to the City to pay Public Fees ("Advances"), which loans will be repaid from the proceeds of the Bonds when issued, to the extent Bonds are issued; and

**WHEREAS**, if such Deposits or Advances are made, the Landowner, Developer or their successor and assigns shall be entitled to (i) payment of Public Fees (which shall fund public facilities after the issuance of the Bonds) from the proceeds of the Bonds and reimbursement of Deposits from funds other than the proceeds of the Bonds or (ii) repayment of such Advances limited to proceeds of the Bonds allocated for that purpose and the Advances being considered

an interest-free loan by the Landowner or Developer with no repayment obligation except to the extent there are proceeds of the Bonds allocated therefor; and

**WHEREAS**, in consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, Landowner and Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

**ARTICLE I  
DEFINITIONS**

**Section 1.01 Definitions.** The following terms shall have the meanings ascribed to them in this Section 1.01 for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Fiscal Agent Agreement (as hereinafter defined).

“Act” means The Mello-Roos Community Facilities Act of 1982, being Chapter 2.5 of Part 1 of Division 2 of title 5 (commencing with Section 53311) of the California Government Code.

“Agreement” means this Funding Agreement, together with any Supplement hereto.

“Bonds” means the bonds, notes or other indebtedness of the District issued to generate proceeds for the Improvement Fund.

“City” means the City of Perris, California.

“County” means the County of Riverside, California.

“Developer” means D.R. Horton Los Angeles Holding Company, Inc., a California corporation, and its successors and assigns (other than individual homebuyers) in accordance with the terms of this Agreement.

“District” means Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris, a community facilities district organized and existing under the laws of the State of California.

“District Representative” means the City Manager or Finance Director or his/her designee.

“Fiscal Agent” means the fiscal agent identified in the Fiscal Agent Agreement, or any successor thereto acting as fiscal agent under the Fiscal Agent Agreement.

“Fiscal Agent Agreement” means a fiscal agent agreement between the City and the Fiscal Agent, providing for, among other matters, the issuance of the Bonds and the

establishment of the Improvement Fund, as it may be amended or supplemented from time to time.

“Improvement Fund” means the Improvement Fund established by a Fiscal Agent Agreement relating to the issuance of the Bonds of the District, from which the Public Fees shall be paid. The Improvement Fund may be comprised of one or more accounts, as described in the Fiscal Agent Agreement.

“Landowner” means D.R. Horton Los Angeles Holding Company, Inc., a California corporation.

“MOU” means the Memorandum of Understanding, dated January 12, 2021, between the City and the Landowner.

“Party” means either the City, the Developer or the Landowner; “Parties” means the Landowner, the Developer and the City.

“Payment Request” means a document, substantially in the form of Exhibit C hereto, to be used in requesting a payment of a Public Fee for a Public Facility.

“Public Facility” or “Public Facilities” means any facility or facilities described in the resolution of intention relating to the District and in the fee programs of the City or other public agency, including EMWD, as applicable.

“Public Fees” means one or more of the fees described in Exhibit B hereto which are eligible to be financed out of the Improvement Fund and includes fees described in the EMWD JCFA.

“Prior CFD” means Community Facilities District No. 2006-3 (Alder) of the City of Perris.

“Rate and Method” means the particular Rate and Method of Apportionment of Special Taxes approved by the qualified electors within the District.

“Special Taxes” means the special taxes authorized to be levied in the District pursuant to the Rate and Method.

“Supplement” means a written document amending, supplementing or otherwise modifying this Agreement and any exhibit hereto, including any amendments to the list of Public Fees in Exhibit B, and/or the addition to Exhibit B of additional Public Fees to be financed with the proceeds of the Bonds deposited in the Improvement Fund.

## ARTICLE II

### FUNDING

**Section 2.01 Proceedings.** The City shall, in its discretion, conduct all necessary proceedings under the Act for the formation of the District and the issuance, sale and delivery of the Bonds.

**Section 2.02 Bonds.** The City shall not be obligated to pay the Advances or Public Fees thereof except from amounts on deposit in the Improvement Fund. The City makes no warranty, express or implied, that the proceeds of the Bonds deposited and held in the Improvement Fund, and any investment earnings thereon to remain in the Improvement Fund, will be sufficient to pay for all of the Public Fees or Advances.

**Section 2.03 Proceeds.** The proceeds of the Bonds shall be deposited, held, invested, reinvested and disbursed as provided in the Fiscal Agent Agreement. A portion of the proceeds of the Bonds will be set aside in the Improvement Fund. Moneys in the Improvement Fund shall be deposited, held, invested, reinvested and disbursed therefrom in accordance with the provisions of the Fiscal Agent Agreement and the applicable provisions hereof for payment of all or a portion of the Public Fees, all as herein provided.

The Landowner and Developer acknowledge that any lack of availability of amounts in the Improvement Fund to pay the Public Fees or Advances shall in no way diminish any obligation of the Landowner and/or Developer, as the case may be, with respect to the public facilities and mitigation measures required in connection with the Project by any development or other agreement to which the Landowner and/or Developer, is a party, or any governmental approval to which the Developer or Landowner is subject (collectively, the "Improvement Agreements"). In addition, the Landowner and Developer acknowledge that payment of the Public Fees hereunder shall in no manner diminish the Landowner's or Developer's obligation to pay any increases in said Public Fees with respect to the Project applicable to the Landowner and/or Developer from its own funds.

**Section 2.04 Continuing Disclosure Agreement.** The Landowner and Developer agree to provide to the City, and to require each transferee or assignee to provide to the City all information regarding the development within the District, including the financing plan for such development, which is necessary to ensure that the City complies with its continuing disclosure obligations under the Fiscal Agent Agreement and all other applicable federal and state securities laws.

**Section 2.05 MOU and Letter of Credit.** Pursuant to the MOU, the Landowner has agreed to provide a letter of credit to secure payment of Special Taxes in the CFD. The Developer and Landowner understand and agree to provide such letter of credit as described in the MOU. The parties agree to work cooperatively with the terms of the letter of credit and issuance of the Bonds in order to accomplish the purposes of the MOU and the City's concerns about the size of the District and proposed Bond issues.

### **ARTICLE III**

#### **PAYMENT OF PUBLIC FEES**

**Section 3.01 Verification.** No payment hereunder shall be made by the City to or on behalf of the Landowner and/or Developer for a Public Fee, Deposit or Advance until the amount has been verified by the District Representative. No payment hereunder shall be made by the City or on behalf of the Landowner and/or Developer for a Public Fee, Advance or Deposit if the City determines not to finance said fee upon advice of counsel or due to changes in the Act. No payment shall be made to any transferee developer or owner of the property unless such party becomes a party to this Agreement by assignment or otherwise pursuant to the terms hereof.



**Section 3.02 Requests.** The Landowner or Developer may make Deposits or Advances related to Public Fees prior to the issuance of the Bonds pursuant to Section 3.06 and 3.07 hereof. Following the issuance of the Bonds, the Developer shall cause a Payment Request to be submitted to the City for the payment of all of the remaining City's Public Fees subject to this Agreement and requested by the City.

In order to cause a Public Fee, Advance or Deposit (pursuant to this Article) to be paid, the Landowner or Developer (with respect to its property) shall deliver to the District Representative: (i) a Payment Request in the form of Exhibit C hereto for such Public Fee, Advance or Deposit and (ii) such invoices or documentation to evidence said Payment Request. The Developer and Landowner each authorize the other to act on its behalf in providing such Payment Requests and (iii) such information and requests required by the EMWD JCFA with respect to EMWD's facilities.

**Section 3.03 Payment Requests.** Upon receipt of a Payment Request to pay the Public Fees (and all accompanying documentation), the District Representative shall conduct a review in order to confirm that such request is complete, and to verify and approve the amount of the Public Fee, Advance or Deposit specified in such Payment Request. The District Representative shall conduct each such review in a diligent manner and the Developer and Landowner agree to reasonably cooperate with the District Representative in conducting each such review and to provide the District Representative with such additional information and documentation as is reasonably necessary for the District Representative to conclude each such review. Within thirty (30) business days of receipt of any Payment Request, the District Representative shall notify the Developer or Landowner, as the case may be, whether such Payment Request is complete, and, if not, what additional documentation must be provided. If such Payment Request is complete, the District Representative will provide a written approval or denial of the request within thirty (30) days of its submittal. If the District Representative disapproves any Payment Request, it shall provide written notice of disapproval to the Developer or Landowner within such thirty (30) day period stating in reasonable detail the reasons for such disapproval and the changes to the Payment Request necessary to obtain the District Representative's approval. The District Representative's review of any Payment Request may be made on an individual fee basis such that the District Representative may approve for payment any Public Fee, Advance or Deposit covered by a Payment Request that complies with the requirements of this Agreement even if the District Representative disapproves other Public Fees, Advances or Deposits included as part of the same Payment Request; provided, however that the District Representative may request that a new Payment Request be submitted evidencing Public Fees, Advances or Deposits that the District Representative shall approve.

The City shall be entitled to withhold payment for any Public Fees to be paid to a public entity other than the City if the Developer or Landowner does not provide the District Representative with evidence that such entity has verified the amount to be paid as such Public Fee. Payment of Public Fees to EMWD shall also be made pursuant to the terms of the EMWD JCFA.

Following the issuance of the Bonds, the Developer shall cause a Payment Request to be submitted to the City for the payment of all of the remaining City's Public Fees subject to this Agreement and requested by the City. The Developer and Landowner agree to pay such fees immediately upon issuance of the Bonds to the extent there are sufficient proceeds of the Bonds and prior to the payment of any fees or facilities due and owing to EMWD or other public agencies from proceeds of the Bonds. Notwithstanding the previous sentence, the Developer and

Landowner shall be responsible for any increases in Public Fees subsequent to payment hereunder to the extent such increases apply to the Developer's and Landowner's property pursuant to the resolutions and ordinances of the City enacting Public Fees. At the same time of the payment of the Public Fees, the Developer or Landowner may request return of the Advances and/or reimbursement of any Deposits, as the case may be. To the extent there are two bond issues supported by the separate parcels related to the District, such Public Fees may be paid on a former tract map basis.

The City may, in its discretion, prior to the issuance of the Bonds pay City Public Fees (including reimbursements of Advances or Deposits) from Special Taxes.

**Section 3.04 Payment.** Upon approval of the Payment Request (or any portion thereof) by the District Representative, the District Representative shall sign the Payment Request and shall, within ten (10) business days of receipt of the approved Payment Request, cause the same to be paid, to the extent of funds then on deposit in the Improvement Fund. Any approved Payment Request not paid due to an insufficiency of funds in the Improvement Fund shall be paid promptly following the deposit into the Improvement Fund of additional proceeds of the Bonds, earnings on the Improvement Fund or other funds deposited or transferred therein pursuant to the Fiscal Agent Agreement, if any. Upon the exhaustion of the Improvement Fund as a result of paying Public Fees to the governmental entity charging such Public Fees (the "Charging Entity"), and/or reimbursing the Developer and/or Landowner for Public Fees and Facilities advanced by the Developer, all remaining Public Fees shall be paid directly by the Developer and/or Landowner, as applicable, from its own funds at such time as such fees are normally required to be paid.

**Section 3.05 Payment For Public Facilities, Deposits and Advances.** The Landowner has petitioned the City to form the District for the purpose of financing the Public Fees and Public Facilities of certain public agencies, which Public Fees shall be used pursuant to the law to finance, the acquisition and/or construction of various public facilities to be owned and operated by said public agencies. The Landowner shall not own any of the Public Facilities. Pending the issuance of the Bonds, the Developer or Landowner may make Advances or Deposits of Public Fees for public facilities and be reimbursed as provided in Section 3.06 and 3.07.

**Section 3.06 Payment of Deposits.** In conjunction with the recording of the final subdivision map(s) for the Project, and the issuance of building permits for the construction of homes within the Project, it may be necessary for the Developer, Landowner, or its successors or assigns, to make deposits (the "Deposits") equal to the amount of Public Fees then required. The Developer or Landowner shall notify the City in writing of its intention to pay Public Fees as Deposits and Advances when it requests such permit or action and the City shall determine whether to treat it as an Advance (pursuant to Section 3.07) or Deposit. To the extent the City does not make such determination, such amount shall be treated as an Advance pursuant to Section 3.07. With respect to Deposits, upon or following the issuance and sale of the Bonds, Developer and/or Landowner may execute and submit a Disbursement Request to the District requesting payment of such Public Fees to the City or other public agency of an amount equal to such Deposits from the proceeds of the Bonds. Within ten (10) business days of the City's receipt of funds pursuant to such approved Payment Request, the City shall return the Deposits to the Developer and/or Landowner, as applicable. The City shall refund the Deposit from any funds of the City excluding the Bond proceeds. In the event Bonds are not issued within twenty four (24) months of the date of any Deposits, such Deposits may at the written discretion of the

City, be applied to pay the Public Fees, and shall no longer be reflected as a deposit on the accounts of the City. To the extent the Developer desires to make deposits equal to the sum of the authorized fees due to other public agencies prior to the issuance of the Bonds, the Developer must enter into an agreement with such agency to such effect. The City will cooperate with the Developer in facilitating such agreements.

**Section 3.07 Payment as Advances.** In conjunction with the recording of the final subdivision map(s) for the Project, and the issuance of building permits for the construction of homes within the project, the Developer, Landowner, or its successors or assigns, may make advances of Public Fees as a no interest loan to the City (the "Advances") equal to the amount of Public Fees then required. All payments by the Developer or Landowner shall be deemed to be Advances unless the City has determined to treat them as Deposits per Section 3.06 above. Upon or following the issuance and sale of the Bonds, the Developer and/or Landowner may execute and submit a Disbursement Request to the District requesting reimbursement of such Advances from Bond Proceeds. Within ten (10) business days of the City's receipt of funds pursuant to such approved Payment Request, the City shall return the Advances to the Developer and/or Landowner, as applicable. In the event Bonds are not issued within twenty-four (24) months of the date of any Advances, such Advances may at the written discretion of the City and the District shall no longer be required to reimburse such Advances. The City may expend the Advances on public facilities prior to the issuance of the Bonds. For allocation purposes, the City's policy is to spend Advances and Public Fees which constitute proceeds of the Bonds on the first eligible capital expenditure for public improvements for expenditure of bond proceeds prior to expenditure of any other funds.

**Section 3.08 Community Facilities Fee.** The Landowner and Developer agree to pay a fee of \$1,000 per unit, which fee shall be used toward Public Facilities and other facilities referenced in the proceedings of the District. Such amount may be paid from the proceeds of the Bonds.

**Section 3.09 Costs of Forming District and Issuing Bonds.** The City has agreed to expend up to \$100,000 of the costs of forming the District and removing the Prior CFD from the special taxes collecting in the Prior CFD pursuant to the MOU. The City and the Landowner desire that in accordance with Section 53314.9 of the Act in order to provide for the advancement of funds by the Landowner or Developer to be used to pay costs incurred in connection with the formation of the District and/or the issuance of the Bonds ("Costs") and to provide for the reimbursement to the Owner of such funds advanced, without interest, from the proceeds of the Bonds. Within five business days of a request of the City for funds for such Costs, the Developer or Landowner shall transfer the amount of requested funds to City to use for such Costs, if any. The District may reimburse such funds from the proceeds of the Bonds to be issued by the District. The City shall return any unexpended funds to Landowner. The City may also pay any of such Costs from Special Taxes.

## ARTICLE IV

### REPRESENTATIONS, WARRANTIES AND COVENANTS

**Section 4.01 Covenants and Warranties of the Developer and Landowner.** The Developer and Landowner represent and warrant for the benefit of the City as follows:

A. Organization. The Landowner is a California corporation, in compliance with the laws of the State of California and has the power and authority to own its property and assets and to carry on its business as now being conducted and as now contemplated. The Developer is a California corporation, duly organized under the laws of the State of California and has the power and authority to own its property and assets and to carry on its business as now being conducted and as now contemplated.

B. Authority. The Developer and the Landowner have the power and authority to enter into this Agreement, and have taken all action necessary action on their part to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer and the Landowner.

C. Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer and Landowner, enforceable against the Developer and Landowner in accordance with its terms.

D. Financial Records. The Developer and Landowner covenant to maintain proper books of record of its payment of its Deposits, Advances and Public Fees. Such accounting books shall be maintained in accordance with generally accepted accounting principles; and shall be available for inspection by the City or its agent at any reasonable time during regular business hours on reasonable notice.

E. Plans. The Developer represents that it has obtained or will obtain approval of the plans for the Project to be constructed by the Developer from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that the Project to be constructed by the Developer has been or will be constructed in compliance with such approved plans and specifications and any supplemental agreements (change orders) thereto, as approved in the same manner.

F. Tax Exemption. The Developer and Landowner shall not take any action with respect to this Agreement or the Bonds which shall cause the interest on the Bonds to be included in gross income of the holders thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended.

**Section 4.02 Indemnification and Hold Harmless of Landowner and Developer and limitation of liability of City.** To the greatest extent permitted by law, the Developer and Landowner shall assume the defense of, indemnify, and hold harmless the City, its officers, directors, employees and agents and each of them, from and against all actions, damages, claims, losses or expenses of every type and description to which they may be subjected or put, by reason of, or resulting from this Agreement and the Bonds.

The Developer and Landowner acknowledge that neither the District nor the City would have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement. Any and all obligations of the District and the City hereunder shall be payable only from proceeds of Bonds, to the extent such proceeds may become available. Neither the District nor the City shall have any pecuniary liability for any act or omission of the District or the City. In no event will an act, or an omission or failure to act, by the District or the City with respect to the sale or proposed sale or issuance of the Bonds subject the District or the City to pecuniary liability therefor.

In light of the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement, other than to compel payment by the District to the Developer of the amount of Bond proceeds to be applied to the payment of Public Fees in accordance with the provisions hereof.

The Landowner and Developer hereby agree to indemnify, hold harmless and defend the City, the Prior CFD and the District from any and all claims of any nature or kind asserted by any party, including but not limited to the Original Developers, the Prior Owner, or any party to the Prior School and Water Agreements with respect to the MOU (as such terms are defined in the MOU), the Prior CFD and the prior funding commitments thereunder like the Prior School and Water Agreements (as defined in the MOU). To the extent the City expends the special taxes related to the Prior CFD on anything else than administrative expenses of the Prior CFD, administrative expenses of the District or facilities and fees of the type described in the resolution of intention related to Prior CFD, the City will pay to the Landowner or Developer following a final non-appealable final judgment related to this expenditure against the Landowner or Developer up to the amount of the special taxes expended on other items. This previous sentence is not intended to limit any indemnification requirements of the Landowner or Developer herein, nor is it intended to apply in any suit by the Original Owners, or any assignees thereof, the Prior Owner or any former developer/owner of the property.

## ARTICLE V

### DEFAULT AND REMEDIES

**Section 5.01 Default Remedies.** Subject to the extensions of time as agreed to in writing by the parties hereto, failure by either party to perform any action or covenant required by this Agreement within the time periods provided herein following Notice and failure to cure as described hereafter, constitutes a "Default" under this Agreement. A Party claiming a Default shall give written Notice of Default to the other Party specifying such Default. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against any other Party, and the other Party shall not be in Default if such party within thirty (30) days from receipt of such Notice immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with diligence.

**Section 5.02 Institution of Legal Actions.** The Parties shall be entitled to seek any remedy available at law and in equity for the other Party's Default. All legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in an appropriate municipal court in Riverside County, or in the United States District Court for the District of California in which Riverside County is located.

**Section 5.03 Acceptance of Service of Process.** In the event that any legal action is commenced by the Developer and/or Landowner against the City, service of process on the City shall be made by personal service upon the City Clerk or in such other manner as may be provided by law. In the event that any legal action is commenced by the City against the Developer and/or Landowner, service of process on the Developer and/or Landowner shall be made in such manner as may be provided by law.

**Section 5.04 Rights and Remedies Are Cumulative.** Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise

by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party.

**Section 5.05 Inaction Not a Waiver of Default.** Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

**Section 5.06 Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

**Section 5.07 Attorneys' Fees.** In any action between the Parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action or other proceeding shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees.

## ARTICLE VI

### GENERAL

**Section 6.01 Mutual Consent.** This Agreement may be amended or terminated by the mutual written consent of the City, the Landowner and the Developer, and the Developer or Landowner shall have no claim or right to any portions of moneys in the Improvement Fund except as otherwise may be provided in such written consent and subject to Federal and State law.

**Section 6.02 Audit.** The City shall have the right, during normal business hours and upon the giving of five (5) business days' prior written notice to the Developer, to review all books and records of the Developer or Landowner, as applicable relating to this Agreement and the Public Fees.

**Section 6.03 Notices, Demands and Communications Between the Parties.** Any notices, requests, demands, documents, approvals or disapprovals given or sent under this Agreement from one Party to another Party (collectively, "Notices") may be personally delivered, transmitted by facsimile (FAX) transmission, or deposit with the United States Postal Service for mailing, postage prepaid, to the address of the other Party as stated in this Section, and shall be deemed to have been given or sent at the time of personal delivery or FAX transmission or, if mailed, on the third day following the date of deposit in the course of transmission with the United States Postal Service. Notices may also be given by email to the parties listed below and shall be considered received upon an acknowledgment of receipt by the party to whom it is sent for notice purposes. Automatic email receipts shall not be sufficient. Notices shall be sent as follows:

If to City:

City of Perris  
Attn: City Manager  
101 N. "D" Street  
Perris, CA 92570  
Phone: (951) 943-6100  
Fax: (951) 657-1087  
Email: [cityclerk@cityofperris.org](mailto:cityclerk@cityofperris.org)

With copies to:

Aleshire & Wynder, LLP  
Attn: Eric Dunn, City Attorney  
18881 Von Karman Avenue, Ste. 1700  
Irvine, CA 92612  
Phone: 949/933-7811  
Fax No. (949) 223-1180  
Email: [edunn@awattorneys.com](mailto:edunn@awattorneys.com)

If to Developer or Landowner :

D.R. Horton, *America's Builder*  
2280 Wardlow Circle, Suite 100  
Corona, CA 92880  
Attn: Barbara M. Murakami,  
Senior Vice President, Forward Planning & Entitlements,  
Southern California  
Phone: (951) 739-5443  
Fax: (800)773-0485  
Email: [bmmurakami@drhorton.com](mailto:bmmurakami@drhorton.com)

With a copy to:

O'Neil LLP  
Attn: Sandra A. Galle  
19900 MacArthur Boulevard, Suite 1050  
Irvine, CA 92612  
Phone: (949) 798-0725  
Fax: (949) 798-0511  
Email: [sgalle@oneil-llp.com](mailto:sgalle@oneil-llp.com)

**Section 6.04 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The Developer or Landowner, upon consent of the City, may assign its rights pursuant to this Agreement to a purchaser (an "Assignee") of a portion or portions of the property which is/are located within the District (the

“Property”). The Developer or Landowner and Assignee shall provide to the City such reasonable proof as it may require that such Assignee is the purchaser and/or developer of such portion(s) of the Property. Such Assignee shall, as a condition to paying for or receiving reimbursement for Public Fees under the terms hereof, enter into an assignment and assumption agreement with the City and the Developer or Landowner, in the form attached hereto as Exhibit D and as agreed to by the City, whereby such Assignee agrees, except as may be otherwise specifically provided therein, to assume the obligations of the Developer or Landowner pursuant to this Agreement with respect to this Agreement, and to be bound thereby. The City’s and the District’s obligations under this Agreement shall cease to the extent a proper assignment has not been executed by the City and neither the Landowner nor the Developer own any of the property in the District.

**Section 6.05 Relationship Between City, Developer and Landowner.** It is hereby acknowledged by the Developer and Landowner that the relationship between the City, Developer and Landowner is not that of a partnership or joint venture and that the City, Developer and Landowner shall not be deemed or construed for any purpose to be the agent of the other. The Developer agrees to indemnify, hold harmless and defend the City from any claim made against the City arising from a claimed relationship of partnership or joint venture between the City, Developer and Landowner with respect to the development, operation, maintenance or management of the site or the Project.

**Section 6.06 No Third Party Rights.** The Parties intend that no rights nor remedies be granted to any third party as a beneficiary of this Agreement or of any covenant, duty, obligation or undertaking established herein.

**Section 6.07 Counterparts.** This Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

**Section 6.08 Other Agreements.** The obligations of the Developer and Landowner hereunder shall be that of a party hereto. Nothing herein shall be construed as affecting the City’s, Developer’s, or Landowner’s rights, or duties to perform their respective obligations, under other agreements, use regulations or subdivision requirements relating to the development. This Agreement shall not confer any additional rights, or waive any rights given, by either party hereto under any development or other agreement to which they are a party.

**Section 6.09 Titles and Captions.** Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

**Section 6.10 Interpretation.** As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word “including” shall be construed as if followed by the words “without limitation.” This Agreement shall be interpreted as though prepared jointly by both Parties.

**Section 6.11 No Waiver.** A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other Party shall not be



construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

**Section 6.12 Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

**Section 6.13 Severability.** If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 6.14 Computation of Time.** The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

**Section 6.15 Legal Advice.** Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

**Section 6.16 Cooperation.** Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

**Section 6.17 Conflicts of Interest.** No member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

**Section 6.18 Non-Liability of Officials and Employees of City.** No member, official or employee of the City shall be personally liable to the Developer or Landowner, or any successor in interest, in the event of any Default or breach by the City or for any amount which may become due to the Developer or Landowner or their successors, or on any obligations under the terms of this Agreement. The Developer and Landowner hereby waives and releases any claim it may have against the members, officials or employees of the City with respect to any Default or breach by the City or for any amount which may become due to the Developer or Landowner or their successors, or on any obligations under the terms of this Agreement. The

Developer and Landowner make such release with full knowledge of Civil Code Section 1542 and hereby waive any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

**Section 6.19 Effectiveness of Agreement.** This Agreement shall be effective when authorized and executed by Developer, Landowner, and City.

**Section 6.20 Counterparts.** This Agreement may be executed in counterparts.

**[SIGNATURES ON THE FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the Parties have entered into this Agreement as of the respective date set forth above.

**“CITY”**

**CITY OF PERRIS**, a municipal corporation

By: \_\_\_\_\_  
City Manager

**ATTEST:**

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

**“DEVELOPER”:**

**D.R. HORTON LOS ANGELES HOLDING  
COMPANY, INC.**, a California corporation

By: \_\_\_\_\_  
Barbara M. Murakami, Vice President

**“LANDOWNER”:**

**D.R. HORTON LOS ANGELES HOLDING  
COMPANY, INC.**, a California corporation

By: \_\_\_\_\_  
Barbara M. Murakami, Vice President

**EXHIBIT A**  
**PROPERTY DESCRIPTION**

[See Attached Map showing Boundaries and Assessor Parcel Numbers]

**EXHIBIT B**  
**ELIGIBLE PUBLIC FEES LIST**  
**PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2021-1**  
**(Avion Pointe/ Acacia)**  
**OF THE CITY OF PERRIS**  
**BOND FINANCED FEES SUMMARY**

The following public fees are eligible for payment:

<b>Description</b>	<b>Costs*</b>
<b>City of Perris</b>	<b>Per Unit</b>
Police	\$ 59
Fire	362
Community Amenities	1,120
Government Facilities	576
Parks	7,884
Transportation Facilities	4,025
Community Facilities Fee	1,000
<i>Sub-Total:</i>	<i>\$ 15,026</i>
<b>Eastern Municipal Water District Fees</b>	<b>Per Unit</b>
<b>2020 Fees</b>	
Water Financial Participation	\$ 5,501
Sewer Financial Participation	2,914
Sewer Treatment Plant Capacity	5,938
Water Supply Development Fee	300
Water Meter Fee	377
<b>2021 Fees</b>	
Water Financial Participation	\$ 5,584
Sewer Financial Participation	2,958
Sewer Treatment Plant Capacity	6,027
Water Supply Development Fee	300
Water Meter Fee	377
<i>Sub-Total:</i>	<i>\$ 15,242</i>

\*Amounts may change due to increases in fees. Developer is responsible for payment of increased amounts from its own funds to the extent insufficient funds exist under this Agreement or the Bond documentation. Such fees may not be eligible for payment to the extent of changes in the Act or the City is advised by its Counsel or Bond Counsel that it may not finance the fees pursuant to the Act. Any EMWD fees must comply with the EMWD JCFA.

\*Funding of fees/facilities is subject to discussion with bond counsel at issuance to determine eligibility for tax-exempt versus taxable financing.

**EXHIBIT C**

**PAYMENT REQUEST NO. \_\_\_\_\_**

The undersigned **D.R. HORTON LOS ANGELES HOLDING COMPANY, INC.**, a California corporation, as developer and landowner (collectively, "Landowner") hereby requests payment in the total amount of \$\_\_\_\_\_ (the "Requested Amount") to the City of Perris for the Public Fees (as defined in the Funding Agreement, dated as of \_\_\_\_\_, 2021 ("Funding Agreement"), by and between the City of Perris (the "City") and Landowner, and described in Exhibit B to that Agreement), all as more fully described in Attachment 1 hereto. In connection with this Payment Request, the undersigned hereby represents and warrants to the City and the District as follows:

1. He (she) is a duly authorized officer or authorized representative of the Landowner, qualified to execute this Payment Request for payment on behalf of the Landowner and is knowledgeable as to the matters set forth herein.
2. The Landowner is the owner of the property subject to this Payment Request and the property is located in the District.
3. The Requested Amount represents the payment of [Public Fees/Deposits/Advances] described on the Attachment hereto which are now due and payable, and have not been inflated in any respect. The Requested Amount not been the subject of any prior payment request submitted to the City.
4. Supporting documentation is attached with respect to each Public Fee/Advance or Deposit for which payment is requested.
5. The Landowner is in compliance with the terms and provisions of the Funding Agreement and no portion of the Requested Amount for such items was previously paid.
6. [Appropriate description if items have been assigned].
7. [Deposits in the amount of \_\_\_ have been made in connection with the Public Fees. Please pay \_\_\_ to the City and reimburse Deposit to the Landowner as previously described.][Describe as appropriate for Deposit or Advance].

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

LANDOWNER:

**D.R. HORTON LOS ANGELES HOLDING COMPANY, INC.**

CITY:

Payment Request Approved for Submission to Fiscal Agent

By: \_\_\_\_\_  
Authorized Representative of Developer

By: \_\_\_\_\_  
Finance Director or City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT 1**  
**SUMMARY OF PUBLIC FEES**  
TO BE PAID AS PART OF PAYMENT REQUEST NO. \_\_\_\_\_

<b>Charging Entity</b>	<b>Title of Fee</b>	<b>Actual Cost</b>	<b>Disbursement Requested</b>

[List here all Fees for which payment is requested,  
and attach support documentation]

## EXHIBIT D

### FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Pursuant to a Funding Agreement dated as of \_\_\_\_, 2021 (the "Agreement") by and between the City of Perris ("City") and D.R. Horton Los Angeles Holding Company, Inc., a California corporation, as developer and landowner, which Agreement is hereby incorporated herein by this reference, and for good and valuable consideration, receipt of which is hereby acknowledged, the undersigned agree as follows:

1. The assignment and assumption provided for under this Assignment and Assumption Agreement ("Assignment") is made together with the sale, transfer or assignment of all or a part of the property subject to the Agreement. The property sold, transferred or assigned together with this Assignment is included within the District and described in "Attachment 1" attached hereto and incorporated herein by this reference (the "Subject Property").

2. \_\_\_\_\_, as the assignor hereof (the "Assignor") hereby grants, sells, transfers, conveys assigns and delegates to \_\_\_\_\_ ("Assignee"), all of Assignor's rights, title, interest, benefits, privileges, duties and obligations arising under or from the Agreement with respect to the Subject Property and the Public Fees for the Public Facilities authorized to be funded by the District with respect to the District except for the following:

3. Assignee hereby accepts the foregoing assignment and unconditionally assumes and agrees to perform all of the duties and obligations of Assignor arising under or from the Agreement as owner of the Subject Property.

4. The sale, transfer or assignment of the Subject Property and the assignment and assumption provided for under this Assignment are the subject of additional agreements between Assignor and Assignee. Notwithstanding any term, condition or provision of such additional agreements, the rights of the City arising under or from the Agreement and this Assignment shall not be affected, diminished or defeated in any way, except upon the express written agreement of the City.

5. Assignor and Assignee execute this Assignment pursuant to Section 6.04 of the Agreement, and the City evidences its consent to this Assignment by signing below.



IN WITNESS WHEREOF, the parties have executed this Assignment on \_\_\_\_\_.

**ASSIGNOR:**

**D.R. HORTON LOS ANGELES HOLDING COMPANY, INC.**, a California corporation, as Landowner and Developer

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY:**

**CITY OF PERRIS**

By: \_\_\_\_\_

Its: City Manager

**ATTACHMENT 6**

**RESOLUTION APPROVING NOTICE OF  
CESSATION**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS APPROVING THE RECORDING OF A NOTICE OF CESSATION OF THE SPECIAL TAX LIEN WITH RESPECT TO COMMUNITY FACILITIES DISTRICT NO. 2006-3 (ALDER) OF THE CITY OF PERRIS AND CERTAIN RELATED MATTERS**

**WHEREAS**, the City Council (the “Council”) of the City of Perris (the “City”), has previously formed and conducted change proceedings with respect to Community Facilities District No. 2006-3 (Alder) of the City of Perris (“CFD 2006-3”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, (the “Act”) being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

**WHEREAS**, following the formation of CFD 2006-3, an Amended and Restated Notice of Special Tax Lien to secure the levy of special taxes on all non-exempt real property within CFD 2006-3 was recorded on June 26, 2007, as Document No. 2007-0431213 in the office of the County Recorder of the County of Riverside (the “Special Tax Lien”); and

**WHEREAS**, on January 12, 2021, the Council approved a Memorandum of Understanding, dated January 12, 2021 (the “MOU”), between the City and D.R. Horton Los Angeles Holding Company, Inc. (“D.R. Horton”), to dissolve the existing CFD 2006-3 and form a new community district facilities district now known as proposed Community Facilities District No. 2021-1 (Avion Pointe/Acacia) of the City of Perris (“CFD 2021-1”); and

**WHEREAS**, pursuant to the MOU, the City and D.R. Horton agreed to use their best efforts to dissolve CFD 2006-3 prior to or following the formation of CFD 2021-1 upon the conditions described in the MOU; and

**WHEREAS**, the Council hereby desires to authorize the recordation of a notice of cessation of special taxes, subject to meeting the conditions in the MOU; and

**WHEREAS**, pursuant to Section 53330.5 of the California Government Code, the legislative body of a community facilities district may provide for the recordation of a notice of cessation of a special tax lien if the legislative body determines that the special taxes shall cease to be levied; and

**WHEREAS**, the Council, as legislative body of CFD 2006-3, hereby determines that the special taxes within CFD 2006-3 shall cease to be levied upon meeting the conditions in the MOU; and

**WHEREAS**, there has been presented to the Council a form of notice of cessation of special tax lien that provides for the cessation of the Special Tax Lien (the “Notice of Cessation”) over all of the parcels of property within CFD 2006-3 and which is attached hereto as Exhibit A and by this reference incorporated herein; and

RESOLUTION NUMBER \_\_\_\_\_

**WHEREAS**, the Council has determined that all obligations under the Special Tax Lien should be extinguished and ceased with respect to all the property within CFD 2006-3 and that the Notice of Cessation should therefore be recorded with respect to such parcels pursuant to the MOU.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Perris, as follows:

**Section 1.** Each of the above recitals is true and correct and is adopted by the Council and incorporated herein.

**Section 2.** The Council hereby finds that the special taxes within CFD 2006-3 shall cease to be levied commencing Fiscal Year 2021-22. The Fiscal Year 2020-21 shall continue to be levied and be due in accordance with the regular dates for such payments.

**Section 3.** The Council hereby finds that, pursuant to the MOU, commencing Fiscal Year 2021-22, the owners of property within CFD 2006-3 will be relieved of any further obligation to pay special taxes levied by CFD 2006-3.

**Section 4.** The form of the Notice of Cessation attached hereto as Exhibit A is approved and the City Clerk of the City of Perris is hereby directed to sign said notice and cause the Notice of Cessation to be recorded in the official records in the office of the County Recorder of the County of Riverside pursuant to the MOU. The City Clerk may record such Notice of Cessation immediately for properties which have not been levied for Fiscal Year 2020-21 and may record such notice for properties which have been levied for Fiscal Year 2020-21 on or after June 30, 2021. Alternatively, the Notice of Cessation may state that it is only effective on July 1, 2021.

**ADOPTED, SIGNED and APPROVED** this this 30th day of March, 2021.

---

MAYOR OF THE CITY OF PERRIS

Attest:

---

CITY CLERK OF THE CITY OF PERRIS

RESOLUTION NUMBER \_\_\_\_\_

STATE OF CALIFORNIA    )  
COUNTY OF RIVERSIDE  ) §  
CITY OF PERRIS            )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Resolution No. \_\_\_\_\_ was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 30<sup>th</sup> day of March, 2021, and that it was so adopted by the following vote:

AYES:  
NOES:  
ABSENT:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

**EXHIBIT A**  
**NOTICE OF CESSATION OF SPECIAL TAX**

[See Attached]



EXHIBIT A  
DESCRIPTION OF AFFECTED PARCELS, BY ASSESSOR'S TAX PARCEL NUMBER

<u>Assessor's Parcel Number</u>	<u>Owner</u>
311-161-001	D.R. Horton Los Angeles Holding Company, Inc.
311-161-002	D.R. Horton Los Angeles Holding Company, Inc.
311-161-003	D.R. Horton Los Angeles Holding Company, Inc.
311-161-004	D.R. Horton Los Angeles Holding Company, Inc.
311-161-005	D.R. Horton Los Angeles Holding Company, Inc.
311-161-006	D.R. Horton Los Angeles Holding Company, Inc.
311-161-007	D.R. Horton Los Angeles Holding Company, Inc.
311-161-008	D.R. Horton Los Angeles Holding Company, Inc.
311-161-009	D.R. Horton Los Angeles Holding Company, Inc.
311-161-010	D.R. Horton Los Angeles Holding Company, Inc.
311-161-011	D.R. Horton Los Angeles Holding Company, Inc.
311-161-012	D.R. Horton Los Angeles Holding Company, Inc.
311-161-013	D.R. Horton Los Angeles Holding Company, Inc.
311-161-014	D.R. Horton Los Angeles Holding Company, Inc.
311-161-015	D.R. Horton Los Angeles Holding Company, Inc.
311-161-016	D.R. Horton Los Angeles Holding Company, Inc.
311-161-017	D.R. Horton Los Angeles Holding Company, Inc.
311-161-018	D.R. Horton Los Angeles Holding Company, Inc.
311-161-019	D.R. Horton Los Angeles Holding Company, Inc.
311-161-020	D.R. Horton Los Angeles Holding Company, Inc.
311-161-021	D.R. Horton Los Angeles Holding Company, Inc.
311-161-022	D.R. Horton Los Angeles Holding Company, Inc.
311-161-023	D.R. Horton Los Angeles Holding Company, Inc.
311-161-024	D.R. Horton Los Angeles Holding Company, Inc.
311-161-025	D.R. Horton Los Angeles Holding Company, Inc.
311-161-026	D.R. Horton Los Angeles Holding Company, Inc.
311-161-027	D.R. Horton Los Angeles Holding Company, Inc.
311-161-028	D.R. Horton Los Angeles Holding Company, Inc.
311-161-029	D.R. Horton Los Angeles Holding Company, Inc.
311-161-030	D.R. Horton Los Angeles Holding Company, Inc.
311-161-031	D.R. Horton Los Angeles Holding Company, Inc.
311-161-032	D.R. Horton Los Angeles Holding Company, Inc.
311-161-033	D.R. Horton Los Angeles Holding Company, Inc.
311-161-034	D.R. Horton Los Angeles Holding Company, Inc.
311-161-035	D.R. Horton Los Angeles Holding Company, Inc.
311-162-001	D.R. Horton Los Angeles Holding Company, Inc.
311-162-002	D.R. Horton Los Angeles Holding Company, Inc.
311-162-003	D.R. Horton Los Angeles Holding Company, Inc.
311-162-004	D.R. Horton Los Angeles Holding Company, Inc.
311-162-005	D.R. Horton Los Angeles Holding Company, Inc.
311-162-006	D.R. Horton Los Angeles Holding Company, Inc.
311-162-007	D.R. Horton Los Angeles Holding Company, Inc.
311-162-008	D.R. Horton Los Angeles Holding Company, Inc.



311-162-009	D.R. Horton Los Angeles Holding Company, Inc.
311-162-010	D.R. Horton Los Angeles Holding Company, Inc.
311-162-011	D.R. Horton Los Angeles Holding Company, Inc.
311-162-012	D.R. Horton Los Angeles Holding Company, Inc.
311-162-013	D.R. Horton Los Angeles Holding Company, Inc.
311-162-014	D.R. Horton Los Angeles Holding Company, Inc.
311-162-015	D.R. Horton Los Angeles Holding Company, Inc.
311-162-016	D.R. Horton Los Angeles Holding Company, Inc.
311-162-017	D.R. Horton Los Angeles Holding Company, Inc.
311-162-018	D.R. Horton Los Angeles Holding Company, Inc.
311-162-019	D.R. Horton Los Angeles Holding Company, Inc.
311-162-020	D.R. Horton Los Angeles Holding Company, Inc.
311-162-021	D.R. Horton Los Angeles Holding Company, Inc.
311-162-022	D.R. Horton Los Angeles Holding Company, Inc.
311-340-012	D.R. Horton Los Angeles Holding Company, Inc.
311-340-013	D.R. Horton Los Angeles Holding Company, Inc.
311-340-014	D.R. Horton Los Angeles Holding Company, Inc.
311-340-015	D.R. Horton Los Angeles Holding Company, Inc.
311-340-016	D.R. Horton Los Angeles Holding Company, Inc.
311-340-017	D.R. Horton Los Angeles Holding Company, Inc.
311-340-018	D.R. Horton Los Angeles Holding Company, Inc.
311-340-019	D.R. Horton Los Angeles Holding Company, Inc.
311-340-020	D.R. Horton Los Angeles Holding Company, Inc.
311-340-021	D.R. Horton Los Angeles Holding Company, Inc.
311-340-022	D.R. Horton Los Angeles Holding Company, Inc.
311-340-023	D.R. Horton Los Angeles Holding Company, Inc.
311-340-024	D.R. Horton Los Angeles Holding Company, Inc.
311-340-025	D.R. Horton Los Angeles Holding Company, Inc.
311-340-026	D.R. Horton Los Angeles Holding Company, Inc.
311-472-001	D.R. Horton Los Angeles Holding Company, Inc.
311-472-002	D.R. Horton Los Angeles Holding Company, Inc.
311-472-003	D.R. Horton Los Angeles Holding Company, Inc.
311-472-004	D.R. Horton Los Angeles Holding Company, Inc.
311-472-005	D.R. Horton Los Angeles Holding Company, Inc.
311-472-006	Lorena Rocha; Oscar Rocha Hernandez
311-472-007	Akaash Pillay; Bali Aaryan; Vanita Sharon
311-472-008	Joe Martinez; Arthur Martinez; Candice Marie
311-472-009	Maria C. Torres Family Grantor Trust Dated 5/29/19 Gabriela E. Salazar
311-472-010	D.R. Horton Los Angeles Holding Company, Inc.
311-472-011	D.R. Horton Los Angeles Holding Company, Inc.
311-472-012	D.R. Horton Los Angeles Holding Company, Inc.
311-472-013	D.R. Horton Los Angeles Holding Company, Inc.
311-472-014	D.R. Horton Los Angeles Holding Company, Inc.
311-472-015	D.R. Horton Los Angeles Holding Company, Inc.
311-472-016	D.R. Horton Los Angeles Holding Company, Inc.
311-472-017	D.R. Horton Los Angeles Holding Company, Inc.
311-472-018	D.R. Horton Los Angeles Holding Company, Inc.

311-472-019	D.R. Horton Los Angeles Holding Company, Inc.
311-472-020	D.R. Horton Los Angeles Holding Company, Inc.
311-472-021	D.R. Horton Los Angeles Holding Company, Inc.
311-470-001	D.R. Horton Los Angeles Holding Company, Inc.
311-470-002	D.R. Horton Los Angeles Holding Company, Inc.
311-470-003	D.R. Horton Los Angeles Holding Company, Inc.
311-470-004	D.R. Horton Los Angeles Holding Company, Inc.
311-470-005	D.R. Horton Los Angeles Holding Company, Inc.
311-470-006	D.R. Horton Los Angeles Holding Company, Inc.
311-470-007	D.R. Horton Los Angeles Holding Company, Inc.
311-470-008	D.R. Horton Los Angeles Holding Company, Inc.
311-470-009	Enrique Yanez Monteon
311-470-010	Ginh Le Tam Nguyen
311-470-011	Elias Rodriguez-Correa; Gabriela Rodriguez
311-470-012	2019 Nguyen-To Family Trust Dated 8/29/19 Jimmy Nguyen
311-470-013	My Home Enterprise
311-470-014	Rogelio Acosta
311-470-015	Wesley Undra Wright
311-470-016	Miguel Quispe
311-470-017	Juan Navarro Rios
311-470-018	Jose Aguilera
311-470-019	Adriana Soto; Juan C. Garcia
311-470-020	Honorio Lopez Zavala; Maria De Jesus S. Ramirez
311-470-021	Israel Zepeda; Maria Sally Raygoza
311-470-022	Saira Prudencio
311-470-023	D.R. Horton Los Angeles Holding Company, Inc.
311-470-024	D.R. Horton Los Angeles Holding Company, Inc.
311-470-025	Henry Perez; Ana Rosa Perez
311-470-026	Alfredo Martinez; Ana Rosa P. Martinez
311-470-027	Juan Manuel Baltazar; Patrisia S. Andrade
311-470-028	Lewis Alfaro Sanchez; Ana Faviola Alfaro
311-471-001	D.R. Horton Los Angeles Holding Company, Inc.
311-471-002	D.R. Horton Los Angeles Holding Company, Inc.
311-471-003	D.R. Horton Los Angeles Holding Company, Inc.
311-471-004	D.R. Horton Los Angeles Holding Company, Inc.
311-471-005	D.R. Horton Los Angeles Holding Company, Inc.
311-471-006	D.R. Horton Los Angeles Holding Company, Inc.
311-471-007	D.R. Horton Los Angeles Holding Company, Inc.
311-471-008	D.R. Horton Los Angeles Holding Company, Inc.
311-471-009	D.R. Horton Los Angeles Holding Company, Inc.
311-471-010	D.R. Horton Los Angeles Holding Company, Inc.
311-471-011	D.R. Horton Los Angeles Holding Company, Inc.
311-471-012	D.R. Horton Los Angeles Holding Company, Inc.



# CITY OF PERRIS

10.C.

## CITY COUNCIL AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Community Development Block Grant Action Plan FY 2021-2022

**REQUESTED ACTION:** **ADOPT Resolution No.** (next in order), Approving the Draft Community Development Block Grant Action Plan FY 2021-2022

**CONTACT:** Clara Miramontes, Interim City Manager

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### BACKGROUND/DISCUSSION:

On February 9, 2021, the CDBG Subcommittee, which consists of Housing Authority staff, interim City Manager, Mayor Vargas and Councilwoman Rogers, met to review submitted FY 21-22 CDBG applications and determine preliminary funding. The subcommittee determined allocations based on prior year funding of \$912,689. HUD staff announced their Fiscal Year 2021-2022 allocations on February 25, 2021. The City of Perris has been allocated \$954,641 for FY 2021-2022. The primary purpose of CDBG funds is to benefit persons that earn less than 80% of the area median income (AMI) and reside in an eligible area. The funds must support: 1) decent housing; 2) suitable living environments; and 3) expand economic opportunities for income qualified individuals. Activities must meet one of three national HUD objectives for CDBG: 1) serve low-moderate income persons; 2) aid in the elimination of slum and blight; or 3) address recent, urgent health or welfare needs (e.g., natural disaster). An activity may be eligible because it either benefits an area (activity serves a census tract which has 51% or more low-moderate income persons) or a limited clientele (persons and families with low-to-moderate income).

The following is a breakdown of CDBG-eligible funding categories with their maximum allowed allocation caps for FY 2021-2022:

CDBG CATEGORY	MAX CAP	AMOUNT
Planning/Administration	20%	\$190,928.20
Public Service	15%	\$143,196.15
Non-Public Service Activities	No cap	\$620,516.65
<b>Total Available CDBG Funds</b>		<b>\$954,641.00</b>

This year, the City received eleven applications for CDBG funds, excluding Administration. A list of the agencies that submitted applications is on file with the Perris Housing Authority. Due to the City's allocation and number of applications, all qualified applicants will be able to receive funding. On February 9, 2021, the CDBG Subcommittee reviewed the applications and made recommendations for funding allocations. At the time of the CDBG Subcommittee meeting, the tentative funding allocation for Perris was \$912,688. The City was later notified that the final allocation was increased to \$954,641. Staff has updated the funding recommendations to evenly distribute the additional funds in the non-public service activities where full funding was not originally allocated.

The following shows the recommended funding allocations:

<b>Administration</b>	
CDBG Staff salaries, training, supplies	\$152,900
Riverside Fair Housing Council: Fair Housing Program	\$31,100
<b>CDBG Administration</b>	<b>\$184,000</b>
<b>Public Service Allocations</b>	
Boys & Girls Club of Menifee Valley: Before & After School Program	\$20,000
Family Service Association: Senior Nutrition Program	\$20,595
Life Lifters International: Community Life Program	\$20,000
Love 4 Life Association: Unbreakable Project	\$26,308
North County Health Project: Increasing Access to Behavioral Health Services	\$25,000
Women Achieving Success: Youth Life Skills Education Program	\$15,000
<b>TOTAL PUBLIC SERVICE ALLOCATIONS</b>	<b>\$126,903</b>
<b>Non-Public Service Allocations</b>	
City of Perris Community Services: Rotary Park Amenities	\$212,344.20
City of Perris Community Services: GEAR Bike Expansion II	\$80,749.80
City of Perris Public Works: City Sewer Project	\$275,644
Habitat for Humanity: Minor Home Repair Program	\$75,000
<b>TOTAL NON-PUBLIC SERVICE ALLOCATIONS</b>	<b>\$643,738.00</b>
<b>TOTAL ESTIMATED CDBG ALLOCATIONS</b>	<b>\$954,641</b>

### **California Environmental Quality Act (CEQA)**

The FY 2021-2022 Action Plan as planning documents are not subject to the California Environmental Quality Act (CEQA) as they would not result in a direct or reasonably foreseeable physical change in the environment pursuant to State CEQA Guidelines 15060 (c)(2) nor considered a project pursuant to State CEQA Guidelines 15060 (c)(3).

### **Recommendation**

It is requested that Council make preliminary funding recommendations based on the projected FY 2021-2022 CDBG Entitlement amount of \$954,641. Final allocations and adoption of the Annual Action Plan is scheduled for April 27, 2021. These final allocations will be submitted to HUD through the Annual Action Plan no later than May 15, 2021, as mandated by federal regulation.

A public notice for this meeting was published on March 03, 2021, in the Perris Progress Newspaper, consistent with the City's Citizen Participation Plan, regarding the Action Plan Development and planned Council Meetings to provide citizens with an opportunity to comment on the CDBG Draft 2021-2022 Annual Action Plan prior to adoption of the plan.

**BUDGET (or FISCAL) IMPACT:** The fiscal impact to the FY 2021-2022 City Operating Budget is an increase in revenue of \$954,641.

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Prepared by: Sara Cortés de Pavón, Grants Manager

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director \_\_\_\_\_

**Attachments:**           1. Resolution No. (Next in order),  
                                  2. Draft CDBG Annual Action Plan FY 2021-2022

**Consent:**  
**Public Hearing:** X  
**Business Item:**  
**Presentation:**  
**Other:**

# ATTACHMENT 1

RESOLUTION NUMBER (NEXT IN ORDER)

**Attachment #1**

**RESOLUTION NO. (Next in order)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS,  
APPROVING THE DRAFT FY 2021-2022 ACTION PLAN WITH  
PROPOSED FUNDING FOR THE COMMUNITY DEVELOPMENT  
BLOCK GRANT (CDBG) FEDERAL ENTITLEMENT PROGRAM**

**WHEREAS**, the City of Perris, pursuant to 24 CFR 91.200 (d) and 91.220 (b), developed a FY 2021-2022 Action Plan that coordinates all elements of planned community development in the City to include housing, neighborhood development, economic development, and public services; and

**WHEREAS**, the City of Perris, pursuant to Federal regulations, has solicited public input on the Draft FY 2021-2022 Annual Action Plan which includes proposed funding in the amount of \$954,641 worth of CDBG related program and that were reviewed and approved by a City Council appointed CDBG sub-committee; and

**WHEREAS**, On March 30, 2021, the City Council considered the Draft FY 2021-2022 Annual Action Plan for the CDBG Federal Entitlement Program; and

**WHEREAS**, the approvals herein are preliminary for inclusion in the Draft FY 2021-2022 Annual Action Plan with final approvals to be adopted on April 27, 2021; and

**WHEREAS**, the Draft FY 2021-2022 Action Plan as planning document is not subject to the California Environmental Quality Act (CEQA) as they would not result in a direct or reasonably foreseeable physical change in the environment pursuant to State CEQA Guidelines 15060 (c)(2) nor considered a project pursuant to State CEQA Guidelines 15060 (c)(3).

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Perris, as follows:

**SECTION 1.** That the City Council has determined that the Draft FY 2021-2022 Annual Action Plan as planning documents are not subject to CEQA pursuant to Sections 15060 (c)(2) and 15060 (c)(3).

**SECTION 2.** That the City Council hereby approves the Draft FY 2021-2022 Annual Action Plan for the CDBG Federal Entitlement Program.

**SECTION 3.** That the City Council direct staff to schedule the Resolution and approvals herein for final consideration at the April 27, 2021 City Council hearing.

**SECTION 4.** That the City Clerk shall attest and certify to the passage of this resolution and it shall thereupon take effect and be in full force.

**PASSED, APPROVED, AND ADOPTED ON March 30, 2021, BY THE FOLLOWING VOTE:**

\_\_\_\_\_  
MAYOR, MICHAEL M. VARGAS

ATTEST:

\_\_\_\_\_  
City Clerk, Nancy Salazar

STATE OF CALIFORNIA     )  
COUNTY OF RIVERSIDE    ) §  
CITY OF PERRIS            )

I, Nancy Salazar, City Clerk of the City of Perris, do hereby certify that the foregoing Resolution Number \_\_\_ was duly adopted by the City Council of the City of Perris at a regular meeting thereof held on the 30<sup>th</sup> day of March 2021, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
City Clerk, Nancy Salazar

Resolution Exhibits:

**Exhibit A: Proposed FY 2021-2022 CDBG Allocations**



Exhibit A

# Proposed FY 2021-2022 Allocations

<b>Administration</b>		
CDBG Administration		\$159,828.20
Fair Housing Council of Riverside Co.: Fair Housing Services		\$31,100
<b>TOTAL ADMINISTRATION ALLOCATED</b>		<b>\$190,928.20</b>
<b>Public Service Allocations</b>		
Boys & Girls Club of Menifee Valley: Before & After School Program		\$20,000
Family Services Association: FSA More than a Meal		\$20,595
Women Achieving Success: Youth Life Skills Education Program		\$15,000
Life Lifters International: Community Life Program		\$20,000
North County Health Project: Increasing Access to Behavioral Health Services		\$25,000
Love 4 Life Association: Unbreakable Project		\$26,308
<b>TOTAL PUBLIC SERVICE ALLOCATED</b>		<b>\$126,903</b>
<b>Non-Public Service Allocations</b>		
City of Perris Community Services: Rotary Park Amenities		\$213,805.40
City of Perris Community Services: GEAR Bike Expansion II		\$80,749.80
City of Perris Public Works: City Sewer Project		\$275,644
Habitat for Humanity: Senior Minor Home Repair		\$75,000
<b>TOTAL NON-PUBLIC SERVICE ALLOCATED</b>		<b>\$645,199.20</b>
<b>TOTAL ESTIMATED CDBG ALLOCATION</b>		<b>\$954,641</b>

# ATTACHMENT 2

DRAFT CDBG ANNUAL ACTION PLAN FY 2021-2022

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The City of Perris's One Year Action Plan for Fiscal Year (FY) 2021-2022 includes the activities the City will undertake to address its priority needs and local objectives as outlined in its approved 2019-2024 Consolidated Plan. These activities will be addressed using funds received for the FY 2021-2022 program year under the Community Development Block Grant (CDBG), Community Development Block Grant COVID (CDBG-CV), State HOME Investment Partnership (HOME) funds, and General Funds. This Action Plan is a yearly funding plan.

The primary purpose of CDBG funds is to benefit persons who earn up to 80% of the area median income (AMI) or reside in an eligible area. Eligible low to moderate income areas were determined by the 2010 Census and updated per the FY 2020 ACS 5-year 2011-2015 Low-and-Moderate-Income Summary Data. Eligible activities include, but are not limited to, public service activities, infrastructure improvements, park improvements, code enforcement and housing improvement programs.

Activities detailed in the Plan meet one of the following objectives:

1. Benefit low to moderate-income persons;
2. Aid in the prevention or elimination of slums or blight;
3. Meet community development needs having a particular urgency;
4. Create or preserve affordable housing; and
5. Provide services to the homeless and aid in the prevention of homelessness.

Additionally, activities meet the following goals and objectives for Community Planning and Development (CPD) Programs of the U.S. Department of Housing and Urban Development (HUD):

1. To ensure decent housing;
2. To create and maintain a suitable living environment; and
3. To expand economic opportunities.

## **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

### GOAL 1: DECENT HOUSING

#### **HOUSING STRATEGIES**

##### **Objective 1: Rehabilitate and Preserve Homeownership**

- Minor Home Repair Program

Outcome: Sustainability of decent housing to low-income persons

##### **Objective 2: Expand Affordable Housing**

- Affordable Housing Development through new construction, acquisition and/or rehabilitation.

Outcome: Affordability of decent housing to low-income persons

##### **Objective 3: Increase affordable housing opportunities to first-time homebuyers**

- First-Time Homebuyer Program (HOME)

**Objective 4: Increase affordable rental and mortgage opportunities for those financially affected by COVID-19**

- CDBG-CV Rental/Mortgage Assistance program

Outcome: Affordability of decent housing to low-income persons

#### **FAIR HOUSING STRATEGY**

##### **Objective 1: Affirmatively Further Fair Housing**

- Fair Housing Services

Outcome: Availability/accessibility of decent housing for low-income persons

## GOAL 2: SUITABLE LIVING ENVIRONMENT

### **HOMELESS STRATEGY**

**Objective 1:** Improve access to homeless services through street outreach

- Homeless Outreach Program

Outcome: Availability/accessibility of services for a suitable living environment for low-income persons

**Objective 2:** Improve access to homeless services through the hotel voucher program

- CDBG-CV Homeless Services Program

Outcome: Availability/accessibility of services for a suitable living environment for low-income persons

### **PUBLIC SERVICE STRATEGIES**

**Objective 1:** Provide Community and Support Services for the Elderly, Youth, Veterans, and Special Needs Populations

Outcome: Availability/accessibility of services for a suitable living environment for low-income persons

**Objective 2:** Provide support services for those financially affected by COVID-19

- CDBG-CV Utility Assistance Program

Outcome: Support activities that assist with basic needs and provide quality services

### **COMMUNITY DEVELOPMENT STRATEGY**

**Objective 1:** Public Infrastructure Improvements in Eligible Areas

- GEAR Bike Expansion II
- City Sewer Project

Outcome: Availability/accessibility of improved public infrastructure/facilities for a suitable living environment for low-income persons

**Objective 2:** Improve recreational and community facilities located in low-to-moderate income neighborhoods

- Rotary Park Amenities

Outcome: Availability/accessibility of improved parks/neighborhood facilities for a suitable living environment for low-income persons

**Objective 3:** Public Facilities Improvements in Eligible Areas

Outcome: Availability/accessibility of improved public infrastructure/facilities for a suitable living environment for low-income persons

### GOAL 3: ECONOMIC OPPORTUNITIES

#### **ECONOMIC DEVELOPMENT STRATEGY**

**Objective 1:** Expand Economic Development Opportunities

- COVID-19 Small Business Assistance Program

Outcome: Availability/Accessibility of economic opportunities for low-income persons

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City of Perris is in the second year (FY 2020-2021) of its current Consolidated Plan period (2019-2024). The COVID-19 pandemic and subsequent stay at home order affected two of the City's 2020-2021 subrecipients ability to deliver services to clients, however, the remainder of the subrecipients were able to adjust their service delivery to a virtual mode and either met or exceeded most of the goals set forth to ensure decent housing, a suitable living environment and economic opportunities.

Annually, public meetings were held, along with other outreach activities in an effort to assist the City in choosing goals or projects that would best meet community needs. Projects funded included public service activities that focused on the youth and seniors, both of which were identified, as high priority needs. In addition, non-public service projects which addressed high priority infrastructure needs.

The City continues to carry out its programs as identified in its approved Consolidated Plan (2019-2024). To date, the City has allocated all funding sources to complete programming outlined in Annual Action Plans. The City has provided all requested certifications as required by HUD and have been fair and impartial to entities applying

for federal funds to assist in program implementation. The City has not hindered Consolidated Plan implementation through either willful action or through inaction.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

In accordance with Federal regulations at 24 CFR 91.105 and 91.200, the City implemented a citizen participation process during the development of the Action Plan. In an effort to broaden public participation, the City encouraged residents and community-based organizations to provide input on community needs.

The following is a summary of the Citizen Participation Plan Process for development of the Action Plan:

##### Action Plan Development

Citizens and stakeholders were invited to provide input into development of the Annual Action Plan, through one or more of the following mechanisms: community meetings/stakeholder focus groups, community needs survey, public comment period and public hearing process.

Community-Based Service Providers provided input through a Request for Proposals (RFP) process with high priority funding requests. In addition, to ensure citizen participation in the development of the FY 2021-2022 Annual Action Plan, on October 8, 2021, a Community Needs Survey was made available to Perris residents to solicit community input. The survey was placed on the City's website for online completion. In addition, the survey was made available at the virtual community meetings held on December 16, 2020, January 6, 2021, and January 14, 2021, in addition to advertising and linking the survey on the City of Perris Facebook, Twitter, and Instagram social media accounts. Due to the COVID-19 stay at home order, the City was unable to administer the survey at the Veteran's Day Parade, City of Perris Trunk or Treat, Christmas Day Parade, and senior citizen luncheon, which comprised the majority of completed surveys in the past. A total of 18 survey responses were received.

##### Public Hearings and/or Meetings

Public hearings provide a major source of citizen input on proposed programs and activities. The City will conduct two public hearings and public Council meetings in order to address housing and community development needs. Both will be held before the proposed Annual Plan is adopted.

## Public Notification

All notices regarding such hearings, including the date, time and location, were published in a local newspaper of general circulation at least ten (10) days prior to the date of public hearing.

## Evaluation/Review and Comment

Citizens were given the opportunity to review and comment on the Annual Action Plan from March 3, 2021 through April 27, 2021. The City published a public notice in the local newspaper informing interested persons about the Action Plan review/comment period (see appendices for a copy of the public notice).

Access to Information/Availability to the Public - As required by Federal regulations the Action Plan was made available at the City of Perris Housing Authority and City of Perris website.

### **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Public comments will be inserted here after comment period.

#### **December 16, 2020 Community Outreach Meeting**

No public comments received.

#### **December 16, 2020 Stakeholder Meeting**

- Larger home improvement/maintenance programs needed.
- Employment opportunities needed such as the Multi-Craft Core Curriculum (MC3) program which provides pre-apprenticeship for plumbing, HVAC, and electrical.
- Focus on leadership and motivation to help youth stick with training programs for long-term outcomes.

#### **January 6, 2021 Community Outreach Meeting**

No public comments received.

#### **January 6, 2021 Stakeholder Meeting**

No stakeholder comments received.

#### **January 14, 2021 Community Meeting**

No public comments received.

#### **March 30, 2021 Public Hearing**

Public comments will be inserted here after comment period.



**April 27, 2021 Public Hearing**

Public comments will be inserted here after comment period.

**Comments Received During 30-Day Comment Period**

Public comments will be inserted here after comment period.

**6. Summary of comments or views not accepted and the reasons for not accepting them**

Public comments not accepted will be inserted here after comment period.

**7. Summary**

In conclusion, the Citizen Participation component of the Consolidated Plan requires major outreach to citizens and other stakeholders. Despite the COVID-19 pandemic, the City of Perris makes every effort to reach the greatest number of persons possible to solicit input on community development and housing needs. All public comments received will be incorporated in the Action Plan.

## PR-05 Lead & Responsible Agencies – 91.200(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	City of Perris	Perris Housing Authority
CDBG Administrator	City of Perris	Perris Housing Authority

Table 1 – Responsible Agencies

### Narrative (optional)

A completed Annual Action Plan describes the lead agency responsible for overseeing the development and implementation of the plan. It also includes a summary of the citizen participation process, public comments, and efforts made to broaden public participation in preparing the plan.

The Perris Housing Authority along with the Lead Agency, the City of Perris, administers the City's CDBG programs.

### Consolidated Plan Public Contact Information

For matters concerning the City of Perris' CDBG programs, please contact:

Sara Cortes de Pavon, Grants Manager  
101 North D. Street  
Perris, CA, 92570  
(951) 943-5003  
[Scortes-depavon@cityofperris.org](mailto:Scortes-depavon@cityofperris.org)

## **AP-10 Consultation – 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

Development of the City of Perris's FY 2021-2022 Annual Action Plan is a result of consultation with a wide spectrum of public and private agencies. The City conducted outreach to consult and coordinate with nonprofit agencies, affordable housing providers, and government agencies to determine community needs and gaps in resources. A public notice was published informing Citizens, Community-Based Organizations, City Departments and the business community of the Annual Action Plan Development process and requirements for submitting project proposals and requesting comments on community needs. A Community Needs Survey was also distributed to residents to receive community input. The City also held public hearings for input on community development and housing needs by residents and stakeholders.

#### **Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))**

In order to perform outreach to various agencies and organizations, the City compiled an outreach list consisting of agencies, including:

- Nonprofit service providers that cater to the needs of low- and moderate-income households and persons with special needs, including persons with disabilities;
- Affordable housing providers;
- Housing advocates;
- Housing professionals;
- Public agencies;
- Economic development and employment organizations; and
- Community and neighborhood groups.

#### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The City of Perris is within the County of Riverside Continuum of Care (CoC). The County of Riverside Continuum of Care (COC) is the lead agency. The City attends Board of Governance meetings that are conducted by the COC. The meetings are specifically

designed to link communities and coordinate the efforts addressing the needs of homeless persons and those at-risk of homelessness.

The Continuum of Care Strategy was consulted to provide information on homelessness and resources available. Agencies that provide housing and supportive services for the homeless and those at risk of becoming homeless were invited to attend the Stakeholder Meeting and Community Meeting. These include The Fair Housing Council of Riverside County, Social Work Action Group (SWAG), and Family Service Association.

The City participated in the 2013 and 2015 thru 2019 Homeless Point in Time (PIT) Counts to conduct complete counts of every census track within the City boundaries for Homeless Counts. Data from the count was provided to the County of Riverside Continuum of Care. Due to the COVID-19 pandemic and ensure staff and volunteer safety, the City of Perris did not conduct a PIT Count for 2020 and relied on the observational count that Riverside County conducted.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

Not applicable. The City's HUD allocation for entitlement grants currently does not include ESG funds.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities**

1	<b>Agency/Group/Organization</b>	Fair Housing Council of Riverside County
	<b>Agency/Group/Organization Type</b>	Services- Housing
	<b>What section of the Plan was addressed by Consultation</b>	Housing Services
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on community needs and create partnerships with agencies to meet those needs. Agency attended the application workshop on December 16, 2020.
2	<b>Agency/Group/Organization</b>	Family Service Association
	<b>Agency/Group/Organization Type</b>	Services- Elderly Persons
	<b>What section of the Plan was addressed by Consultation</b>	Non-Homeless Special Needs
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on needs for elderly persons in the community. Agency attended the application workshop on January 6, 2021.
3	<b>Agency/Group/Organization</b>	Life Lifters International
	<b>Agency/Group/Organization Type</b>	Services- Youth Services- Education Services- Elderly Persons
	<b>What section of the Plan was addressed by Consultation</b>	Non-Homeless Special Needs
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on community needs and create partnerships with agencies to meet those needs. Agency attended the stakeholder meeting and application workshop on December 16, 2021.
4	<b>Agency/Group/Organization</b>	Boys and Girls Club of Menifee Valley
	<b>Agency/Group/Organization Type</b>	Services- Children
	<b>What section of the Plan was addressed by Consultation</b>	Non-Homeless Special Needs
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on needs for children in the community. Agency attended the application workshop on January 13, 2021.
5	<b>Agency/Group/Organization</b>	North County Health Services
	<b>Agency/Group/Organization Type</b>	Services- Health
	<b>What section of the Plan was addressed by Consultation</b>	Non-Homeless Special Needs

	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on the health needs for low income persons in the community. Agency attended the application workshop on January 6, 2021.
6	<b>Agency/Group/Organization</b>	Foundation for Better Living
	<b>Agency/Group/Organization Type</b>	Services- Youth
	<b>What section of the Plan was addressed by Consultation</b>	Homeless Services Non-Homeless Special Needs
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on community needs and create partnerships with agencies to meet those needs. Agency attended the application workshop on December 16, 2021.
7	<b>Agency/Group/Organization</b>	Love 4 Life Association
	<b>Agency/Group/Organization Type</b>	Services- Youth & Children
	<b>What section of the Plan was addressed by Consultation</b>	Non-Homeless Special Needs
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on needs for youth and children in the community. Agency attended the application workshop on December 16, 2020.
8	<b>Agency/Group/Organization</b>	Habitat for Humanity Inland Valley
	<b>Agency/Group/Organization Type</b>	Services- Housing
	<b>What section of the Plan was addressed by Consultation</b>	Housing Needs
	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on community needs and create partnerships with agencies to meet those needs. Agency attended the stakeholder meeting and application workshop on December 16, 2021.
9	<b>Agency/Group/Organization</b>	Women Achieving Success
	<b>Agency/Group/Organization Type</b>	Services- Mental Health Services – Education
	<b>What section of the Plan was addressed by Consultation</b>	Non-Homeless Special Needs

	<b>How was the agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency was consulted through workshops, meetings and survey. The anticipated outcome of the consultation is to garner feedback on community needs and create partnerships with agencies to meet those needs. Agency attended the application workshop on December 16, 2021.
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**Table 2 – Agencies, groups, organizations who participated**

**Identify any Agency Types not consulted and provide rationale for not consulting**

The City strived to conduct a comprehensive outreach program. The City utilized a variety of outreach methods to solicit participation from a wide range of agencies and organizations involved in providing housing and community development services. No specific types of relevant agencies were excluded from the process.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care (COC)	County of Riverside	Through the outreach process, the City has identified homelessness and homelessness prevention services as a priority for the CDBG program. These services will complement the Continuum of Care Strategy. The COC's homeless services goals and initiatives coincide with the City's Consolidated Plan and Annual Action Plan goals.

**Table 3 – Other local / regional / federal planning efforts**

**Narrative (optional)**

No additional narrative.



## **AP-12 Participation – 91.105, 91.200(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

The following is a summary of the Citizen Participation Plan Process for the development of the Annual Action Plan:

**Annual Action Plan Development-** Citizens were invited to provide input into development of the Annual Action Plan, including identification of priority needs and setting goals and objectives, through one of the following mechanisms: community/stakeholder meetings, community needs survey, requests for funding proposals (RFPs), public comment period and public hearing process.

**Community Needs Survey-** A Community Needs Survey was made available to Perris residents to solicit community input. The survey was placed on the City's website for online completion and advertised on all City of Perris social media platforms; Facebook, Twitter, and Instagram. Due to the COVID-19 pandemic, hard copies of the survey could not be made available at the four (4) large scale community events: Trunk of Treat, Veterans Day Parade, Christmas Parade, and Senior Citizen luncheon. Survey responses were accepted October 8, 2020 through January 25, 2021. As a result, a total of 18 surveys were received.

**Public Hearings and/or Meetings-** Public hearings provide a major source of citizen input on proposed programs and activities. The City will conduct two public hearings in order to address housing and community development needs on March 30, 2021 and April 27, 2021. Public hearings will be held before the proposed Annual Plan is adopted.

**Public Notification-** All noticed regarding such hearings, including the date, time, and location, were published in a local newspaper of general circulation at least ten (10) days prior to the date of public hearing.

**Evaluation/Review and Comment-** Citizens were given the opportunity to review and comment on the Draft One-Year Action Plan from March 3, 2021 through April 27, 2021. The City published a public notice in the local newspaper informing interested persons about the Annual Action Plan review/comment period.

**Access to Information/Availability to the Public-** As required by Federal regulations, the Annual Action Plan was made available at the City of Perris Housing Authority.

## Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Stakeholder Meeting	Community Stakeholders	A total of two (2) agencies attended the stakeholder meeting.	A summary of the comments received is included in Appendix: A	All comments were accepted	
2	Community Meeting	Residents	There were no residents that attended the community meeting.	A summary of the comments received is included in Appendix: A	No comments received	
3	Survey	Residents – including non-English speaking, specifically Spanish.	A total of 18 community needs surveys were received from residents.	A summary of the comments received is included in Appendix: A	All comments were accepted	
4	Public Hearing	Residents – including non-English speaking, specifically Spanish Stakeholders	A public review of the Draft Annual Action Plan and Final Annual Action Plan was provided from March 3, 2021 through April 27, 2021.	A summary of the comments received is included in Appendix: A	All comments will be accepted	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

This Annual Action Plan for FY 2021-2022 (July 1, 2021 through June 30, 2022) is the third year of the implementation for the five-year Consolidated Plan (2019-2024). Several housing and community development resources are currently available to the City of Perris and are indicated below:

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public-Federal	Admin and Planning, Economic Development, Housing, Public Improvements, Public Services.	\$954,641	\$0	\$132,611.60	\$954,641	\$0	A HUD formula-based program that annually allocates funds for a wide range of community development activities such as affordable housing, anti-poverty programs, and infrastructure development.
HOME	Public-State	First Time Homebuyer (FTHB) and Tenant Based Rental Assistance (TBRA)	\$500,000	\$99,000	\$0	\$599,000	\$0	A State formula-based program that annually allocates funds to support affordable housing.

**Table 5 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The City and HUD share an interest in leveraging resources to the maximum extent feasible in order to deliver high-quality, creative and efficient housing programs, neighborhood improvement programs, supportive services and economic development programs. The City will continue to pursue opportunities to obtain additional funding which can help leverage internal resources with other federal, state and local funding sources. The following represents descriptions of the Federal and State resources available during FY 2021-2022:

Community Development Block Grant (CDBG)- CDBG funds are awarded to cities on a formula basis to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities to low-moderate income persons.

State HOME Investment Partnership Act (HOME)- HOME funds are awarded to cities on a formula basis and can be used for various housing activities that assist low-to moderate income households. These activities include new construction, acquisition, rehabilitation, homebuyer assistance, tenant based rental assistance, and program planning/administration.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Not applicable.

**Discussion**

See discussion above.

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## **Annual Goals and Objectives**

### **AP-20 Annual Goals and Objectives**

#### **Goals Summary Information**

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Promote Fair Housing Opportunity	2021	2022	Fair Housing	City of Perris - Citywide	Fair Housing	CDBG: \$31,100	Public Service activities other than Low/Moderate Income housing. Benefit: 1,500 persons assisted.
2	Expand Affordable Housing Supply	2021	2022	Affordable Housing	City of Perris - Citywide	Housing	HOME: \$390,000	Direct Financial Assistance to Homebuyers. Benefit: 7 households assisted.
3	Create and Preserve Affordable Housing	2021 2021 2021	2022 2022 2022	Affordable Housing	City of Perris - Citywide	Housing	CDBG: \$75,000	Minor Home Repair
							CDBG-CV round 1 & 3: \$242,432	Benefit: 10 households assisted Rental/Mortgage Assistance
							HOME: \$100,000	Benefit: 40 households assisted Tenant Based Rental Assistance
4	Support Homeless Activities	2021	2022	Homeless	City of Perris - Citywide	Homelessness	CDBG-CV round 3: \$200,000 RDA: \$152,900	Benefit: 10 households assisted. Two-week hotel voucher for 20 individuals
5	Planning & Program Administration	2021	2022	Program Administration	City of Perris - Citywide	Administration	CDBG: \$152,900	Overnight/Emergency Shelter/Beds & Case Management: individuals assisted General Management and program oversight
6	Provide Quality Public Services	2021 2021	2022 2022	Non-Housing Community Development	City of Perris - Citywide	Public Services	CDBG: \$126,903	Public service activities other than Low/Moderate income housing.
							CDBG-CV round 1: \$111,436	Benefit: 866 individuals assisted
7	Improve Public Infrastructure and Facilities	2021	2022	Non-Housing Community Development	City of Perris - Citywide	Infrastructure and Public Facilities Improvement	CDBG: \$643,738	Public Facility or Infrastructure Activities other than Low/Moderate income housing. Benefit: 15,000 persons assisted

8	Economic Development	2021	2022	Economic Development	City of Perris – Citywide	Business Assistance	General Funds: \$303,700	Small business assistance Benefit: 30 businesses assisted
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**Table 6 – Goals Summary**

**Goal Descriptions**

1	<b>Goal Name</b>	Promote Fair Housing
	<b>Goal Description</b>	Fair Housing services including tenant/landlord mediation services and anti-discrimination.
2	<b>Goal Name</b>	Expand Affordable Housing Supply
	<b>Goal Description</b>	Homebuyer Assistance
3	<b>Goal Name</b>	Create and Preserve Affordable Housing
	<b>Goal Description</b>	Create and preserve affordable housing through tenant-based rental assistance, rental/mortgage assistance, and minor home repair.
4	<b>Goal Name</b>	Support Homeless Services
	<b>Goal Description</b>	Activities that assist those that are homeless or at risk of homelessness to include: street outreach, emergency shelter, and case management.
5	<b>Goal Name</b>	Provide Quality Public Services
	<b>Goal Description</b>	Social public services, including but not limited to recreational, educational and health services.
6	<b>Goal Name</b>	Improve public infrastructure and facilities
	<b>Goal Description</b>	Improvements to public infrastructure such as streets and sidewalks.
7	<b>Goal Name</b>	Economic Development
	<b>Goal Description</b>	Provide small business assistance



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# Projects

## AP-35 Projects – 91.220(d)

### Introduction

This Action Plan outlines the steps that the City of Perris will use to address housing and community development needs in the City. The plan includes a listing of activities that the City will undertake during FY 2021 (July 1, 2021 through June 30, 2022) using CDBG funds. The following represents a summary of the projects/activities to be undertaken during FY 2021-2022 utilizing CDBG, CDBG-CV round 1 & 3, and State HOME funds.

### Projects

#	Project Name
1	2021 CDBG Administration
2	Boys and Girls Club of Menifee Valley: Before & After School Program
3	Women Achieving Success: Youth Life Skills Education Program
4	Family Services Association: More than a Meal Program
5	North County Health Project: Increasing Access to Behavioral Health Services
6	Life Lifters international: Community Life Program
7	Love 4 Life Association: Unbreakable Project
8	Community Services Department: Rotary Park Amenities
9	Community Services Department: GEAR Bike Expansion II
10	Public Works Department: City Sewer Project
11	Habitat for Humanity Inland Valley: Minor Home Repair
12	CDBG-CV round 1 & 3: Rental/Mortgage Assistance Program
13	CDBG-CV round 1: Utility Assistance Program
14	CDBG-CV round 3: Homeless Services Program
15	HOME: First Time Homebuyer (FTHB) Program
16	HOME: Tenant Based Rental Assistance (TBRA)

**Table 7 - Project Information**

### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

Approximately twenty-seven percent (27%) of CDBG funds will be targeted to projects that are within target areas/CDBG-eligible areas such as the Rotary Park Amenities, Gear Bike Expansion II, and City Sewer Project. The remaining funds will benefit low-income residents city-wide. One hundred percent (100%) of CDBG funds will be dedicated to project that will benefit low-moderate income residents citywide.

One of the greatest challenges in meeting the underserved needs of low- and moderate-income person is having limited financial resources. The City will continue to use CDBG funding to support public service agencies that address the special needs of the

underserved, including those at risk of homelessness, seniors, youths, and low-income families. The City also proactively seeks additional resources to better meet the underserved needs.

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## AP-38 Project Summary

### Project Summary Information

1	<b>Project Name</b>	CDBG PROGRAM ADMINISTRATION
	<b>Target Area</b>	City of Perris- Citywide
	<b>Goals Supported</b>	Promote Fair Housing Opportunity Create and Preserve Affordable Housing Planning and Program Administration Provide Quality Public Services Improve Public Infrastructure and Facilities
	<b>Needs Addressed</b>	General management and program oversight
	<b>Funding</b>	CDBG: \$152,900
	<b>Description</b>	General management and program oversight
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The CDBG Program will be administered from Perris City Hall and will support the CDBG Program citywide.
	<b>Location Description</b>	Citywide- City of Perris
	<b>Planned Activities</b>	CDBG Program management and oversight.

2	<b>Project Name</b>	FAIR HOUSING SERVICES (FAIR HOUSING COUNCIL OF RIVERSIDE COUNTY)
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Descent Housing Provide Quality Public Services
	<b>Needs Addressed</b>	Affirmatively Further Fair Housing
	<b>Funding</b>	CDBG: \$31,100
	<b>Description</b>	Provide fair housing services.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	An estimated 1,500 persons may be assisted.
	<b>Location Description</b>	4164 Brockton Ave. Riverside, CA 92501 Mon. - Fri. 8 am to 5 pm 23890 Alessandro Blvd. Moreno Valley, CA 92553 Mon. - Fri. 8 am to 5 pm 100 N. D St. Perris, CA 92570 First Tuesday of March, June, September, and December. 1 pm to 4 pm
<b>Planned Activities</b>	Provide fair housing services which include counseling, tenant/landlord mediation and anti-discrimination services.	
3	<b>Project Name</b>	BOYS AND GIRLS CLUB OF MENIFEE VALLEY: BEFORE & AFTER SCHOOL PROGRAM
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Provide Quality Public services
	<b>Needs Addressed</b>	Provide Community and Support Services
	<b>Funding</b>	CDBG: \$20,000
	<b>Description</b>	This program will provide financial assistance to youth to pay for discounted programming.
	<b>Target Date</b>	6/30/2022

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 60 low-moderate income children will benefit from this program.
	<b>Location Description</b>	904 South D. Street, Perris, CA 92570
	<b>Planned Activities</b>	This program will provide financial assistance to youth to pay for discounted programming.
4	<b>Project Name</b>	LIFE LIFTERS INTERNATIONAL: COMMUNITY LIFE PROGRAM
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Provide Quality Public Services
	<b>Needs Addressed</b>	Provide Community and Support Services
	<b>Funding</b>	CDBG: \$20,000
	<b>Description</b>	Provide art classes to youth.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 25 seniors will benefit from this program.
	<b>Location Description</b>	100 North D. Street, Perris, CA 92570
	<b>Planned Activities</b>	Provide movement/exercise and art classes to seniors age 62 and over.
5	<b>Project Name</b>	LOVE 4 LIFE ASSOCIATION: UNBREAKSBLE PROJECT
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Provide Quality Public Services
	<b>Needs Addressed</b>	Provide Community and Support Services
	<b>Funding</b>	CDBG: \$26,308

	<b>Description</b>	Provide after school activities on bullying and suicide prevention, self-esteem, spreading kindness, giving resources, creating friendships and more. Provide parent component to educate them on identifying signs and provide resources.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 45 low-moderate income youth and parents will benefit from this program.
	<b>Location Description</b>	100 North D. Street, Perris, CA 92570
	<b>Planned Activities</b>	Provide after school activities on bullying and suicide prevention, self-esteem, spreading kindness, giving resources, creating friendships and more. And parent education component and resources.
6	<b>Project Name</b>	FAMILY SERVICES ASSOCIATION: MORE THAN A MEAL
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Provide Quality Public Services
	<b>Needs Addressed</b>	Provide Community and Support Services
	<b>Funding</b>	CDBG: \$20,595
	<b>Description</b>	This program will provide nutritious meals to senior citizens, age 62 and over, at the City of Perris Senior Center.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 106 senior citizens, age 62 and over, will benefit from this program.
	<b>Location Description</b>	100 North D. Street, Perris, CA 92570

	<b>Planned Activities</b>	Provide nutritious meals to senior citizens, 62 years of age and older, in a group setting at the City of Perris Senior Center. A registered dietician regulates nutrient value of each meal that will be served. The meals are provided in a setting to help encourage socialization among seniors to support their physical, social, spiritual, emotional, mental and economic well-being.
7	<b>Project Name</b>	WOMEN ACHIEVING SUCCESS: YOUTH LIFE SKILLS EDUCATION PROGRAM
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Provide Quality Public Services
	<b>Needs Addressed</b>	Provide Community and Support Services
	<b>Funding</b>	CDBG: \$15,000
	<b>Description</b>	Provide series of simulated life experience workshops for teens and TAY youth.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 30 low-moderate income individuals will benefit from this program.
	<b>Location Description</b>	1201 North A. Street, Perris, CA 92570
	<b>Planned Activities</b>	Provide educational life skills workshops to teens.
8	<b>Project Name</b>	NORTH COUNTY HEALTH PROJECT: INCREASING ACCESS TO BEHAVIORAL HEALTH SERVICES
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Provide Quality Public Services
	<b>Needs Addressed</b>	Provide Community and Support Services
	<b>Funding</b>	CDBG: \$25,000
	<b>Description</b>	Provide healthcare and transportation to uninsured patients at the NCHS Perris Health Center to increase access to healthcare.
	<b>Target Date</b>	6/30/2022



	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 500 low-moderate income individuals will benefit from this program.
	<b>Location Description</b>	1675 North Perris Blvd., Suite G1, Perris, CA 92571
	<b>Planned Activities</b>	Funds will be used to provide approximately 500 uninsured Perris residents with uncompensated medical, dental, and/or behavioral healthcare and medications, as needed. Furthermore, NCHS proposes to provide 200 free rides to and from appointments for uninsured individuals through "Roundtrip," a digital transportation marketplace.
9	<b>Project Name</b>	HABITAT FOR HUMANITY: MINOR HOME REPAIR
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Create and Preserve Affordable Housing
	<b>Needs Addressed</b>	Homeowner Housing Rehabilitation
	<b>Funding</b>	CDBG: \$75,000
	<b>Description</b>	Preserve and maintain existing affordable housing for 10 low-moderate income eligible homeowners.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 10 households will benefit from this program.
	<b>Location Description</b>	27475 Ynez Road #390, Temecula, CA 92591
	<b>Planned Activities</b>	Homeowner housing improvements/rehabilitation. Projects will include roof repairs/replacement, replacing broken windows, reinforcing accessibility access, exterior painting, and furnace/AC repairs/replacement.
10	<b>Project Name</b>	CITY OF PERRIS COMMUNITY SERVICES: ROTARY PARK AMENITIES
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Improve Public Infrastructure and Facilities

	<b>Needs Addressed</b>	Public Facilities and Improvements
	<b>Funding</b>	CDBG: \$212,344.20
	<b>Description</b>	Remove existing non-compliant playground to install new ADA accessible playground with ADA compliant surfacing for better access.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 2,015 low-income persons will benefit from this program.
	<b>Location Description</b>	1491 South A. Street, Perris, CA 92570.
	<b>Planned Activities</b>	Removal of non ADA compliant playground equipment.
11	<b>Project Name</b>	CITY OF PERRIS COMMUNITY SERVICES: GEAR BIKE EXPANSION II
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Improve Public Infrastructure and Facilities
	<b>Needs Addressed</b>	Public Facilities and Improvements
	<b>Funding</b>	CDBG: \$80,749.80
	<b>Description</b>	Install 5.1 miles of Class III bike lanes to enhance connectivity, improve safety for bicyclists, and promote active transportation. Lanes will be installed on East San Jacinto Ave., D. Street, South C. Street, West 7 <sup>th</sup> Street, West 11 <sup>th</sup> St., and South A. St.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 9,515 low-income persons will benefit from this program.
<b>Location Description</b>	101 North D. Street, Perris, CA 92570	
<b>Planned Activities</b>	Bicycle lanes installation on East San Jacinto Ave., D. Street, South C. Street, West 7 <sup>th</sup> Street, West 11 <sup>th</sup> St., and South A. St.	

12	<b>Project Name</b>	CITY OF PERRIS PUBLIC WORKS: CITY SEWER PROJECT
	<b>Target Area</b>	Citywide
	<b>Goals Supported</b>	Improve Public Infrastructure and Facilities
	<b>Needs Addressed</b>	Public Facilities and Improvements
	<b>Funding</b>	CDBG: \$275,644
	<b>Description</b>	Replacement of approximately 1,700 linear feet of sewer lines in seven areas which are in poor condition and require immediate attention.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 7,854 low-income persons will benefit from this program.
	<b>Location Description</b>	101 North D. Street, Perris, CA 92570
	<b>Planned Activities</b>	Replacement of approximately 1,700 linear feet of sewer lines.

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

100% of the funds are allocated to projects that meet the low-moderate income clientele, low-moderate housing, or low-moderate area national objective. A summary of the proposed projects indicates that twenty-seven percent (27%) of the funding will be distributed to projects in low-moderate areas, while the other seventy-three percent (73%) will be distributed to projects based on low-moderate clientele.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
City of Perris-Citywide	100

**Table 8 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

The priority needs identified in the City's FY 2021-2022 Annual Action Plan are in line with the City's FY 2019-2024 Consolidated Plan and form the basis for allocation investments geographically within the jurisdiction during FY 2021. The established priorities are:

#### High Priority

- Rehabilitate and Preserve Homeownership
- Affirmatively Furthering Fair Housing
- Provide Community and Supportive Services for the Elderly, Youth, Veterans and Special Needs Population
- Provide Infrastructure Improvements in Eligible Areas
- Provide Public Facility Improvements in Eligible Areas
- Planning and Administration

#### Low Priority

- Expand Affordable Housing
- Improve Access to Homeless Services Through Street Outreach
- Create Economic Development Opportunities

### **Discussion**

The Priority Level is relevant only for the use of CDBG funds. A Low Priority need does not necessarily mean the City will not address that need with other funding mechanism or activities.

The City will use CDBG funds to fund activities that address High Priority needs. As funding

permits during the Consolidated Plan period, the City may also pursue activities that address the Low Priority Needs.

# Affordable Housing

## AP-55 Affordable Housing – 91.220(g)

### Introduction

The City plans to utilize CDBG & HOME funds to support housing activities for FY 2021-2022. Below is a summary of Affordable Housing Goals for FY 2021-2022:

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	TBD
Non-Homeless	TBD
Special-Needs	0
Total	TBD

**Table 9 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	50
The Production of New Units	0
Rehab of Existing Units	10
Acquisition of Existing Units	0
Total	60

**Table 10 - One Year Goals for Affordable Housing by Support Type**

### Discussion

No further discussion.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

There is no public housing in the City of Perris.

### **Actions planned during the next year to address the needs to public housing**

Not applicable- The City does not have public housing.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Not applicable- The City does not have public housing.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable- The City does not have public housing.

### **Discussion**

No further discussion.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The needs of homeless and chronic homeless persons range from outreach, case management and referral services to transportation and rental assistance among the many essential services needed to assist with permanent shelter. The City of Perris is a part of Riverside County's Continuum of Care for the homeless. The Continuum of Care is the region's plan for supporting and providing needs and services for homeless individuals and families in Riverside County. The City supports all agencies that address homelessness in the community.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City of Perris is currently partnering with the Social Work Action Group (SWAG) for mobile homeless street outreach services to homeless persons. This includes case management, counseling and outreach to the homeless to encourage and recommend shelter facilities to those in need. Other outreach and assessment are provided through several of churches. The City of Perris is a participant in Riverside County's Continuum of Care for the Homeless. The Riverside County Homeless Program Unit's primary purpose is to develop and maintain an effective county-wide Continuum of Care, which is the region's plan on organizing, delivering supportive social services, and providing outreach and assessment that meet the specific needs of homeless individuals and families. The goal of the Continuum of Care is to support homeless individuals move toward stable housing and maximum self-sufficiency.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The City will continue to participate in the County of Riverside's Continuum of Care and support non-profit agencies who address homeless and other special needs populations. Agencies that undertake activities to address homeless prevention, emergency shelter, transitional housing and supportive housing include, but not limited to, Lutheran Social and Welfare Services, U.S. Veterans Initiative and Riverside County Department of Social Services.

#### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience**



**homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Chronically homeless individuals are those who have lived in a place not meant for human habitation for a year, or for three or more times within four years. Additionally, chronically homeless individuals have the barrier of living with a disability. These combined factors often lead to isolation and a survival mentality. Moving people from chronic homelessness to living in and maintaining permanent housing requires multi-level efforts.

The City's partnering agencies address reducing homelessness through outreach efforts to persons in need, assessments for medical and essential service needs, options for permanent housing and other needs. The City's partnership with SWAG provides:

1. Organize and Facilitate Point-in-Time Count
2. Conduct Homeless Street Outreach in partnership with law enforcement to address specific "hot spot" areas as identified by SWAG, City of Perris staff, and the Riverside Sherriff's Department.
  - a) Respond to homeless service requests made by city staff, law enforcement, businesses and concerned residents.
  - b) Include in the "by-name census," specifically for the City of Perris, names of all individuals encountered.
  - c) Facilitate bus trips home -- family reunification for individuals wanting to reunite with an identified support system that is out of the Perris area.
  - d) Assist individuals found living on the street to obtain transportation and admittance to emergency shelter and transitional program options.
  - e) Conduct Riverside County housing assessments (VI-SPDAT when applicable) to unsheltered homeless individuals and families and provide navigation services.
  - f) Participate in weekly Coordinated Entry Housing Navigation meetings to ensure clients are being linked to Riverside County Continuum of Care housing resources.
3. Provide strategic outreach services in partnership with City of Perris Housing Authority and Perris School Districts to identify individuals and families, who are homeless and at-risk of becoming homeless, and connect them to applicable services.
4. Facilitate quarterly landlord fairs and continuous education, training and recruitment.
5. Facilitate Monthly Homeless Task Force Meetings, community asset mapping for strategic coordination and alignment of community resources that serve at-

risk/homeless population.

6. Participate in City-sponsored community events.
7. Connect homeless population to appropriate housing solutions throughout Riverside County.
8. Develop informational content including material for the Compassionate Giving Campaign and for dissemination throughout the community. The Campaign will encourage stakeholders, faith-based groups, community groups, businesses, and concerned residents to discourage well-intended activities that enable the chronically homeless to remain on the streets and focus their efforts on long-term solutions.
9. Coordinate a series of lectures open and available to the public.
10. Provide support to the City of Perris through training, presentations and sharing updates related to trends in regional homeless efforts.
11. Provide SWAG Report Card to community members to provide input and feedback.
12. Provide monthly and quarterly data collection of key activities and results, community partners/businesses engaged.
13. Attend and participate in City Council meetings as requested.

SWAG is often the primary source for referrals and assistance to homeless persons, and primary contact for unsheltered individuals.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

The City will continue to participate in the County of Riverside's Continuum of Care and support non-profit agencies who address homeless and other special needs of the homeless and those at risk of becoming homeless.

Many local non-profit faith-based organizations and those partnering with the Riverside County Continuum of care provide essential services such as: food, clothing, infant supplies, and utility assistance to extremely low, low- and moderate-income families and individuals. The City of Perris also has a Family Resource Center which offers basic needs,

shelter, utility assistance, childcare, health, and rental housing assistance.

**Discussion**

No further discussion.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

One of the largest barriers to affordable housing in the City is the lack of affordable units. While all segments of the low- and moderate-income population need more affordable housing, the greatest need is affordable units for families. The availability of funding for affordable housing has also been severely affected by the dissolution of Redevelopment in the State of California. Different types of housing funds such as Low-Income Housing Tax Credits, HOME, CalHOME and the Multifamily Housing Program are not sufficient to finance an affordable housing project alone.

Barriers to affordable housing include:

1. The reluctance of builders to invest in affordable housing projects.
2. The lack of sufficient financial resources for development of affordable units.
3. The overall relatively slow growth of income versus the rapid increase in population growth and relative increase in housing prices.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

Keeping housing affordable by providing owner-occupied minor repair services is an effective way to reduce barriers to affordable housing. The Senior Minor Home Repair Program will target low income senior households and provide repairs to their homes including condominiums, mobile homes and single-family homes, preserving the affordable housing stock.

### **Discussion:**

No further discussion.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

The following proposed actions will be undertaken to address the areas indicated below:

### **Actions planned to address obstacles to meeting underserved needs**

One of the greatest challenges in meeting the underserved needs of low- and moderate-income persons is having limited financial resources. The City will continue to use CDBG funding to support public service agencies that address the special needs of the underserved, including those at risk of homelessness, youths, seniors, and low-income families. Such programs include homeownership assistance, housing rehabilitation, rental assistance, health and public services, and fair housing services. The City also proactively seeks additional resources to better meet the underserved needs.

### **Actions planned to foster and maintain affordable housing**

The City will contribute to the preservation of the existing affordable housing stock through the Minor Home Repair Program. In FY 2021 \$75,000 in CDBG funds will be used to assist homeowners address minor repairs to the interior and exterior of their homes. This activity is expected to provide repair assistance to 10 households.

Through HOME funds the City will provide Tenant Based Rental Assistance (TBRA) to bridge the affordability gap and a First Time Homebuyer Program (FTHB). Through GDBG-CV funds, the City will provide Rental & Mortgage Assistance to low-moderate income residents who have been financially affected by the Coronavirus pandemic.

### **Actions planned to reduce lead-based paint hazards**

The city continues to work to reduce lead-based paint (LBP) hazards to comply with 24 CFR Part 35. While the number of units considered to contain lead-based paint is relatively low, the City will address the problem of LBP hazard with inspections and risk assessments in conjunction with all housing programs.

### **Actions planned to reduce the number of poverty-level families**

While the City has no control over the majority of the factors affecting poverty, it may be able to assist those living below the poverty line. The City supports other governmental, private and non-profit agencies involved in providing services to low- and moderate-income residents and coordinates efforts with these groups where possible to allow for more efficient delivery of services.

During FY 2021-2022, the City will continue to implement its strategy to help impoverished families achieve economic independence and self-sufficiency. The City will allocate 15 percent of CDBG funds to public service agencies that offer supportive services in the

fight against poverty. The City will fund public service programs that assist extremely low and low-income persons, including but not limited to food programs, free or low price health service program, etc.

**Actions planned to develop institutional structure**

The City has an including institutional structure approach that uses a variety of organizations and departments within the City to carry out its housing, homeless, and community development plan. The City continues to streamline and to make improvements to the delivery system to best serve the community through activities and services. As the needs of low to moderate income residents change, the demand for types of services and programs will also change. This may result in future revisions to the Annual Action Plan through amendments as necessary.

**Actions planned to enhance coordination between public and private housing and social service agencies**

The City coordinates with non-profit providers, community and faith-based organizations, public institutions and City Departments in the development of the Action Plan. The City will continue to coordinate in the future to ensure quality services are being made available to low income persons.

**Discussion:**

See discussion above.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

#### Introduction:

The following describes other program specific requirements.

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	0

#### Other CDBG Requirements

1. The amount of urgent need activities	0
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The City does not anticipate generating any program income during the FY 2021-2022 planning period.

Of the City's FY 2021-2022 CDBG allocation, 20 percent is being allocated for eligible planning and administration activities. These activities are not subject to the low- and moderate-income benefit requirements. Of the remaining 80 percent, 100 percent will be used to benefit low- and moderate-income persons.



10.D.

# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

- MEETING DATE:** March 30, 2021
- SUBJECT:** Substantial Amendment to the 2019-2024 Consolidated Plan and the 2021-2022 Annual Action Plan to include funding in the amount of \$90,000 from the CARES Act Community Development Block Grant Coronavirus CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity.
- REQUESTED ACTION:** Adopt Resolution No. (next in order) approving a Substantial Amendment to the 2019-2024 Consolidated Plan and the 2021-2022 Annual Action Plan to include funding in the amount of \$90,000 from the CARES Act Community Development Block Grant Coronavirus CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity.
- CONTACT:** Clara Miramontes, Interim City Manager
- 

#### BACKGROUND

The City of Perris currently receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). On April 2, 2020, the City received a special allocation of funds for the CDBG program to prevent, prepare for, and respond to the COVID-19 (coronavirus) pandemic. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed on March 27, 2020. These funds are to respond to the growing effects of this historic public health crisis. The City of Perris was allocated \$536,986 in Community Development Block Grant Coronavirus (CDBG-CV) funds. In response, the City allocated \$136,986 of the CDBG-CV funds for the Utility Assistance Program and \$400,000 for the Rental & Mortgage Assistance Program.

#### DISCUSSION

Staff is recommending that \$90,000 of CDBG-CV funds be reallocated from the CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity. This action will help cover costs for two temporary positions to assist with the application intake, processing, and technical assistance to applicants. Currently, \$20,983.33 (15%) of the CDBG-CV Utility Assistance Program allocation has been expended. Additionally, the CDBG-CV Utility Assistance Program is not as in demand as the rental and mortgage assistance program. It only constitutes 131 of the 333 total applications received for CDBG-CV assistance since both programs became available in April 2020.



**RECOMMENDATION:**

Staff is recommending that the City Council approve the substantial amendment to the 2019-2024 Consolidated Plan and FY 2021-2022 Annual Action Plan to reallocate \$90,000 in CDBG-CV funds from the CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity.

**BUDGET (OR FISCAL) IMPACT:**

There is no impact to the General Fund.

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Prepared By: Sara Cortés de Pavón, Grants Manager

**REVIEWED BY:**

City Attorney  
Assistant City Manager  
Finance Director

\_\_\_\_\_  
ER

Attachments: 1. Resolution Number (next in order)

Consent:  
Public Hearing: X  
Business Item:  
Presentation:  
Other:

# ATTACHMENT 1

RESOLUTION NUMBER (NEXT IN ORDER)

**RESOLUTION NO. (Next in order)**

***A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PERRIS, APPROVING A SUBSTANTIAL AMENDMENT TO THE 2019-2024 CONSOLIDATED PLAN AND FY 2019-2020 ANNUAL ACTION PLAN TO INCLUDE FUNDING FOR THE CDBG-CV PLANNING & ADMINISTRATION ACTIVITY.***

***WHEREAS***, the City Council must approve substantial amendments to the City's Five-Year (2019-2024) Consolidated Plan and Annual Action Plan (FY 2020-2021), including the reallocation of Community Development Block Grant Coronavirus (CDBG-CV) funds; and

***WHEREAS***, the City of Perris, pursuant to Federal regulations has solicited public input to the amended 2019-2024 Consolidated Plan, FY 2020-2021 Annual Action Plan, to include programmatic funding for the CDBG-CV Planning & Administration activity in the amount of \$90,000; and

***WHEREAS***, the City Council must find that under the Federal guidelines established by the U.S. Department of Housing and Urban Development (HUD), that the reallocating of funds will meet federal reallocation criteria including: reallocating activity funds to eligible uses that meet national CDBG Objectives; and ensuring that funds being reallocated will not exceed the statutory limits for Planning & Administrative activities set forth by HUD; and ensuring that projects receiving reallocations are ready to move forward and be completed, with environmental clearance; and

***WHEREAS***, on March 30, 2021, the City Council conducted a duly noticed public hearing in which it accepted public input and considered the substantial amendments to the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan; and

***WHEREAS***, the approvals herein are final for the inclusion of the CDBG-CV Planning & Administration activity funds in the amount of \$90,000 in the 2019-2024 Consolidated Plan, FY 2020-2021 Annual Action Plan; and

***WHEREAS***, the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan are planning documents and are not subject to the California Environmental Quality Act (CEQA) as they would not result in a direct or reasonably foreseeable physical change in the environment pursuant to State CEQA Guidelines 15060 (c)(2) nor considered a project pursuant to State CEQA Guidelines 15060 (c)(3).

***NOW, THEREFORE, BE IT RESOLVED***, by the City Council of the City of Perris, as follows:

***Section 1.*** The recitals set forth above are true and correct, and incorporated herein by this reference.

**Section 2.** That the City Council has determined that the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan are planning documents and are not subject to CEQA pursuant to Sections 15060 (c)(2) and 15060 (c)(3).

**Section 3.** That the City Council hereby approves the inclusion of the CDBG-CV Planning & Administration activity funds in the amount of \$90,000 in the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan.

**Section 4.** That the City Council authorizes the City Manager, or his designee, to take all necessary and appropriate actions to carry out this Resolution, including, but not limited to, submitting the amendment of the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan to the Department of Housing and Urban Development; executing all documents related to the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan; and any related administration thereof, for the following:

1. The reallocation of \$90,000 in CDBG-CV funds to the 2019-2024 Consolidated Plan and FY 2020-2021 Annual Action Plan to allow for the CDBG-CV Planning & Administration activity.

**Section 5.** That the City Clerk shall attest and certify to the passage of this resolution and it shall thereupon take effect and be in full force.

**PASSED, APPROVED, AND ADOPTED ON March 30, 2021, BY THE FOLLOWING VOTE:**

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MAYOR, MICHAEL M. VARGAS

ATTEST:

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City Clerk, Nancy Salazar

STATE OF CALIFORNIA     )  
COUNTY OF RIVERSIDE   ) §  
CITY OF PERRIS           )

I, Nancy Salazar, City Clerk of the City of Perris, do hereby certify that the foregoing Resolution Number (next in order) was duly adopted by the City Council of the City of Perris at a regular meeting thereof held on the 30<sup>th</sup> day of March 2021, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
City Clerk, Nancy Salazar

Attachments:

**Exhibit A:** Amended 2019-2024 Consolidated Plan Page  
**Exhibit B:** Amended FY 2020-2021 Annual Action Plan Page

(2019-2024 Consolidated Plan and 2020-2021 Action Plan on file with Housing Authority)

## City of Perris 2019-2024 Consolidated Plan Substantial Amendment

***The following amendment language will be added to the 2019-2024 Consolidated Plan (ConPlan) to allow the state access to emergency funding intended to assist in making a timely response to the impacts of the COVID-19 pandemic.***

### Executive Summary

#### AP-05 Executive Summary – 24 CFR 91.200(c), 91.220(b)

##### Introduction

On March 27, 2020 Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the "CARES Act". The Act identified additional funding for the Community Development Block Grant (CDBG) to support preparation for and response to the community impacts of the COVID-19 pandemic. HUD's distribution plan for the additional funding included multiple phases that would allow for quick access to funding necessary to address the immediate crisis resulting from the rising pandemic, as well as phases that would support post-pandemic community recovery. This Consolidated Plan includes planning for both phases. The CARES Act was passed after the public participation for this Consolidated Plan was substantially complete. CARES Act funding plans were presented for public comment as part of the public comment period of the Consolidated Plan.

This amendment to the City of Perris' 2019-2024 Consolidated Plan outlines the State's funding priorities and strategies to address COVID-19 related impacts, using funds from the Community Development Block Grant CARES Act Stimulus (CDBG-CV) funded through HUD:

This Consolidated Plan amendment addresses the reallocation of CDBG-CV funds from the CDBG-CV Utility Assistance Program to the CDBG-CV Planning and Administration activity. The Action Plan component is included in the 2020-2021 Annual Action Plan Amendment that is available for public comment concurrently with this document.

##### PR-15 Citizen Participation

**Summary of citizen participation process/efforts made to broaden citizen participation: Summarize citizen participation process and how it impacted goal setting.**

The public comment period for this Consolidated Plan amendment is five days, as per HUD's waiver, to expedite the CARES Act funding to address the immediate needs facing communities impacted by the COVID-19 Pandemic. The 2019-2024 Consolidated Plan Amendment is available for comment from all interested parties from **Wednesday, March 10, 2021 to Tuesday, March 30, 2021.**

**Submitting Public Comment**

Please submit written comments to [scortes-depavon@cityofperris.org](mailto:scortes-depavon@cityofperris.org). Comments may also be mailed to:

City of Perris Housing Authority  
 135 North D. Street  
 Perris, CA 92570

**Strategic Plan**

**SP-25 Priority Needs – 91.215(a)(2) Priority Needs**

11	<b>Priority Need Name</b>	CDBG-CV (COVID-19) – Administration	
	<b>Priority Level</b>	High	
	<b>Population</b>	Income	Extremely Low Low
		Household Type	Large Families Families with Children Elderly
		Special Needs	Elderly Frail Elderly Veterans Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and Their Families Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	Citywide	
	<b>Associated Goals</b>	Planning and Administration	
	<b>Description</b>	General program management; COVID-19 related program administration and personnel.	
	<b>Basis for Relative Priority</b>	In March of 2020 the Coronavirus pandemic began to impact U.S. communities. Communities across the nation, including the State of California, initiated Shelter in Place Orders that encouraged non-essential workers to shelter in their homes, and that shut down all non-essential businesses. The Shelter-in-Place Orders resulted in mass business shut-downs or a drastic reduction in working hours during the term of the order. The shutdowns impacted non-essential services and resulted in record unemployment. Individuals and households need assistance in paying their monthly rent or mortgage as well as utilities during the shelter-in-place order. Planning	

		and Administration activities will be in the processing of CDBG-CV assistance program applications.
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### SP-45 Goals Summary – 91.215(a)(4)

#### Goals Table

The Coronavirus pandemic has magnified the need for the City of Perris to meet its existing goals rather than creating new goals.

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
3	Planning and Administration	2019	2024	Administration	Administration	CDBG-CV \$90,000	Planning and Administration	TBD

### Annual Action Plan

***The 2020-2021 Annual Action Plan Substantial Amendment, available for concurrent public comment, includes the specific planning requirements for the CARES Act funds.***



## **City of Perris 2020-2021 Annual Action Plan Substantial Amendment**

***The following amendment language will be added to the 2020-2021 Annual Action Plan to allow the City access to emergency funding intended to provide a timely response to the impacts of the COVID-19 pandemic.***

### **Executive Summary**

#### **AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)**

##### **Introduction**

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the "CARES Act". The Act identified additional funding for the Community Development Block Grant (CDBG) program to support preparation for, and response to, the community impacts of the COVID-19 pandemic. The distribution plan of the U.S. Department of Housing and Urban Development (HUD) for the additional funding includes multiple phases: an initial phase that would allow for quick access to funding necessary to address the immediate crisis resulting from the rising pandemic, as well as later phases that would support post- pandemic community recovery.

The 2020-2021 Annual Action Plan (AP) is being amended to reallocate funding from the CDBG-CV Utility Assistance Program to the CDBG-CV Planning & Administration activity.

##### **Summary of Citizen Participation Process and consultation process**

The Substantial Amendment to the 2020-2021 Annual Action Plan (AP Amendment) addressing additional funding from the CARES Act will be available for a public comment period of 5 days per waiver of federal regulations.

The draft AP Amendment is available for comment from all interested members of the public from **Wednesday, March 10, 2021 to Tuesday, March 30, 2021.**

Please submit written comments to [scortes-depavon@cityofperris.org](mailto:scortes-depavon@cityofperris.org). Comments may also be mailed to:

City of Perris Housing Authority  
135 North D. Street  
Perris, CA 92570

## AP-12 Participation - 91.105, 91.200(c)

### Summary of citizen participation process/Efforts made to broaden citizen participation

The Substantial Amendment to the 2020-2021 Annual Action Plan (AP Amendment) addressing the reallocation of \$90,000 in CARES Act funds from the CDBG-CV Utility Assistance Program to the CDBG-CV Planning and Administration activity will be available for a public comment period of at least 5 days per waiver of federal regulations.

The draft AP Amendment is available for comment from all interested members of the public from **Wednesday, March 10, 2021 to Tuesday, March 30, 2021.**

Please submit written comments to [scortes-depavon@cityofperris.org](mailto:scortes-depavon@cityofperris.org). Comments may also be mailed to:

City of Perris Housing Authority  
135 North D. Street  
Perris, CA 92570

## AP-20 Annual Goals and Objectives

### Goals Summary Information

The figures below represent estimates of allocation goals and objectives for the additional funding provided under the CARES Act. These figures are determined by the funding recipients' priority needs.

Sort Order	Goal Name	Start Year	End Year	Category	Needs Addressed	Estimated Funding	Goal Outcome Indicator	Total
3	Planning and Program Administration	2019	2024	Administration	Administration	CDBG-CV \$90,000	Planning and Administration	TBD

## Allocation Priorities

The amended table below is based on the expected amount of funds that will be awarded by the CARES Act for Fiscal Year (FY) 2020-2021 for eligible activities that fall within that goal.

### Funding Allocation Priorities

11	<b>Priority Need Name</b>	CDBG-CV (COVID-19) – Administration	
	<b>Priority Level</b>	High	
	<b>Population</b>	Income	n/a
		Household Type	n/a
		Special Needs	n/a
	<b>Geographic Areas Affected</b>	Citywide	
	<b>Associated Goals</b>	Planning and Administration	
	<b>Description</b>	General program management; COVID-19 related program administration and personnel.	
	<b>Basis for Relative Priority</b>	In March of 2020 the Coronavirus pandemic began to impact U.S. communities. Communities across the nation, including the State of California, initiated Shelter in Place Orders that encouraged non-essential workers to shelter in their homes, and that shut down all non-essential businesses. The Shelter-in-Place Orders resulted in mass business shut-downs or a drastic reduction in working hours during the term of the order. The shutdowns impacted non-essential services and resulted in record unemployment. Individuals and households need assistance in paying their monthly rent or mortgage as well as utilities during the shelter-in-place order. Planning and Administration activities will be in the processing of CDBG-CV assistance program applications.	



# CITY OF PERRIS

## CITY COUNCIL AGENDA SUBMITTAL

**MEETING DATE:** March 30, 2021

**SUBJECT:** Western Community Energy (WCE) Update

**REQUESTED ACTION:** Receive and file presentation regarding rate adjustments for the WCE Community Choice Aggregation program

**CONTACT:** Clara Miramontes, Assistant City Manager

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### **BACKGROUND/DISCUSSION:**

The City of Perris is a participant of the Western Community Energy (WCE). The Western Community Energy is a Community Choice Aggregation (CCA) program that was designed to give local government the opportunity to buy electricity directly from its source and then offers it to the community at a more competitive rate than Southern California Edison. The City has been working with the Western Riverside Council of Governments (WRCOG) in the formation and implementation of the program during the past two years. The program launched in April 2020 and has since undergone unforeseen challenges that will result in temporary rate increases.

After the launch of the WCE, the country has been experiencing a global pandemic of the COVID-19. A moratorium was placed on utility bill disconnect which has now been extended through June 2021. This has resulted in a delinquency rate of 6.25% of WCE customers, totaling to approximately over \$5 million in lost revenues. Other CCAs and utilities are also seeing delinquencies ranging from 6% to 19%. Energy costs in 2020 exceed projected energy pricing resulting in an additional \$10 million in energy costs. Another \$6 million in additional resource adequacy (RA) costs were also incurred. Due to the substantial amount of lost revenues and increased costs for energy pricing, the WCE conducted a cost-of-service analysis (COSA) with rate options.

In February 2021, Southern California Edison (SCE) increased its Power Charge Indifference Adjustment (PCIA) rate by 20%, increased delivery charges by 14% but decreased generation charges by 1%. The increase of the PCIA rate has affected WCE customers resulting in a higher bill. This increase was unexpected and much higher than anticipated by WCE.

WCE conducted a high-level cost of service analysis to determine cost of service by each customer rate class and associated rate options. The study recommended a rate adjustment to account for increased costs of service related to COVID and market-based energy pricing. The average

residential bill will increase would be approximately \$12-\$13 per month (a total bill increase by roughly 9%) with \$6-\$7 per month for CARE customers. The rate adjustment is effective March 15, 2021. A temporary surcharge will be implemented effective May 1, 2021 that will expectedly fall off bills after approximately 12 months.

On March 18, 2021, the WCE Board was presented with a high-level Cost of Service Analysis and presented findings indicating the need to adjust the WCE portion of the overall total customer utility bill. In addition, the implementation of an energy surcharge, or power cost adjustment, is needed to account for an increase in energy costs due to 2020 weather events. The Board directed staff to adjust all rate classes (effective March 15, 2021) with a cap of up to 20% per the COSA findings, but only by 10% for CARE customers. Power cost adjustment implementation will be effective May 2021. Staff

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**BUDGET (or FISCAL) IMPACT:**

Cost for staff preparation of this item is covered in the current budget.

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Prepared by: Clara Miramontes, Assistant City Manager

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director ER

Consent:

Public Hearing:

Business Item: March 30, 2021

Presentation:

Other:

11.B.

# **VERBAL PRESENTATION**