



CHAIRMAN: ARISTON JULIAN
AGENCY MEMBER: VIRGINIA PONCE
AGENCY MEMBER: LUPE ALVAREZ
VICE CHAIRMAN: JOHN LIZALDE
AGENCY MEMBER: JOHN SABEDRA

EXECUTIVE DIRECTOR: REGAN M. CANDELARIO
AGENCY COUNSEL: DAVID FLEISHMAN
RECORDING SEC.: ROSA NAREZ
CITY TREASURER: PETRONA AMIDO

AGENDA

GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

Regular Meeting
Tuesday, June 28, 2011

(Immediately Following Regular City Council Meeting)

City Hall, Council Chambers
918 Obispo Street, Guadalupe, California 93434

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's office, (805) 356-3891. Notification of at least 72 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

*If you wish to speak concerning any item on the agenda, please complete the Request to Speak form that is provided at the rear of the Council Chambers and hand the form to the Recording Secretary. **Note:** Staff Reports, as well as any materials related to items on this agenda submitted after distribution of the agenda packet, are available for inspection at the office of the City Administrator, City Hall, 918 Obispo Street, Guadalupe, California during regular business hours, 8:30 a.m. to 12:00 pm. and 1:00 p.m. to 5:00 p.m., Monday through Friday; telephone (805) 356-3891.*

1. **CALL TO ORDER.** Chairman Ariston Julian.
2. **ROLL CALL.** Agency Members Lupe Alvarez, Virginia Ponce, John Lizalde, John Sabedra and Chairman Ariston Julian.
3. **PLEDGE OF ALLEGIANCE.**
4. **CONSENT CALENDAR.** The following routine items are presented for Agency approval without discussion as a single agenda item in order to expedite the meeting. Should an Agency Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.
 - a. Minutes for the Regular Agency Meeting of June 14, 2011 to be ordered filed.

5. **COMMUNITY PARTICIPATION FORUM.**

Each person will be limited to a discussion of 3 minutes. Pursuant to provisions of the Brown Act, no action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. The RDA may direct Staff to investigate and / or schedule certain matters for consideration at a future RDA Agenda

6. **DECLARATION IN SUPPORT OF LEGAL CHALLENGE TO SB1X14/SB1X15 REGARDING THE IMPACTS TO THE CITY OF GUADALUPE WITH THE ELIMINATION OF REDEVELOPMENT BY THE STATE.**

That the Agency Board approves the submission of a declaration from the Guadalupe Community Redevelopment Agency in support of the League of California Cities’ and the California Redevelopment Association’s legal challenge to SB1X14/SB1X15 regarding the adverse impacts to the City should redevelopment be eliminated in California.

- a. Written Staff Report (Regan M. Candelario)
- b. Agency discussion and consideration.
- c. It is recommended that the Agency Board approves the submission of a declaration from the Guadalupe Community Redevelopment Agency in support of the League of California Cities’ and the California Redevelopment Association’s legal challenge to SB1X14/SB1X15 regarding the adverse impacts to the City should redevelopment be eliminated in California.

7. **URM PROGRAM – GRANT AGREEMENT AMENDMENT FOR PROJECT AT 887-891 GUADALUPE STREET.**

That the Agency Board approves the amendment to the grant agreement and the release of the final retention funds for the project at 887-891 Guadalupe Street.

- a. Written Staff Report (Regan M. Candelario)
- b. Agency discussion and consideration.
- c. It is recommended that the Agency Board approves the amendment to the grant agreement and the release of the final retention funds for the project at 887-891 Guadalupe Street.

8. **FUTURE AGENDA ITEMS.**

- a. Royal Theater.
- b. Katayama Clock Estimates.

9. **ANNOUNCEMENTS.**

10. **ADJOURNMENT.**

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the City Hall display case, the Water Department, the City Clerk’s Office and Rabobank not less than 72 hours prior to the meeting. Dated this 24th day of June 2011.

By:  for Regan Candelario
Regan M. Candelario
Executive Director

MINUTES
GUADALUPE COMMUNITY REDEVELOPMENT AGENCY
Regular Meeting - Tuesday, June 14, 2011
(Immediately Following Regular City Council Meeting)
City Hall, Council Chambers - 918 Obispo Street, Guadalupe, California 93434

1. **CALL TO ORDER.** Chairman Ariston Julian called the meeting to order at 7:35 p.m.
2. **ROLL CALL.** Agency Members Lupe Alvarez, Virginia Ponce, John Sabedra, and Chairman Ariston Julian. John Lizalde was **NOT** present.
3. **PLEDGE OF ALLEGIANCE.** Done.
4. **CONSENT CALENDAR.** The following routine items are presented for Agency approval without discussion as a single agenda item in order to expedite the meeting. Should an Agency Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.
 - a. **Minutes** for the Regular Agency Meeting of May 24, 2011 to be ordered filed.

ALL AGENCY MEMBERS APPROVE ITEM (a): ALVAREZ/PONCE
AYES: 4 (FOUR)

5. **COMMUNITY PARTICIPATION FORUM.** None.
6. **CRA BUDGET ADOPTION FOR FISCAL YEAR ENDING JUNE 30, 2012.** That the Agency Board approves the 2011/2012 Budget and adopts CRA Resolution No. 2011-12.
 - a. Written Staff Report. (Carolyn Galloway-Cooper)
 - b. Agency discussion and consideration.
 - c. It is recommended that the Agency Board approves the 2011/2012 Budget and adopts CRA Resolution No. 2011-12.

Carolyn Galloway-Cooper told the Agency Board that this is the same budget that has been presented at the budget study session; however, changes have been made to the affordable housing portion of the budget. The adjustments include the Housing Grant Rehab (Fence Grant). Per Finance Director, Carolyn Galloway-Cooper, the Fund 91 (Bond Refinance), most of the money was spent on the un-reinforced masonry program. The 9th Street project work is being conducted with local fund money to meet Measure A MOE requirements.

Agency Board Member John Sabedra had a question about page G5, regarding the Royal Theater and the Veterans Hall repairs. Finance Director, Carolyn Galloway-Cooper said the City is hoping to move forward with these two projects.

Agency Board Member Lupe Alvarez asked if street sweeping costs could be paid by RDA money. Mrs. Galloway-Cooper said she would have to check on that.

MOTION TO APPROVE THE 2011/2012 BUDGET AND ADOPT
CRA RESOLUTION NO. 2011-12: PONCE/SABEDRA
AYES: 4 (FOUR)

AGENCY MEMBER LUPE ALVAREZ ABSTAINED FROM THE FOLLOWING BUDGET ITEMS:
3166 - Habitat for Humanity
3120-3141 - URM
46 - Capital Project RDA Fund
47 - Commercial Rehab RDA Fund

7. REVIEW OF THE RESPONSES TO THE REQUEST FOR PROPOSALS (RFP) TO COMPLETE A MARKET STUDY. That the Agency Board reviews the summary report of RFP responses, discusses the project, and provides further direction for staff.

- a. Written Staff Report. (Regan M. Candelario)
- b. Agency discussion and consideration.
- c. It is recommended that the Agency Board reviews the summary report of RFP responses, discusses the project, and provides further direction for staff.

City Administrator Regan Candelario advised that the market study would help the City of Guadalupe in identifying potential developers and better promote the City.

Agency Board Member Virginia Ponce said conducting a market study at this point in the southeast side of Guadalupe is a bit premature and should be considered once the future of DJ Farms is decided. Mrs. Ponce asked that the market study be tabled.

Agency Board Member John Sabedra said studies need to be conducted in the City of Guadalupe because something needs to be done to generate money. Mr. Sabedra would like specifics to this market study.

Agency Board Member Lupe Alvarez asked **City Administrator Regan Candelario** about the drastic range in budget proposals for a market study. Mr. Candelario responded by stating that the figures presented were just what each consulting firm advised as its cost, however, further details could be obtained as to the detail of the market study in comparison with the cost. Mr. Alvarez would like to table the market study.

Agency Board Chairman Ariston Julian agreed with Mrs. Ponce and Mr. Sabedra, but said before a market study can be conducted the City of Guadalupe needs more residents. More residents in Guadalupe will generate bigger businesses in the City. Mr. Julian does not believe the timing is right for a market study.

Agency Board Chairman Ariston Julian tabled the market study per Agency Board consensus.

8. UPDATE REGARDING THE ECONOMIC DEVELOPMENT STUDY BY ADMINISTRATIVE INTERN LARISSA HEEREN. That the Agency Board receives a status report regarding the economic development study for Guadalupe completed by Administrative Intern Larissa Heeren as her final Master's Thesis project for her degree from Cal Poly.

- a. Written Staff Report. (Regan M. Candelario)
- b. Agency discussion and consideration.
- c. It is recommended that the Agency Board receives a status report regarding the economic development study for Guadalupe completed by Administrative Intern Larissa Heeren as her final Master's Thesis project for her degree from Cal Poly.

City Administrator Regan Candelario briefed the Agency Board on the two administrative interns that assist the City and the Agency with various projects and day-to-day tasks. Examples of the projects include research for various City initiatives, completion of reporting requirements, coordination of various aspects of community events such as the Judy Baca Mural Reception and Salad Bowl Festival, and the submission of State grant applications. **Administrative Intern Larissa Heeren** completed a 92-page study of economic development programs and projects and made recommendations as to the applicability of those programs for Guadalupe. Ms. Heeren will be in attendance at a future Agency Board meeting to present her study to the members.

Agency Board Member Lupe Alvarez suggested that proclamation and/or certificate be presented to these two interns as a form of appreciation for their hard work for the City of Guadalupe.

9. FUTURE AGENDA ITEMS.

- a. Royal Theater.
- b. Katayama Clock Estimates.

City Administrator Regan Candelario added the City's housing project to future agenda items.

10. ANNOUNCEMENTS.

Agency Board Member Lupe Alvarez reminded those in attendance of the City's annual clean-up days the week of June 13-18, 2011.

11. ADJOURNMENT. Meeting called to a close at 8:10 p.m.

**MOTION TO ADJOURN: PONCE/ALVAREZ
AYES: 4 (FOUR)**

**REPORT TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
GUADALUPE
Agency Agenda of June 28, 2011**


**Prepared by:
Regan M. Candelario**

SUBJECT:

DECLARATION IN SUPPORT OF LEGAL CHALLENGE TO SB1X14/SB1X15
REGARDING THE IMPACTS TO THE CITY OF GUADALUPE WITH
THE ELIMINATION OF REDEVELOPMENT BY THE STATE

RECOMMENDATION:

That the Agency Board approves the submission of a declaration from the Guadalupe Community Redevelopment Agency in support of the League of California Cities' and the California Redevelopment Association's legal challenge to SB1X14/SB1X15 regarding the adverse impacts to the City should redevelopment be eliminated in California.

BACKGROUND:

As the Agency Board is well aware, the State of California (lead by Governor Jerry Brown) has been working toward a strategy to eliminate redevelopment to solve severe State budget problems. Most recently the California Legislature passed two bills (SB1X14/AB1X26; SB1X15/AB1X27) as part of a proposed State budget that would essentially eliminate redevelopment. Governor Jerry Brown vetoed this proposed budget, however, the two bills remain and must be addressed by redevelopment agencies in California. The CRA (California Redevelopment Association) has requested that agencies and cities provide declarations regarding the adverse impacts to their Cities associated with the two bills.

There are significant time constraints associated with the declaration letter. Staff will work with the CRA's legal counsel to prepare a declaration letter and provide it to the CRA the week of the 27th. The letter will focus on a few key issues, including the benefit of redevelopment, the inability of the city and redevelopment agency to allocate funds to pay for the agency's continued existence under SB1X15, the cost of having to prepare to close the redevelopment agency prior to Oct. 1 (i.e., reasons why the court should prevent the bills from taking effect prior to the lawsuit's resolution), and the harm to the community that will be caused by the loss of the redevelopment agency.

**REPORT TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
GUADALUPE**

Agency Agenda of June 28, 2011

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Prepared by:
Regan M. Candelario

SUBJECT:

URM PROGRAM – GRANT AGREEMENT AMENDMENT FOR PROJECT AT 887-891
GUADALUPE STREET

RECOMMENDATION:

That the Agency Board approves the amendment to the grant agreement and the release of the final retention funds for the project at 887 – 891 Guadalupe Street.

BACKGROUND:

The retention funds are held on each URM Program project to ensure that all of the work is completed properly and that all of the program guidelines are met. It should be very clear that once the retention funds are released to the applicant/contractor, the Agency/City has no leverage to ensure that work is completed and that the program guidelines are met. Staff has confirmed that all of the work is complete at the project at 887 – 891 Guadalupe Street.

Unfortunately, there were problems with the final completion of some project tasks by the contractor on this project. Due to these problems, the program participant took responsibility for completion of various tasks and made payments directly to subcontractors. Once again, staff has confirmed that all of the work is complete for the project at 887 – 891 Guadalupe Street.

Due to the nature of the final task payments, staff is recommending the attached amendment to the original contract be approved to allow for the final retention funds to be paid and the project to be closed.

Attachments:

URM Program Guidelines

Original Grant Agreement for 887 – 891 Guadalupe Street

Amendment to Grant Agreement for 887 – 891 Guadalupe Street

RECEIVED

DEC 31 2008

City of Guadalupe
Planning Dept.

CONDITIONAL GRANT AGREEMENT BETWEEN AGENCY AND
APPLICANT

THIS CONDITIONAL GRANT AGREEMENT (the "Agreement") dated as of this 31 day of December, 2008, is entered by and between THE CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY, (the "Agency") and Jose G. Alvarez, a private property owner (the "Applicant").
et al

RECITALS

A. Agency has adopted Downtown Seismic Retrofit Grants Program ("URM Grant Program") in order to provide grants to certain owners of eligible buildings who design and construct improvements to retrofit their unreinforced masonry buildings to meet specific building standards.

B. Applicant is the owner of that certain building located at 887-889-891 (the "Building").
Guadalupe St.

C. Applicant has submitted an application to the Agency pursuant to the URM Grant Program Guidelines for a grant for seismic retrofit improvements to the Building.

D. Applicant completed the application process set forth in the Guidelines and has submitted final approved plans for seismic retrofit improvements dated _____, and has obtained a Building Permit dated _____, (the "Work").

E. Applicant and Agency desire to enter into this Agreement to set forth the terms and conditions of: Applicant's construction, installation and maintenance of the Work; and Agency's grant of funds to Applicant for construction of the Work, as set forth herein.

F. This Agreement is in furtherance of the objectives of the Agency's Redevelopment Plan. The Work will improve the Redevelopment Project Area and help eliminate physical and economic blight in the Project Area and stimulate private investment.

NOW, THEREFORE, Applicant and Agency hereby agree as follows:

1. Commencement and Completion of Work. Applicant shall begin the Work not later than the earlier of (1) 90 days after approval of the grant by the Agency Board of Directors, or (2) if an advance payment is made pursuant to Section 2, 14 days after such advance payment is made. Applicant shall complete or cause its contractors and/or subcontractors to complete the Work in accordance with all approved plans and permits not later than 18 months after the date of the Grant Award. The date of the Grant Award shall be the date the grant is approved by the Agency Board of Directors. Failure to complete the Work within this time frame or abandonment of the Work prior to completion may result in Applicant being required to repay the grant to the Agency, at

Agency's option. The Agency may grant an extension of time on a case-by-case basis. In the event the Applicant does not believe the Work will be completed within the required time frame, the Applicant may apply for a time extension. The Applicant shall apply for any time extension early enough to ensure sufficient time for the RDA to process a request for time extension and present the request to the RDA Board for consideration.

2. Grant Disbursement. The total grant amount available for the Work is \$ 128,911.00. Applicant acknowledges that this amount may not be sufficient to complete the Work, and Applicant accepts all liability for amounts owed to contractors and others in excess of the grant amount. Under no circumstances shall Agency be liable for any amounts in excess of the grant amount without prior approval of the Board of Directors through amendment to this Agreement. Grant payments will be made by the Agency directly to contractors or engineers for the Work. Invoices for payment must be submitted to the Agency for approval and payment to ensure the work performed is eligible work under the URM Grant Program. Under no circumstances will any grant funds be paid directly to Applicant, unless Applicant is the licensed contractor actually performing the Work. An amount of up to twenty percent (20%) of the grant amount may be made in advance of the Work to pay for contractor mobilization. After this initial advance payment, grant funds will not be paid in advance of eligible expenditures. Grant payments will be made no more frequently than monthly upon submission of invoices from Applicant's contractor or engineer, and only after approval by the Building Department of City.

3. Maintenance of Work. Applicant, at its sole cost and expense, shall maintain the Work in accordance with the terms of this section 3 for five (5) years following the date of completion of the Work. Applicant and its contractors and subcontractors shall maintain the Work in conformance and in compliance with the approved plans and permits, as the same may be amended from time to time with the approval of the City, and in accordance with the custom and practice generally applicable to first-class commercial projects located within the City of Guadalupe. All such maintenance work shall conform to all applicable federal, state and local laws and regulations for the performance of maintenance.

4. Indemnification. To the fullest extent permitted by law, Applicant shall indemnify, defend, and hold harmless Agency, the City of Guadalupe ("City"), its and their elective and appointive boards, commissions, officers, agents and employees (collectively, "Agency Parties"), from any and all present and future liabilities, obligations, orders, claims, damages, fines, penalties and expenses (including tax liability, attorneys' fees and costs) (collectively, "Claims") arising, directly or indirectly, from the acts, omissions, negligence or willful misconduct of Applicant or its engineers, contractors, subcontractors, employees, representatives or agents. The Agency Parties shall not be deemed to have waived any right against Applicant that it or they may have by reason of the aforesaid indemnity, because of the approval by Agency or City of the plans,

specifications and drawings for the Work. Applicant's indemnity obligations under this section 4 shall survive the expiration or termination of this Agreement.

5. Insurance. Until completion of the Work and disbursement of the Grant by Agency, Applicant shall take out and maintain or shall cause its contractor to take out and maintain Commercial General Liability and Workers' Compensation Insurance as follows:

a. Commercial General Liability policy in the amount of One Million Dollars (\$1,000,000) combined single limit, or such other policy limit as Agency may approve at its discretion, including contractual liability, as shall protect Applicant, Agency and City from claims for damages. Such policy or policies shall be written on an occurrence basis. The Commercial General Liability Policy hereunder shall name the Agency and City and its and their respective officers, agents, employees, and representatives as additional insured's through endorsement. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Applicant shall furnish Agency with a certificate of insurance evidencing the required insurance coverage and a duly executed endorsement evidencing such additional insured status. The certificate shall contain a statement of obligation on the part of the carrier to notify Agency and City of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by Applicant shall be primary insurance and shall not be contributing with any insurance, self-insurance or joint self-insurance maintained by Agency or City, and the policy shall contain such an endorsement. The insurance policies shall contain a waiver of subrogation for the benefit of Agency and City. The required certificate and endorsement shall be furnished by Applicant to Agency prior to the commencement of any of the Work.

b. Workers' Compensation Insurance. Applicant shall furnish or cause to be furnished to Agency evidence satisfactory to Agency that Applicant and any contractor with whom it has contracted for the performance of the Work or otherwise pursuant to this Agreement carries Workers' Compensation Insurance as required by law.

6. Compliance with Laws. Applicant shall carry out the Work in conformity with all applicable laws, including the City's zoning and development standards; building, plumbing, mechanical and electrical codes; all other provisions of the City's Municipal Code; and all applicable disabled and handicapped access requirements, including the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq. and Government Code Section 8875.8. Applicant acknowledges that the requirements of the State of California prevailing wage law (Labor Code section 1720, et seq.) applies to all of the Work. Applicant shall cause its contractors and subcontractors to comply with all requirements of such prevailing wage law.

7. Notices. Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally or by generally recognized overnight courier service, or five (5) days after deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, addressed as follows:

Agency:
City of Guadalupe Community Redevelopment Agency
918 Obispo Street
Guadalupe, CA 93934
Attn: Executive Director

Applicant:
Jose C. Alvarez et al
P O Box 668
Guadalupe, CA 93934

Either party may change its address for purposes of this section by giving the other party written notice of the new address in the manner set forth above.

8. Default.

8.1 Any failure by Applicant to perform any term or provision of this Agreement shall constitute an "Event of Default" if Applicant does not cure such failure within thirty (30) days following written notice of default from Agency. Upon the occurrence of an Event of Default, Agency shall have the right, in addition to any other rights or remedies (a) to institute any action at law or in equity to cure, correct, prevent or remedy any Event of Default; (b) to recover damages for any Event of Default; or (c) to terminate this Agreement by written notice to Applicant. In the event Agency terminates this Agreement as provided above, neither party shall have any further rights or obligations hereunder, except for Applicant's indemnity obligations under Section 4, which shall survive such termination. Furthermore, termination of the Agreement shall not relieve Applicant of liability for repayment of the grant proceeds under Section 1.

8.2 Any failure or delay by Agency in asserting any of its rights or remedies as to any Event of Default shall not operate as a waiver of any Event of Default or of any such rights or remedies or deprive Agency 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.

9. Miscellaneous Terms and Provisions.

9.1 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.

9.2 Assignment. Prior to completion of the Work, Applicant may not transfer or assign any or all of its rights or obligations under this Agreement without the prior written consent of Agency, which consent shall not be unreasonably withheld. Any such assignment or transfer without Agency's consent shall be wholly void and of no effect. All of Applicant's rights and obligations under this Agreement shall run with the land and shall be binding on its successors, heirs and/or assigns.

9.3 No Third-Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement. Nothing herein shall be construed to create a partnership, joint venture or similar arrangement between the parties hereto.

9.4 Governing Law; Venue. The laws of the State of California shall govern the interpretation and enforcement of this Agreement without reference to principles of conflict of laws. Venue for any action brought under this Agreement shall be in the Superior Court of Santa Barbara County, California.

9.5 Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

9.6 No Agency Relationship. Neither Applicant nor any of Applicant's agents, contractors or subcontractors are or shall be considered to be agents of Agency in connection with the performance of any of Applicant's obligations under this Agreement.

9.7 Agreement is Final Contract. This Agreement, together with Agency's Downtown Seismic Retrofit Grants Program, represents the entire understanding of Applicant and Agency as to those matters contained herein. In the event of any conflict between the provisions of this Agreement and the Downtown Seismic Retrofit Grants Program, the provisions of this Agreement shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

IN WITNESS WHEREOF, Agency and Applicant have caused this Agreement to be executed as of the dates set forth below.

Dated: 1/15/09, 2008

“AGENCY”

CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

By: [Signature]
Its: Executive Director

Dated: 12-23-, 2008

“APPLICANT”

The Guadalupe and Olivia M. Alvarez Family Trust dated 12/30/1999

By: [Signature]
Guadalupe Alvarez-Trustee
Printed Name: Guadalupe Alvarez

By: [Signature]
Olivia Maria Alvarez-Trustee

[Signature]
By: [Signature], A.I.F.
Jose Guadalupe Alvarez

Dated: December 30, 2008

Printed name: Gustavo Alvarez
Gustavo Alvarez, as attorney in fact for Jose Guadalupe Alvarez

[Signature]
By: [Signature], A.I.F.
Catalina Alvarez

Dated: December 30, 2008

Print name: Gustavo Alvarez
Gustavo Alvarez, as attorney in fact for Catalina Alvarez

THE 2006/2007 CITY OF GUADALUPE COMMUNITY REDEVELOPMENT
AGENCY DOWNTOWN SEISMIC RETROFIT GRANTS PROGRAM

OBJECTIVES

The City of Guadalupe Community Redevelopment Agency Downtown Seismic Retrofit Grants Program is designed to encourage property owners in downtown Guadalupe to seismically retrofit Unreinforced Masonry Bearing Wall Buildings. All qualifying buildings in the City of Guadalupe Community Redevelopment Agency Redevelopment Project Area ("Project Area") that do not meet seismic standards are eligible for a grant from the Guadalupe Community Redevelopment Agency, subject to available funding. The City of Guadalupe has adopted the 2003 Edition and subsequent editions of the International Existing Building Code, Appendix A, Chapter A1 and has set a date of 10 years from adoption for compliance by all existing buildings (having at least one unreinforced masonry bearing wall) located within the city limits of Guadalupe. The City has adopted an ordinance reflecting this requirement.

Further, it is the intent of the City of Guadalupe Community Redevelopment Agency ("RDA") to preserve the historical features of the City's downtown buildings to the extent practical.

BACKGROUND

The grant program will distribute available funds from the Redevelopment Agency bond fund (Fund 91) for payment of construction costs and related governmental permitting fees associated with the seismic retrofit of unreinforced masonry bearing wall buildings located within the Project Area. It is not intended that the grant program fund 100% of the construction costs related to seismic retrofit or that grant program funds be utilized for cosmetic or other ancillary work on the buildings. However, if funds are available, the RDA may fund 100 percent of some or all projects at the discretion of the RDA board.

In December 2003, the City of Guadalupe suffered damage from the Central Coast Earthquake. Thankfully, there was no loss of life from the earthquake in Guadalupe. However, the damage underscored the need to seismically retrofit the downtown buildings before the occurrence of another major seismic event. The RDA's primary purpose in developing the grant program is to assist property owners in improving the safety of their buildings.

PROGRAM OVERVIEW

- **Fund Total:** \$3,000,000
- **Size of Grants:** See Exhibit A (Sign & Date as approved by Finance Director to validate numbers)
- **Application Format:** Applications must be submitted on the attached application forms with attachments.
- **Deadline for Applications (postmarked by):** Proposals must be received no more than 12 months from April 30, 2007. Proposals may not be submitted by FAX.

- **Project Selection:** RDA staff will review all applications and make recommendations to the RDA board, which will consider approval and funding at a regular meeting of the RDA within 90 days of application submission.
- **Notification:** Applicants will be notified following the RDA vote by the RDA Executive Director, in writing.
- **Questions:** Contact Administration at (805) 343-1340 ext. 103 or Building and Fire at (805) 343-1340 ext. 108.

ELIGIBLE APPLICANTS Applicants must be owners of unreinforced masonry bearing wall buildings located in the Project Area.

ELIGIBLE PROJECTS

Projects will be evaluated using the criteria described below. Grants will not be awarded to fund work on buildings other than seismic retrofit work. Only actual construction costs are reimbursable with Grant Program funds. Construction costs include costs for preparation of plans and specifications, actual construction as well as building permits for the actual seismic retrofit work.

CRITERIA FOR GRANT AWARD

1. Applicant is the owner of an unreinforced masonry bearing wall building located in the Project Area that does not meet federal, state or local seismic standards. Proof of ownership must be submitted with the grant application.
2. Applicant must submit plans and specifications for seismic retrofit of the building with the Grant Application that have been prepared by an architect, structural engineer or civil engineer specializing in structural work, licensed by the State of California to practice as such. The building must meet the standards set forth in the 2003 Edition and subsequent editions of the International Existing Building Code, Appendix A and Chapter A1, as modified by Ordinance 2004-367. The Applicant must also include in its plans and specifications, necessary improvements addressing: ADA/Title 24 accessibility requirements; electrical; water heater strapping and automatic gas shut off valve. The plans and specifications must also be accompanied with a cost estimate for proposed improvements, prepared by the design professional.
3. At the time of application submittal, applicants shall provide to the RDA an ASTM Standard E1527-05-compliant Phase I environmental assessment report prepared and certified by a licensed environmental professional. In addition, applicants shall provide an additional certification prepared by a qualified environmental professional concerning the presence of asbestos in the building. Applicants shall be financially responsible for any environmental remediation of the building. Grant funds may be used to pay for the Phase I environmental assessment report and the Asbestos Certification. However, grant funds may not be used to pay for any environmental remediation.

4. Applicant must demonstrate at the time of application submittal that financing is available to complete all required and remaining work not funded by the RDA.

RULES FOR GRANT AWARDS

1. Owner must complete the proposed and approved improvements of the subject building within 18 months from award of the grant. Failure to complete the project within the applicable time frame or abandonment of the project prior to completion may require the Owner to repay the grant to the RDA. The RDA may grant an extension of time on a case-by-case basis. In the event the Owner does not believe he/she will be able complete the project within the required time frame, the Owner should apply for a time extension early enough to ensure sufficient time for the RDA to process a request for time extension and present the request to the RDA Board for consideration.

2. Grant payments will be made by the RDA, or its designee, directly to contractors/engineers for work performed. Invoices for payment must be submitted to the RDA for approval and payment.

3. Owner shall comply with all federal, state and local laws related to the seismic retrofit including any applicable building and fire codes. Owner shall also comply with Government Code Section 8875.8 by installation on the building of a durable sign stating in English and Spanish:

“Earthquake Warning. This is an unreinforced masonry building. You may not be safe inside or near an unreinforced masonry building during an earthquake.”

4. Owner and Owner’s contractor shall comply with all applicable prevailing wage laws and shall indemnify the RDA from all liability related thereto.

5. Owner shall be required to enter into an agreement with the RDA agreeing to the terms, conditions set forth herein.

6. Owner shall be required to indemnify the RDA and the City for Owner’s acts or omissions, and those of Owner’s agents, contractors, engineers and all others acting on Owner’s behalf, arising out of or related to the work performed. Owner shall further be required to indemnify the RDA and the City for any tax or other liability incurred by Owner as a result of receiving the grant under this Program.

OTHER GRANT REQUIREMENTS

Payment. Initial payment of grant funds (up to 20 % of the total individual grant) may be made in advance of work to be performed to pay for contractor mobilization. After the initial advance payment, grant funds will not be paid in advance of expenditures. Expenses will be reimbursed no more frequently than monthly upon

submission of an invoice by the Owner's contractor, and after review, inspection and approval by the Building Department of City. Reimbursement will be dependent upon successful completion of work as set forth in the proposal.

Schedule. Work must begin no later than 90 days from the date of grant award and within two weeks of payment by the RDA of any advance payment to contractors.

APPLICATION PROCEDURE

A complete application package will consist of an original and two copies of the following materials submitted to the City Administrator's office:

1. Application Summary (see attached form) and, all necessary reports.
2. Complete plans for the seismic retrofit and other required improvements (as listed above) of the building.
3. A task list and timeline for the project, including seismic retrofit and all other renovation work.
4. A budget for the project.
5. Proof of ownership of the building.

IMPORTANT NOTICE

GRANTEES SHOULD CONSULT THEIR ACCOUNTANT OR TAX ADVISOR CONCERNING ANY POTENTIAL TAX LIABILITY TO THE GRANTEE RESULTING FROM ACCEPTANCE OF A GRANT FROM THE RDA. NEITHER THE RDA NOR THE CITY SHALL BE RESPONSIBLE FOR ANY INCREASED TAX LIABILITY TO THE GRANTEE RESULTING FROM ACCEPTANCE OF A GRANT.

Exhibit A

Grant Amounts Available for Seismic Retrofit on a Building by Building Basis

	<u>Property Name and Address and (Owner)</u>	<u>Amount Available*</u>
1.	Novedas Guerrero 951 Guadalupe St. (Perry)	\$123,338
2.	L&N Properties 941-943 Guadalupe St. (Perry)	\$146,893
3.	Perry Auto 959 Guadalupe St. (Perry)	\$235,280
4.	Mary B's, Discount Store, Apts 887-891 Guadalupe St. (Alvarez)	\$128,911
5.	Siete Luminerías; Joyería Medina 868-872 Guadalupe St. (Ruedas)	\$106,048
6.	Dominos 878 Guadalupe St. (Ruedas)	\$102,658
7.	Far Western Tavern 899 Guadalupe St. (Manetti)	\$138,949
8.	Muse 910 Guadalupe St. (Teter)	\$214,218
9.	Imperial Café, Vcnt, Ice Cream, Vcnt, RE, Sisters, 946-960 Guadalupe St (Lomeli)	\$168,772
10.	Emmanuel Church 935 Guadalupe St. (Ruffoni)	\$134,155
11.	Guadalupe Financial 928 Guadalupe St. (Lomeli)	\$114,816
12.	Santa Florita - 898 Guadalupe St. (Vernon)	\$189,328
13.	El Tapatio 914 Guadalupe St. (Ramos)	\$82,219
14.	Jalisco Pool Hall 920 Guadalupe St. (Quiriga)	\$105,906
15.	La Favorita 823 Guadalupe St. (Quiriga)	\$158,857
16.	Masatani Market 771 Guadalupe St. (Masatani)	\$121,252
17.	Guadalupe Hardware 393 Guadalupe St. (LeClaire)	\$105,070
18.	Sonoras Restaurant, Esmeraldas, Flamingo, Vct, Little Town Treasures 865-875 Guadalupe St. (Alvarez)	\$129,974
19.	Vacant 813 Guadalupe St. (Alvarez)	\$89,701
20.	Vacant 854 Guadalupe St. (Nakano)	\$128,465
21.	BASQUE House 998 Guadalupe St. (Maretti)	\$275,200 <small>Not URM</small>

Cynthia D. White
Finance Director

4.28.07
Date

(THIS PAGE TO BE REVIEWED AND APPROVED BY FINANCE DIRECTOR TO VALIDATE)

* Amount available is based upon the cost of the seismic retrofit, as determined by Basari Engineering and provided to the RDA by the property owners, as a pro rata share of the available \$3 million from the RDA.

**AMENDMENT NUMBER 1
CONDITIONAL GRANT AGREEMENT BETWEEN
THE CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY
AND
JOSE G. ALVAREZ**

WHEREAS, on December 31, 2008, the City of Guadalupe Community Redevelopment Agency ("Agency") entered into a conditional grant agreement with Jose G. Alvarez ("Alvarez") for retrofit of properties located at 887, 889 and 891 Guadalupe Street as part of Agency's Downtown Seismic Retrofit Grants Program ("Agreement"); and

WHEREAS, under Section 2 of the Agreement, payments under the Agreement are required to be made directly to contractors or engineers for the work, and under no circumstances are payments to be made directly to the grant applicant unless the work is actually done by a grant applicant as a licensed contractor; and

WHEREAS, Alvarez's contractor abandoned work on the project, and Alvarez was obligated to obtain replacement services from another contractor to complete the work; and

WHEREAS, Alvarez has already paid the substitute contractor for the work and has provided Agency evidence of such payment; and

WHEREAS, the work is complete on the property and all required City of Guadalupe and Agency approvals have been issued, and

WHEREAS, Alvarez has requested release of the final retention amount directly to Alvarez, which absent an amendment to the Agreement, cannot be done; and

WHEREAS, Agency does not object to amendment of the Agreement under these specific circumstances because all work has been completed on the project and no further purpose would be served by continued retention of the remaining grant funds.

NOW, THEREFORE, the parties hereto agree as follows:

Notwithstanding anything to the contrary in Paragraph 2 of the Agreement, Agency shall pay directly to Alvarez the amount of twelve thousand three hundred seventy nine dollars and thirteen cents (\$12,379.13), which is the final payment that shall be made on Alvarez's project under the Agreement. No further payments shall be made to Alvarez or any of his contractors for the project under the Agreement. Except as set forth herein, all other terms and conditions of the Agreement, shall remain in full force and effect. This amendment shall be effective upon the date executed by all parties.

Dated: _____

City of Guadalupe Community Redevelopment
Agency

Ariston Julian, Chairman, Board of Directors

Dated: _____

Jose G. Alvarez