

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

April 14, 2015
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

The following information comprises the agenda for a regular meeting of the City Council and a Joint Meeting of the City Council, and the City Council Sitting in Its Capacity of a Successor Agency.

Per City Council Resolution No. 2010-38 matters taken up by the Council before 9:00 p.m. may be concluded, but no new matters shall be taken up after 9:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Bishop Dusty Headley, Banning Ward of the Church of Jesus Christ of Latter Day Saints
- Pledge of Allegiance
- Roll Call – Councilmembers Miller, Moyer, Peterson, Welch, Mayor Franklin

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE

PUBLIC COMMENTS – *On Items Not on the Agenda*

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff or future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

CORRESPONDENCE: Items received under this category may be received and filed or referred to staff for future research or a future agenda.

PRESENTATIONS

1. Proclamation - May 2015 as "Mental Health Month" 1
2. Banning Stagecoach Days Association Report – Amy Pippenger (ORAL)
3. Introduction of New Employee in Community Development Dept. (ORAL)
4. Introduction of New Police Department Employees (ORAL)

APPOINTMENTS

1. Appointments to Parks and Recreation Advisory Committee (ORAL)
2. Designation of Voting Delegates and Alternates to the SCAG (Southern California Association of Governments) General Assembly Conf. – May 7-8, 2015 in Palm Desert, California (ORAL)
3. Appointment of an Ad Hoc Committee to Negotiate a City Manager Contract with Candidate James E. Smith (ORAL)

IV. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council wishes to remove an item for separate consideration.)

Motion: That the City Council approve Consent Item 1 through 12

Items to be pulled _____, _____, _____, _____ for discussion.

(Resolutions require a recorded majority vote of the total membership of the City Council)

1. Approval of Minutes – Special Meeting – 03/19/15 (Advance) 3
2. Approval of Minutes – Special Meeting – 03/24/15 (Closed Session) 57
3. Approval of Minutes – Regular Meeting – 03/24/15 59
4. Report of Investments for February 2015. 79
5. Approval of Accounts Payable and Payroll Warrants for Month of February 2015. 86
6. RCTC (Riverside County Transportation Commission) SRTP (Short Range Transit Plan) Funding Request for City Services Allocation 89
7. Resolution No. 2015-23, Declaring the Intention to Levy and Collect Assessments within Landscape Maintenance District No 1, During the Fiscal Year 2015/16, Pursuant to the Landscaping and Lighting Act of 1972 for the Maintenance and Servicing of Landscaping, Approving the Engineer's Report, and Setting the Date for the Public Hearing for the Levy of Said Assessment 91
8. Resolution No. 2015-24, Approving the Measure "A" Five Year Capital Improvement Plan. 100
9. Resolution No. 2015-28, Opposing Senate Bill 608 Regarding Homelessness 115

| | | |
|-----|--|-----|
| 10. | Resolution No. 2015-29, Supporting Assembly Bill 35 Regarding Income Taxes, Credits, Low-Income Housing and Allocation Increase. | 130 |
| 11. | Resolution No. 2015-30, Supporting Assembly Bill 1335 Regarding Building Homes and Jobs. | 168 |
| 12. | Resolution No. 2015-31, Opposing Assembly Bill 1220 Regarding Transient Occupancy Taxes and Residential Short-Term Rental Units. | 181 |

- **Open for Public Comments**
- **Make Motion**

V. **PUBLIC HEARINGS**

(The Mayor will ask for the staff report from the appropriate staff member. The City Council will comment, if necessary on the item. The Mayor will open the public hearing for comments from the public. The Mayor will close the public hearing. The matter will then be discussed by members of the City Council prior to taking action on the item.)

| | | |
|----|--|-----|
| 1. | Consideration of Resolution No. 2015-21, Approving the General Plan Annual Progress Report for Calendar Year 2014. | |
| | Staff Report | 190 |

Recommendation: That the City Council:

- (I) Conduct a public hearing on the General Plan Annual Progress Report for Calendar Year 2014; and**
- (II) Adopt Resolution No. 2015-21, Approving the General Plan Annual Progress Report for Calendar Year 2014.**

| | | |
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| 2. | Consideration of Ordinance No. 1487, Approving the Categorical Exemption and Zone Text Amendment No. 15-97503 to Amend Chapter 17.36 (Sign Regulations) of the Zoning Ordinance (Title 5) of the Banning Municipal Code. | |
| | Staff Report | 307 |

Recommendation: That the City Council:

- (I) Conduct a public hearing on the Categorical Exemption and Zone Text Amendment No. 15-97503; and**
- (II) Introduce Ordinance No. 1487 to approve a Categorical Exemption and Zone Text Amendment No. 15-97503.**

Mayor asks the City Clerk to read the title of Ordinance No. 1487

“An Ordinance of the City Council of the City of Banning, California, Approving a Categorical Exemption and Zoning Text Amendment No. 15-97503 to Amend Chapter 17.36 (Sign Regulations) of the Zoning Ordinance (Title 17) of the Banning Municipal Code.”

Motion: I move to waive further reading of Ordinance No. 1487.
(Requires a majority vote of Council)

Motion: I move that Ordinance No. 1487 pass its first reading.

**RECESS REGULAR CITY COUNCIL MEETING AND CALL TO ORDER A JOINT MEETING
OF THE BANNING CITY COUNCIL AND THE BANNING CITY COUNCIL SITTING IN ITS
CAPACITY OF A SUCCESSOR AGENCY**

VI. PUBLIC HEARING

(The Mayor will ask for the staff report from the appropriate staff member. The City Council will comment, if necessary on the item. The Mayor will open the public hearing for comments from the public. The Mayor will close the public hearing. The matter will then be discussed by members of the City Council prior to taking action on the item.

1. Consideration of Resolution No. 2015-22 and Successor Agency Board Resolution No. 2015-02 SA, Approving the Sale of Grant of Exclusive Easement within the Banning Municipal Airport to the Southern California Gas Company.
Staff Report 346

Recommendation: That the City Council:

- (I) Conduct a public hearing on the Sale of Grant of Exclusive Easements within the Banning Municipal Airport; and**
- (II) Adopt Resolution No. 2015-22, Approving the Sale of the Grant of Exclusive Easements within the Banning Municipal Airport (APN: 532-130-011) to the Southern California Gas Company; and**
- (III) Adopt Resolution No. 2015-02 SA, Approving the Sale of the Grant of Exclusive Easements within the Banning Municipal Airport (APN: 532-130-011) to the Southern California Gas Company.**

RECESS joint meeting and reconvene the regular City Council Meeting

VII. REPORTS OF OFFICERS

1. Event Sponsorship Policy
Staff Report. 411
Recommendations: That the City Council approve the attached policy for loans or donations sponsoring events promoting the city of Banning.

2. Resolution No. 2015-20, Awarding the Construction Contract for Project No. 2015-01EL, Lincoln Street, airport and City Yard Electrical Distribution Improvements and Rejecting All Other Bids.
Staff Report. 423
Recommendations: That the City Council:

- (I) **Adopt Resolution No. 2015-20, Approving the Award of the Construction Contract for Project No. 2015-01EL, Lincoln St., Airport and City Yard Electrical Distribution Improvements to Regency-Pacific Development Corp. of Beaumont, CA, in the amount not to exceed \$441,120.00, and rejecting all other bids.**
- (II.) **Authorize the Interim City Manager to execute the construction and professional services contract agreements and amendments related to Project No. 2015-01EL, Lincoln St., Airport and City Yard Electrical Distribution Improvements.**
- (III.) **Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project and to approve change orders within the 10% contingency.**

VIII. ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

- City Council
- City Committee Reports
- Report by City Attorney
- Report by City Manager

IX. ITEMS FOR FUTURE AGENDAS

New Items – None

Pending Items – City Council

1. Discussion regarding City's ordinance dealing with sex offenders and child offenders. *(6/2015)*
2. Discussion on how the City Council handles donations to the City.
3. Discussion regarding Animal Control Services *(7/2015)*
4. Discussion regarding Police Staffing *4/28/15)*
5. Golf Cart Lanes *(4/28/15)*
6. Bond Workshop *(Midyear Budget) (4/28/15)*
7. Discussion regarding change in time for Council Meetings *(4/28/15 – Part 2 – Goals)*

(Dates attached to pending items are the dates anticipated when it will be on an agenda. The item(s) will be removed when completed.)

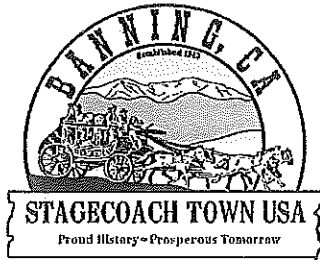
X. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 7 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]



PROCLAMATION

WHEREAS, mental illness can impact anyone, regardless of age, background, employment, education and income level and mental illness usually strikes individuals in the prime of their lives, often during adolescence and young adulthood, although the very young and the elderly are especially vulnerable; and

WHEREAS, many treatments for serious mental illnesses, in combination with treatment and recovery supports, are highly effective, allowing people to maintain their quality of life and their involvement with their families and communities and the National Institute of Mental Health reports that one in four adults – approximately 57.7 million Americans – experience a mental health disorder in a given year; and

WHEREAS, the United States Surgeon General reports that 10 percent of children and adolescents in the United States suffer from serious emotional and mental disorders that cause significant functional impairment and that half of all Americans experience a mental disorder at some time in their lives; and

WHEREAS, recent population data suggest that nearly 140,000 people of all ages in Riverside County may be impacted by serious mental illness and may seek treatment from a variety of community resources; and

WHEREAS, the Mental Health America has promoted the observance of "May is Mental Health Month" since 1949 in order to increase awareness and understanding of mental health; and

WHEREAS, in support of May is Mental Health Month the following mental health fairs are being held:

- Riverside County Mental Health Commission is presenting "Live Life Well", on Thursday, May 21, 2015 at Fairmount Park in Riverside;
- Desert Region Behavioral Health Commission is holding an Art Show & Creative Writing Contest on Tuesday, May 12, 2015 at the Coachella Valley Rescue Mission;
- Mid-County Region Behavioral Health Commission is presenting in association with Seams of Gold "Live Life Well", on Saturday, May 30, 2015, at Perris Civic Center Park; and

WHEREAS, encouraging awareness of mental health issues and promoting wellness and recovery for those with mental health needs are important values for every community.

NOW, THEREFORE, BE IT RESOLVED, that I, Deborah Franklin, Mayor of the City of Banning along with the City Council do hereby signify its support of greater awareness of mental health issues and joins with the Riverside County Mental Health Board in its observance of May is "MENTAL HEALTH MONTH".

IN WITNESS WHEREOF, I have set my hand and caused the seal of the City of Banning, California to be affixed this 14th day of April, 2015.

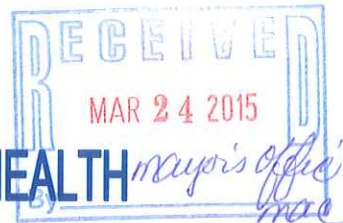
ATTEST:

Marie A. Calderon, City Clerk

Deborah Franklin, Mayor



RIVERSIDE COUNTY DEPARTMENT OF MENTAL HEALTH



Jerry A. Wengerd, Director

Reply to: Mental Health Administration
P.O. Box 7549
Riverside, CA 92513

March 16, 2015

Honorable Debbie Franklin
Mayor of Banning
99 E. Ramsey Street
Banning, CA 92220

SUBJECT: May is Mental Health Month Proclamation Request

Dear Mayor Franklin:

The month of May is soon approaching and the County of Riverside will be celebrating Mental Health Awareness Month. In an effort to promote a greater understanding of mental health issues and recovery, I am writing to you and your City Council Members to ask that you once again proclaim that "May is Mental Health Month" in your city. I have taken the liberty of enclosing a sample proclamation for your reference.

In conjunction with the Riverside County Behavioral Health Commission, the Department of Mental Health is hosting a "Live Life Well", Mental Health Fair on Thursday, May 21, 2015 from 1 p.m. to 6 p.m. It is our intention to display your city's proclamation at this upcoming event, which will be held at Fairmount Park, located at 2601 Fairmount Boulevard in Riverside. We encourage your attendance at this event and hope that your city's participation will promote mental health awareness throughout your community. After April 1, updated event information will be available on our Department's website: www.rcdmh.org.

In the past, selected members of the Behavioral Health Commission have made themselves available to attend city council meetings in order to personally receive proclamations on behalf of the Department of Mental Health. The selected Commission members will make a follow-up call to coordinate City Council presentation dates. We hope to have this accomplished in the month of April.

Thank you in advance for your support of our efforts in recognizing "May is Mental Health Month" and in promoting greater community awareness of mental health issues throughout Riverside County. Please contact Maria Roman, Behavioral Health Commission Liaison, at (951) 955-7141 should you have any questions or need additional information.

Sincerely,


Jerry Wengerd, Director
Department of Mental Health

Enclosure: Sample Proclamation

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

03/19/15
SPECIAL MEETING

A special meeting (Advance) of the Banning City Council was called to order by Mayor Franklin on March 19, 2015 at 9:00 a.m. at the Hampton Inn & Suites, Conference Room, 6071 Joshua Palmer Way, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: James E. Smith, Interim City Manager
Dean Martin, Interim Administrative Services Dir.
Fred Mason, Electric Utility Director
Heidi Meraz, Community Services Director
Brian Guillot, Acting Community Development Dir.
Alex Diaz, Police Chief
Arturo Vela, Acting Public Works Director
Rick Diaz Sr., Electrical Operations Manager
Oliver Mujica, Contract Planner
Patrick Stephens, Information Systems/Media Technician
Michelle Green, Deputy Finance Deputy Finance Director
Rita Chapparosa, Deputy Human Resources Director
Sonja De La Fuente, Office Specialist
Marie A. Calderon, City Clerk

PUBLIC COMMENTS – *On Items Not on the Agenda*

Fred Sakurai, resident of Banning asked what is going on. He sees that the regular City Council Meeting was cancelled and now we have it here at the Hampton Inn but he would like to know why we have it out here on the edge of town and not in the middle of town where the City Council is and again his question is “what is going on”.

Interim City Manager went over the agenda for today’s meeting stating that we are here today to do some work on “Banning First Project” and this is culminating a lot of work that has been done in the community and thank you to the Council for allowing him to go out into the community and gather citizen input. Today we have a full agenda and his job is to facilitate and make sure that we end on time. He said that today we have a SWOT (Strengths, Weaknesses, Opportunities and Threats” exercise which is a strategic planning exercise and Council has not had a chance to go through this exercise and when we go through it he would like the Council to work together to see what they see as strengths, weaknesses, opportunities and threats. One of the things we will see this afternoon when Dr. Smith speaks is how well

your perception of Banning is as compared to what the residents have said. There will be a presentation by Christopher Thornberg who is with Beacon Economics which is out of the Gary Anderson School at UCLA and will be presenting an economic view of the Pass Area, as well as, Banning specific. There will also be a presentation on website development by Kerry Decker of EXSLAVE Design on how to improve the City's website. Dr. James Smith will present the findings from the seven focus group discussions that have occurred throughout the city.

DISCUSSION ITEMS

1. City Council SWOT Exercise

Interim City Manager started his presentation (Exhibit "A") and stated that today is the least productive day in work places because of the 2015 NCAA Tournament. He displayed a slide showing the City of Banning "Game Plan" and this kind of puts things in context of what we are trying to do in the city and if you look at the design we look at "Customers" as No. 1 and those are our residents. With the focus groups we tried to get the feedback from the customers (residents) to find out what the City should be focusing on. No. 2 is "Visioning and Strategic Planning. This is our opportunity to look at what direction the City leaders want to take the City and try to hone in on how to make that a reality. No. 3 is "Leadership" where the City Council provides direction to staff to make the city better. No. 4 is Employee Commitment and next Thursday at 11:00 a.m. at the Banning Community Center there will be an employee recognition/appreciation. He hopes that all the Council will be in attendance because this is where we will be recognizing people for their service, as well as, recognizing people that put "Banning first" every day. No. 5 is Employee Competence – this is to look at how we train our employees and what curriculum should they have in terms of improving customer service, basic writing skills, phone etiquette, and the like. Human Resources is looking at a model that will allow us at every level of our government each employee will have a certified curriculum that they will be going through in training so we will build competent within the organization. No. 6 is Performance Measures – hopefully at the end of the process we will have an agreed upon work plan that states what you guys want us to do, what time frame you want us to do it in, and how to measure that. In government it is difficult to measure performance. Unlike basketball one team wins or loses. In government it is a perception so if you perceive your city is safe, then your city is safe. If you perceive that there is no graffiti problem, then that is reality. So there is a way to measure what we do by customer feedback, by citizen feedback when we have forms that we can receive information is one of the things we can measure how well we are doing. This is the same with police, same with planning, and the same with other services we provide. No. 7 – Change Management & Implementation - He said he put down "New Day" because one of the things when you want to go into a new direction is change and change is very difficult for people. What we are talking about here is making Banning better and putting Banning first in our decisions and hopefully with the organization moving it along to achieve the goals that the Council desires.

At this time those in attendance came together in groups and gave input in regards to what are the strengths of Banning, and then each group reported out what they came up with. This was done again in regards to the weaknesses, opportunities, and threats and reported out (Exhibit

“B”). Interim City Manager stated that we would probably see these things again when Dr. James Smith gives his report and see how well they match up.

Meeting recessed at 9:56 a.m. and reconvened at 10:05 a.m.

2. Presentation by Chris Thornberg of Beacon Economics

Interim City Manager introduced Chris Thornberg and his colleague Rick Smith and stated that he met Chris ten years ago in Oakland when they had a similar presentation and presented some data about a housing crisis which was about to happen.

Mr. Thornberg addressed the Council stating that he will be giving some information about who he is and what they do and give some sense about their relation with the Inland Empire. At this time he started his power-point presentation (Exhibit “C”) which included some information on the global environment, national environment, Inland Empire, and data on Banning to give a good sense on what is going on. He understands that it has been a rough few years but on the other hand the times are a changing and there are some really powerful numbers out there and he realizes that while you are not feeling that here in Banning that is not “A” typical. Banning is a city that exists very close to the edge of a urban metropolis and the way to think about it is that recessions are almost like your lungs breathing when the economy is growing everything is kind of going out and when the recession hit everything kind of pulls in and the peripheral places very often take the biggest hit. But then when the lungs start inhaling again it starts moving back out and that is where we are so the news for Banning he thinks is quite positive and there are some very good things happening. In the very real sense because growth is coming your way it is a great time to start having some basic conversations about growth because as you know growth can be good or bad and it is important to get in front of it in order to deal with the situation appropriately. He said that he is not an economic developer; he is an economist with a Ph.D. from UCLA, ten years in academia, and started Beacon Economics in 2006. They do all sorts of different kinds of work and work with cities, counties, state, lawyers, development agencies, policy people; basically they are data guys and they help people understand what the data means. They are straight shooters and he tries to do the best he can and be as honest as he can for better or for worst. They are based in Los Angeles but do a tremendous amount of work out here in the area.

Meeting recessed at 11:06 a.m. and reconvened at 11:16 a.m.

3. Website Demo – Kerry Decker, EXSLAVE Design

Interim City Manager introduced Kerry Decker stating that he has known him for quite a few years. He is a true artist in everything he does and he looked at the City’s website and as an artist he looked at it kind of differently. He asked Mr. Decker for an idea of what a real website would look like so he was kind enough to give him a little front-end look at a website and he asked him to come in and talk to everyone from his viewpoint.

Mr. Decker addressed the group giving some background on the name “EXSLAVE” Design. He said not only does he do art but he is also involved in humanitarian efforts. He has been to Cambodia 13 times in working to help children who have been caught up in the sex trade over

there and so they have a very large outreach there where they not only provide housing and rehabilitation for the children and the rehabilitation and he also does a lot of work with victim recovery and helping survivors of trauma and he has written curriculum on that and also has a book on Amazon about that and that is kind of the where the name comes. At this time he also gave more information on his human trafficking efforts. He said he is here to give information on website development and asked those in attendance what is the most consideration about communication. Input was given like listening, respect, accuracy, frequency, two-way communication, and understanding.

At this time Mr. Thornberg of Beacon Economics returned for a question and answer period before leaving for another engagement.

Mr. Decker continued to address the audience stating that one of the things that is primary to communication is making sure that the message that we intend to send is the message that is received. The second question is what would be the message that you would want to send to the city of Banning as its leaders. What are you trying to communicate to the city and region out there who is looking at you and waiting to hear from you? Some answers were working together, open for business, and attraction.

Mr. Decker said he understands the dynamics of both the spoken word and the written word and also the visual elements of communication and that is what he would like to share with everyone today. He said that he worked on a project with Walter Henry former Dean of the Gary A. Anderson School of Management at UCR and they collaborated on a project for the US Marine Corp and one of the things that Mr. Henry said and stuck with him after all of these years is that "perception is reality". So how the citizens of Banning perceive you, how business perceives you, and how the community around us perceives us will be the reality that they carry in their heads and so one of the way that we can craft that perception is through our marketing and it is not just on the web, it is really about developing a integrating marketing strategy. We need to craft our message with our audience in mind and he went over a story of where it is easy to miss that. At this time Mr. Decker said a really artful way of developing your website is to understand not only the needs of the City of Banning but also to think in terms of crawling into the minds of the people who would be visiting your website or having contact with your City through its marketing efforts and crawling into their minds and trying to begin to think their thoughts so that you can craft your message with your audience in mind. You want to develop a website that is both clean and responsive and what that means that if somebody looks at it on a computer or a laptop or a tablet the website is smart enough to detect what device that it is being viewed upon and it adjusts its layout so it will accommodate that device. Mr. Decker said he created a clean and responsive website that works and he went over its features, color palette, and functionality.

At this time there was a question and answer period with Mr. Decker in regards to the development of the website. He said that we don't want to take away any of the good that you have going on right now with respect to the site. His goal is to improve and enhance what you have already and be proud of.

Meeting recessed for lunch at 12:06 p.m. and reconvened at 1:04 p.m.

4. Dr. James Smith - Community Focus Group Review

Interim City Manager introduced Dr. James Smith of San Bernardino Valley College where he is the Dean of Research and Institutional Effectiveness and one of his primary jobs is to take data, crunch it and make sure that the institutional programs are being effective. He has the job of getting the institution through accreditation through the different accrediting bodies in the state of California and nationally. He has the distinct job of helping out the City of Banning also and he has conducted and facilitated all of the focus groups in which there were seven that occurred and not being a part of the organization he is good independent party to be able to tell you what he heard out there.

Dr. Smith addressed the group and said that he will be walking everyone through the findings of the seven community meetings held around town. Some of the things you are going to like hearing and some of things might cause a little dissidence. At this time he started his power-point presentation (Exhibit "D"). He said that this is a part of visioning and the citizens are the customers that you serve and there is a visioning and strategic planning part of the process that Interim City Manager Smith has in mind in terms of presenting things to leadership and getting buy-in from employees. He said his role was to make sure that he included a diverse group of voices that were able to give the Council perspective from every person's point of view. We want this to be as transparent and inclusive as possible. This is part of this planning process that when you look back at your strategic plan you include the things that you know exist now so part of what we are doing is taking stock of the situation, picking targets and setting objectives and formulating plans that really are based on a vision. He said that when the two earlier speakers talked so many of the things that citizens brought up in the community meetings were mentioned. The person who talked about your website talked about this issue of how to tell your story and what is the story you want to tell. That is based on defining the vision for the City. Who are you and what distinguishes you, what makes you unique, what makes you special, and what makes people want to be here and take part in what you have to offer whether it is as a citizen or as a consumer who passes through and stops to get something to eat or purchases something and that is part of defining that vision and image and telling this story in all the possible ways that that story can be taught. The mission statement should tell you how you are going to achieve that vision and then you set goals and those goals have to be accompanied by objectives that can be measured and activities that people can see.

Dr. Smith said what he used was the SWOT technique and it asked people to first think about the things they liked most about the city and think about the things that they like least or like to see changed. In order to have people flush out there ideas they worked in small groups as table exercises. He had the assistance of several people in this room who helped to go out and sit with the groups at the table to kind of get their ideas out and there were some props that would help people think about the things they liked and then they moved from there to plug those things you liked to the strengths of the city and then those things you didn't like were put into the weaknesses. From there they moved to how do you see the opportunities for the city and then finally what are the threats. He said that the City's vision statement is more like a mission statement and it touches on lots of things about how you are going to make this a city the place where people want to come and live and stay. It came up a couple of times when he presented this to people in our groups that if the City lived up to its vision then there would be no need to modify anything because the City says that it will "promote and support a high quality of life

that insures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.” So this is a great statement and one that people can remember but the problem is that you move to your mission statement and that touches on a lot of things that are really goals but your strategic plan has a set of goals as well. The mission statement kind of pulls all of the power into the City that says, “Our Banning City Government is actively concerned...” which absolutely should always be the case but a mission should involve more people than only the City government. Your existing strategic plan has seven goals in it and those are fiscal responsibility, safety, infrastructure and city facilities, economic development, quality of life, community relations, and regional cooperation and partnerships. These are the kinds of things that came up in almost all of the meetings so it is not as if they have not been discussed in the past and some of the comments from the group were that we have been through this before and these are almost the same ideas that we have come up with. At this time he went over the SWOT Results (strengths, weaknesses, opportunities and threats) (Exhibit “E”) and stated that these items were ranked in the order of the number of times they were mentioned in the meetings. He also elaborated on some of the items that were mentioned in each of the SWOT items.

Dr. Smith said the task for the City Council is to look at those issues that have been raised and that the citizens have defined to identify the match between those comments, thoughts, feelings, opinions and the kind of activities that people believe will address those concerns and then fit them into the overall model that you already have and that model with those seven goals tend to address all of the things that would improve the quality of life. The problem is having objectives that result in the kind of activities that lead to measurable outcomes that can be communicated to people as progress towards improvement. So the complaint that comes up is not one of we don’t have the proper goals it is that the activities either don’t seem to connect with the goals that we want to achieve for the City or the goals don’t have any connection to activities at all and it is just talk or we have talked about it before and that came up from some of the long-term citizens that have been through a planning process, that they have worked on defining goals, that the goals that they have now are not significant or different than the goals they had in the past but that the activities that would result in achieving those goals do not seem to be implemented.

There were public questions and comments:

Fred Sakurai said that you have a lofty goals published there in small print on the screen and what do you intend to do with all of that. What is going to be the outcome of all these lofty goals; you have it and what are you going to do with all this information.

Dr. Smith said the standard process is that they sit down with and we look at what people had to say in kind of the gross form that we have right now meaning that we look at it all and then we start condensing things, prioritizing and then fitting them into the overall goals that lead to achieving the mission for the City.

Mr. Sakurai asked who is “we”. Dr. Smith said “we” is the decision makers and he is also in those decision makers. He said that he is more of a facilitator to help define those comments and communicate those to people who will then turn those into operational plans, set goals for a year or two out and then at that point measure and if it is an activity, either it happened or it

didn't so that gets reported out. If it is a progressive thing where you are trying to increase, for instance, code enforcement you say by 10% a year then next year we see whether it is 10% more. So if it is something that is on a numbers scale, we measure. If it is something you either do or you don't, either it happened or it didn't. So it is back to communication and then we will communicate those out. His role here is to take what you say, make sure that it is heard and then from that point on it is the City Manager, City Council and the Mayor.

Mr. Sakurai asked if this would be provided to the press so that they can in turn publish it for the entire newspaper reading public to find out what was discussed.

Interim City Manager said that they have sent press releases on this and whether the Record Gazette wants to print it is not within the City's scope. It will also be put on the City's website. The Record Gazette was also invited to this meeting. Press Releases are sent out every week to the Record Gazette on this stuff.

A lady in the audience said this is wonderful but she is not hearing anything about time frames.

Dr. Smith said those are things that have to be decided once activities are defined. We are still at the preliminary stage and also all of these will be put into a cleaner framework and he also has a survey on the City's website so that all of the themes that were mentioned several times will be in this survey so that people who did not have a chance to participate in one of those sessions will have a chance to have their voice heard.

The lady asked how long to you plan to run that survey before something is started.

Interim City Manager said that this is a process and back at the beginning of the meeting he talked about the little pieces that fit together and strategic planning normally comes from the citizens input and then the Council hears that input and then they decide what things they want to concentrate on. Once they start that process then staff will be able to come back with how to address it and this is going to take some time. Budget time and allocation time is key because you can't do these things without resources and we have a new fiscal year starting July 1st that we will be able to have all of this information collated and all of these themes sort of matching and then the City Council can direct staff to work on certain items.

Bob Botts asked how many people participated in those groups.

Dr. Smith said that there were seven sessions and the approximate number of participants at these sessions was 130.

Interim City Manager said the higher it was on the list the more people said it.

Mr. Sakurai said we have had surveys, citizen advisory committee meetings, and town hall meetings. Where does all this information go; into a black hole never to be seen again?

Interim City Manager said that people say we have done this before and as a previous speaker said earlier, "either you change or you die".

Councilmember Moyer said that this is going on because the current Council wants it to go on. We know that it has gone on in the past and we really can't do anything about what was done and what wasn't in the past but we want this information so that we can set our goals to match the resident's goals and so forth to help Banning get better. This information may have gone into a black hole before but he can guarantee that with the current Council that is not going to happen. The best thing he heard today was could do, should do, must do and that is the criteria he is going to be using in looking at all of these things.

Dr. Smith said that when we started this whole process there were people who said that they didn't get enough advance notice but we got pretty good attendance but still people wanted to get a month or so notice. The problem was at that time Jim Smith had just started and he was developing a relationship with the Council and wanted to do things but wanted to know what citizens wanted before he started doing anything. So yes you may have had these in the past but at the same time to be current and relevant you need to know what people want now and what they are troubled by now in order to have fresh information and data to implement programs.

Mr. Sakurai said as a reminder the Advisory Committee is not three or four years old nor has the town hall meeting been three or four years old. He thinks it is time that you gather all information, summarize it and let's get something done.

Dr. Smith said he needs everything from those two sources and he also has a survey that the Mayor did where they did door to door questions and those will also be integrated in. When he compared the survey findings to what people said in the meetings there were some things that were not that high on the list when the residents had met with him and the groups. One of those was crime and it is an issue and it did come up but not many times and people seem to be very happy with the level of safety. He doesn't know if that rings true to the people here and not only that but the graffiti seems to be managed and you can't be completely zero. The one serious concern that came up was structured activities for young adults from 17 to 25. That seems to be a real gap in services here.

Interim City Manager said the survey will stay up through the whole process and they will collect this data through the whole process until everybody has had a chance to weigh in on it and it will stay up until the plan is set. Once the plan is set just like we gathered your emails and information we are going to send the Council this data and circle back to you on the results of this and on any updates and direction the Council has in terms of the budget and how we are going to address some of these things. The goal is that quarterly and as an item comes up with the work plan that you all will be noticed and you all will see the result and we will celebrate victories and if there are some defeats, we will have at it again.

Mrs. Botts asked how does the public get feedback on what the commitment of the City Council is as a whole.

Interim City Manager said that the Council listens to their citizens, develops a plan, and everyone agrees to the plan and the manger is supposed to implement the plan and then you judge the manager and the organization on how well they are able to achieve a plan.

5. Council Discussion

Councilmember Welch said thanked everyone for their input on this survey and said Mr. Sakurai is exactly right we have had surveys over many years and a similar survey started twelve years ago when he was on the Council the first time. However, he made a statement when he was on the Council the first time and he will make it again. This is a very lengthy list that we have given the public to react to. The public needs to understand that only a portion of these can be accomplished by the elected officials and a committed City staff. It also requires the input from the very people who challenge sometime what is going on in our community as to why isn't the City doing that. For example, we talk about youth from 17 to 25 that there are no activities in the city. The City should be committed and charged with supplying the facilities for those to take place. He asked the citizens where is your commitment to the youth of our own community? Graffiti – we can put 12 to 15 people on the street today and still be three to four days behind cleaning up graffiti. The only attempt he has heard of or seen from a citizen or business person in this town is when they have graffiti on their property and they call the police or call the City employees saying fix it. This city belongs to all of us and not just the officials. Do we get along? Absolutely not. Should we? Absolutely not. If you get along all the time you don't accomplish a darn thing. The difference in opinion, if we are respectful of each other, is worth its weight in gold and that is where we are trying to come from as a Council but we need your help as much as you expect us to help the community. He said he made a statement twelve years ago in that this city can be presentable to anyone who comes to it, wants to visit, vacation, do business, or whatever if the citizens of this town would do two things and that is have pride in their town and put out a little elbow grease. None of them cost a nickel; it cost effort. We have been fighting this battle ever since he has been involved and it get tiresome to have people say when are you going to do it City Council, when is the staff going to do it City Council but don't expect me to put out any effort. That story needs to be told to all of the people in this community and where we fail pretty badly, as far as he is concerned, is effective communications. People seem to say they were not aware of these meetings and we have had notices out on those 7 meetings for almost two months before they took place. 120 people across this city does not really represent the community as a whole. To pile all of this need and want and expectations on the body of five people who have committed to help their community is unfair and un-conscience as far as the community is concerned.

Dr. Smith said that is why he thinks we need to revisit our mission. He agrees that it should not be all on the City Council. Somewhere along the line though, you all in your mission statement assumed that responsibility. There is no responsibility for anybody else in your mission statement.

Interim City Manager said the first next step is Saturday, March 21st at 10:00 at the Little League Opening Day. The second step is that we have to continue to work on the vision and the mission and get that defined so that City staff is very clear about what we are doing. We are already working on addressing some of these issues within our own processes. So we are going to be coming back through this process to do these workshops and do some work in the visioning and the mission and then in regards to the puzzle, the Strategic Planning part, the plan itself will be brought back to Council with funding recommendations, realignment recommendations, and reorganization recommendations. All of that will be coming back and

the public will be able to see that when they adopt the plan, the mission, the vision and the strategic plan then you know the clock starts.

Councilmember Moyer said that people also have to understand that a strategic plan is a living document and it has to be reviewed and looked at and it needs its annual checkup just like a person does and it changes because of its life and so forth, because of economic needs, because of new priorities, etc. Just because it is a strategic plan doesn't mean that we will go right down the row 1, 2, 3; it is a living document.

Councilmember Miller said the speaker said you have to "change or die". Our City government has changed. We have a new City Manager. We have a very dynamic City Manager that has introduced something that we haven't seen before like this meeting and the asking of everyone specific questions. So we have to recognize that we can't go back and say ten years ago we asked for this information. This is a new City Council and a new City government. There are complaints that the City Council doesn't work together and he can think of one single vote were the vote was not five to zero. That was two years ago and he was the only one that said we shouldn't send a letter to WRCOG over some insignificant things. In every other respect and in everything that is important every vote was five to zero so this City government is united and we are united in trying to improve the city. We also have to recognize and he thinks that it will not surprise everyone to know that we are not Rancho Mirage, we are not Huntington Beach; we do not have an infinite amount of money to solve these problems. So when you say these things are going to take time to solve we have to recognize that this is Banning and the City government will do everything it can as fast as it can to solve these problems.

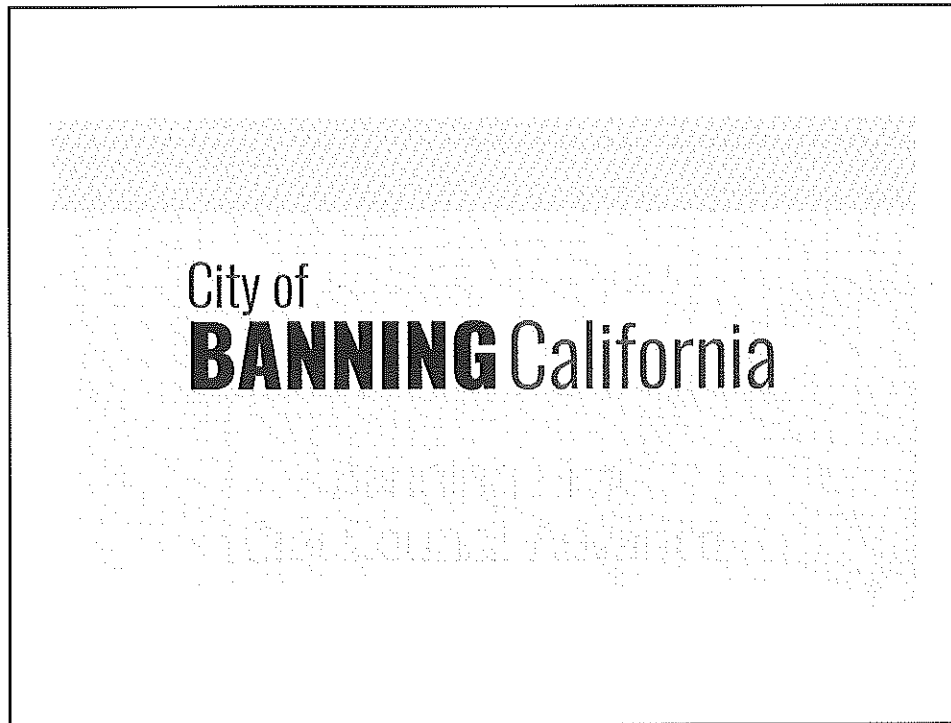
Mayor Franklin said we can all say it was a very productive day and on behalf of the Council she would like to thank all of our speakers, as well as, all of the staff that participated. But she thinks that we are all in this together and we are on the ship and hopefully as we sail we will have a lot of passengers that are rowing together because otherwise we won't be moving forward. But she does feel that today has been productive for everyone and we will look forward to our next steps.

ADJOURNMENT

By common consent the meeting adjourned at 2:12 p.m.

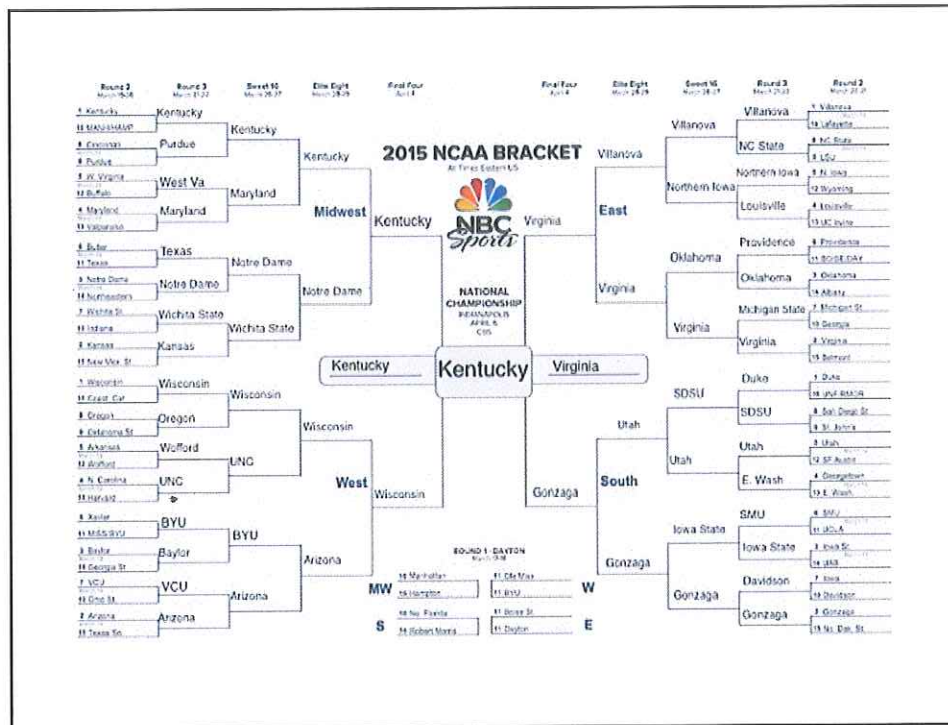
Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

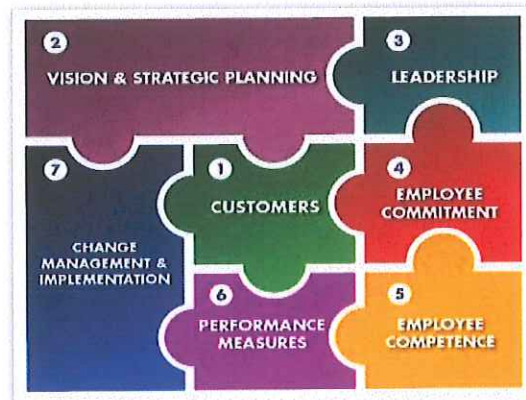


SCHEDULE

| | |
|---------|---|
| 8:30am | Breakfast |
| 9:00am | Introduction Review Agenda |
| 9:15am | City Council SWOT Exercise |
| 10:00am | Chris Thornberg of Beacon Economic Presentation |
| 11:00am | Break |
| 11:15am | Website Demo by Kerry Decker of EXSLAVE Design |
| 12:00pm | Lunch |
| 1:00pm | Dr. James Smith – Community Focus Group Review |
| 2:15pm | Council Discussion/Direction |
| 2:45pm | Adjournment |



CITY OF BANNING "GAME PLAN"



Strengths

- Location
- Invested Citizenry
- Utility Ownership
- Hospital
- Transportation Corridor
- Diversity
- Small Town
- Accessibility
- Casino & Entertainment
- Shopping
- County Services
- College Commitment
- Public Transit
- Future Potential
- Employee Commitment
- Inexpensive Property/Housing
- Environmental Qualities
- Airport
- Retirement
- History
- Safe
- Healthy

Weaknesses

- Lack of jobs
- Homeless/transient
- Uneducated
- No long term vision
- Poor quality of streets/parks
- Poor economic forecast
- Release of prisoners
- City turnover/lack of sufficient staffing
- Aging infrastructure
- Bad reputation
- School district
- Lack of cultural and recreational opportunities
- Community division/separation
- Blight
- Airport
- Reputation
- Code Enforcement

Opportunities

- Airport
- Water Flume Rights
- Vacant Land Development
- College
- New staff
- Gateway to desert
- Affordable Housing
- Downtown Revitalization
- Railway
- Partnership with social and religious groups
- Regional partnerships
- Partnership/Relationship with Morongo
- Cooperation with Beaumont
- Quality of Life Urban/Rural
- Utilize talent pool running through city
- Restructure of organization/training
- Transportation Hub
- Defined direction
- Event sponsorship
- School District
- Smith Creek Park
- Improve position with sheriff's department
- Pass leadership
- Develop east side
- Improve education quality

Threats

- State & Federal regulations
- Water shortage
- Economy
- Airport
- Aging infrastructure
- Staff turnover/loss of trained employees
- Crime
- Revenue generation
- Limited finances
- Overspending
- Drought
- Aging population (young people leaving area)
- Natural disasters
- Robertson's
- Perception of City
- Lawsuits
- Public discouragement/apathy
- City government activities
- Secondary transportation
- Succession planning
- Regional competition
- Loss of Flume
- Aging policies/procedures
- Low paygrades
- Communication (lack of)
- Political unrest
- Lack of funds for quality of life
- Technology
- Lack of shared vision among leadership
- Inability to attract large corporation
- Loss of grants

The Economic Outlook *Focus on the Inland Empire* March 2015

Christopher Thornberg
Founding Partner, Beacon Economics



2014 Predictions

- 2014 is going to be a good year
 - Solid acceleration in domestic demand growth rates
 - Labor markets turned a corner
 - Global markets are the biggest risk, but not that bad
- Interest rates aren't going anywhere
 - Credit expanding at many levels
- California to remain one of the stronger economies in the nation
 - Growth in the IE very understated
- Housing Market will be very solid
 - Look for expansion in home building

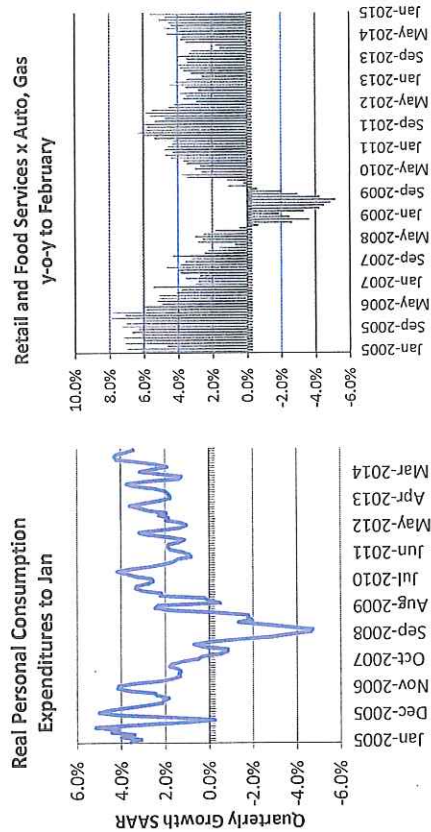
GDP 2014: A good year

| GDP | 2014 | | | | 2012 | 2013 | 2014 |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| | I | II | III | IV | | | |
| GDP | 4.6 | 5 | 2.6 | 2.4 | 2.3 | 2.2 | 2.4 |
| Consumption | 1.75 | 2.21 | 2.87 | 1.72 | 1.25 | 1.64 | 1.72 |
| Durable goods | 0.99 | 0.67 | 0.54 | 0.51 | 0.52 | 0.49 | 0.51 |
| Nondurable goods | 0.34 | 0.39 | 0.66 | 0.28 | 0.12 | 0.29 | 0.28 |
| Services | 0.42 | 1.15 | 1.67 | 0.93 | 0.61 | 0.86 | 0.93 |
| Investment | 2.87 | 1.18 | 1.2 | 0.95 | 1.33 | 0.76 | 0.95 |
| Structures | 0.35 | 0.14 | 0.08 | 0.22 | 0.32 | -0.01 | 0.22 |
| Equipment | 0.63 | 0.63 | -0.11 | 0.35 | 0.37 | 0.26 | 0.35 |
| IP | 0.21 | 0.34 | 0.27 | 0.18 | 0.15 | 0.13 | 0.18 |
| Residential | 0.27 | 0.1 | 0.13 | 0.05 | 0.33 | 0.33 | 0.05 |
| Inventories | 1.42 | -0.03 | 0.82 | 0.15 | 0.15 | 0.06 | 0.15 |
| Net exports | -0.34 | 0.78 | -1.02 | -0.22 | 0.04 | 0.22 | -0.22 |
| Exports | 1.43 | 0.61 | 0.37 | 0.41 | 0.44 | 0.41 | 0.41 |
| Imports | -1.77 | 0.16 | -1.39 | -0.64 | -0.4 | -0.19 | -0.64 |
| Government | 0.31 | 0.8 | -0.4 | -0.14 | -0.3 | -0.39 | -0.03 |
| Federal | -0.06 | 0.68 | -0.54 | -0.14 | -0.15 | -0.45 | -0.14 |
| State and local | 0.38 | 0.13 | 0.14 | 0.11 | -0.15 | 0.06 | 0.11 |

BEACON/ECONOMICS Analysis, Answers.

3

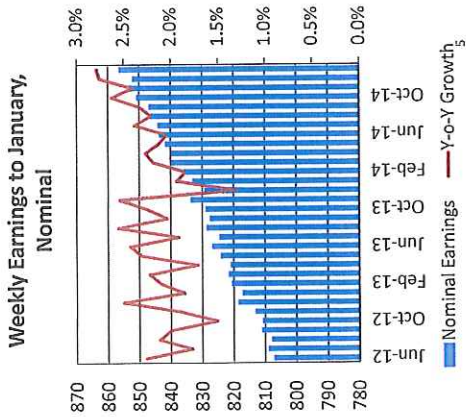
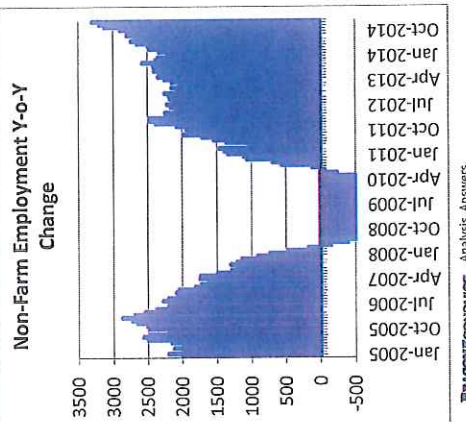
Consumer Spending



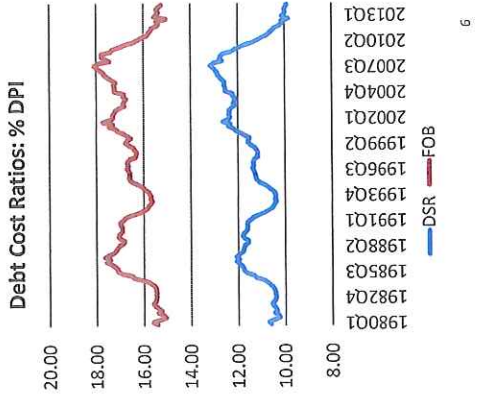
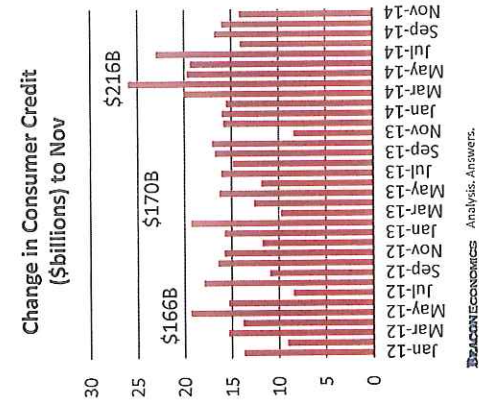
BEACON/ECONOMICS Analysis, Answers.

4

Employment



Consumer Credit



Degrees Among 21-27 with Bachelor

Student Loan Debt as share consumer credit

45.0%

40.0%

35.0%

30.0%

25.0%

20.0%

15.0%

Exhibit "C"

18

spec.mtg.-03-19-15

Diploma's Awarded

PSYCHOLOGY

BUSINESS MANAGEMENT AND A

BIOLOGY

GENERAL BUSINESS

NURSING

COMMUNICATIONS

MARKETING AND MARKETING R

ACCOUNTING

ENGLISH LANGUAGE AND LITE

CRIMINAL JUSTICE AND FIRE

POLITICAL SCIENCE AND GOV

FINANCE

ELEMENTARY EDUCATION

GENERAL EDUCATION

ECONOMICS

PHYSICAL FITNESS PARKS RE

HISTORY

SOCIOLOGY

COMMERCIAL ART AND GRAPHI

COMPUTER SCIENCE

MECHANICAL ENGINEERING

FINE ARTS

ELECTRICAL ENGINEERING

LIBERAL ARTS

JOURNALISM

Annual Income

289,969

217,369

175,560

171,875

170,595

162,915

160,309

146,322

132,367

123,509

123,105

123,063

116,591

111,959

107,525

100,639

95,637

88,220

84,943

82,940

67,953

56,589

53,805

52,043

51,500

PETROLEUM ENGINEERING

COMPUTER ENGINEERING

CHEMICAL ENGINEERING

COMPUTER SCIENCE

AEROSPACE ENGINEERING

INDUSTRIAL AND MANUFACTUR

INDUSTRIAL AND ORGANIZATI

MECHANICAL ENGINEERING

ELECTRICAL ENGINEERING

MATHEMATICS AND COMPUTER

PHARMACY PHARMACEUTICAL S

OPERATIONS LOGISTICS AND

FINANCE

GENERAL ENGINEERING

MISCELLANEOUS ENGINEERING

ACTUARIAL SCIENCE

ARCHITECTURAL ENGINEERING

BIOMEDICAL ENGINEERING

COMPUTER ADMINISTRATION M

BUSINESS ECONOMICS

CONSTRUCTION SERVICES

FOOD SCIENCE

CIVIL ENGINEERING

NURSING

MISCELLANEOUS ENGINEERING

55,103

50,542

48,668

46,060

44,651

43,898

43,804

43,495

42,238

41,640

40,933

40,840

40,235

40,179

39,965

39,773

39,522

39,098

38,760

38,464

38,176

38,057

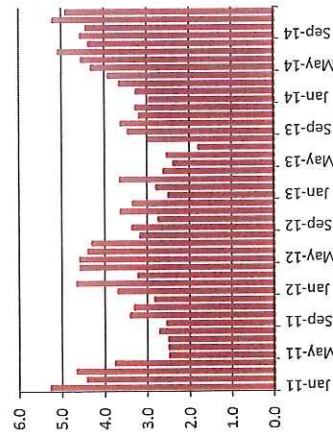
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37,315

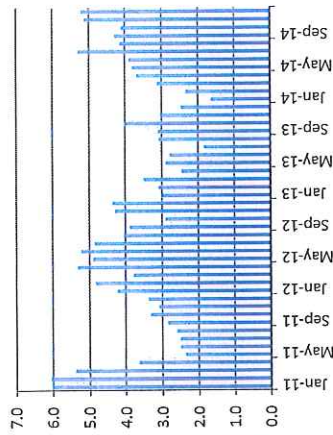
37,294

Industry Outlook

Y-o-Y Growth in Overall Industrial Production to Dec



Y-o-Y Growth in Manufacturing Industrial Production to Dec



TRACONECONOMICS Analysis, Answers.

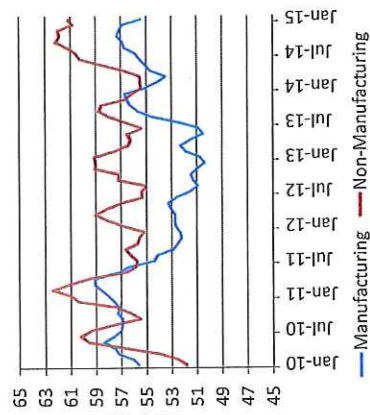
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TRACONECONOMICS Analysis, Answers.

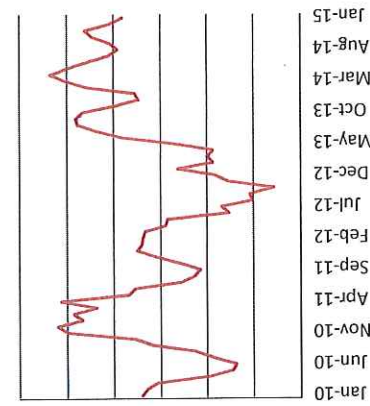
20

Industry Outlook

ISM Diffusion Indexes 3 Month
MA, to Jan



Philly Fed CAPEX Outlook
(Diffusion Index to Jan Smoothed)

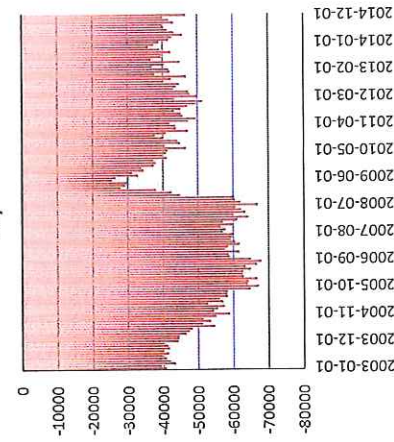


BRACONTECONOMICS Analysis, Answers.

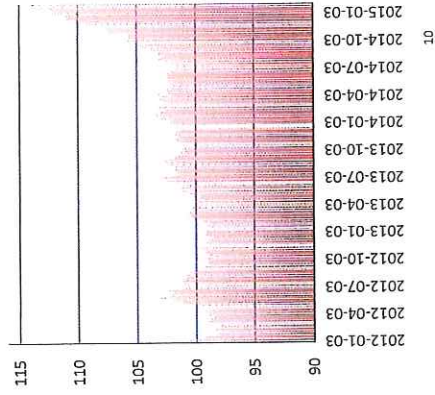
9

Trade

Nominal Trade Deficit to December (\$M
SA)



Daily Broad Index

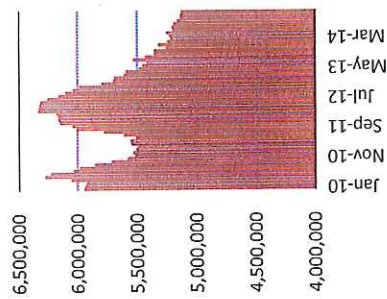


BRACONTECONOMICS Analysis, Answers.

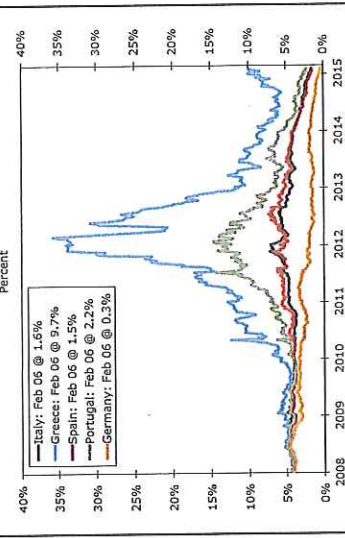
10

Global Situation

EU Bank Balances



10-Year Government Bond Yields



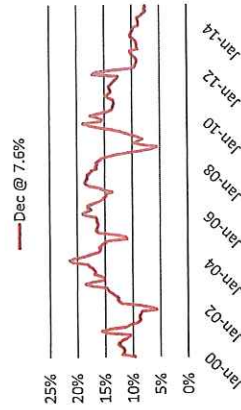
BRADY ECONOMICS Analysis, Answers.

11

China

Chinese IP Index

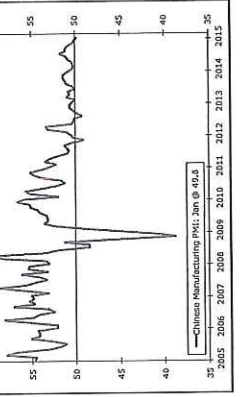
Y-o-Y Percent Change, 3MA



Dec @ 7.6%

China Manufacturing PMI

Seasonally Adjusted



China Manufacturing PMI: Jan @ 52.3

(Bloomberg) -- Managing the yuan is turning into a different game for China's policy makers these days.

After more than a decade of curbing the currency's gains to help turn the nation into a manufacturing colossus, there are signs the People's Bank of China is now propping up the yuan to stem an exodus of capital that's threatening the economy.

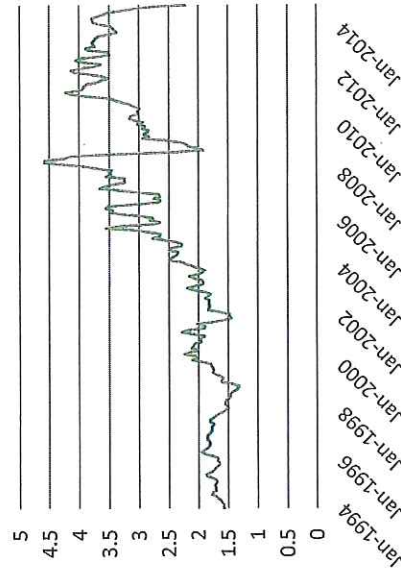
A gauge of capital flows on the PBOC's balance sheet fell by the most since 2003 last month in a sign it's selling foreign currency, while the yuan's reference rate set daily by policy makers is at its strongest-ever level compared with the market price.

BRADY ECONOMICS Analysis, Answers.

12

Gas Prices: Still Falling

Real Price Gasoline (per gallon to Jan 15)



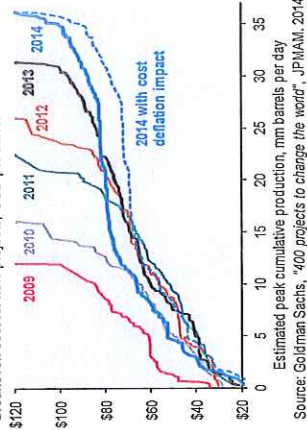
- ~20,000 barrels per day in consumption
 - Gasoline: 45%
 - Jet Fuel: 20%
 - Other: 35%
- Annual US spending on refined products down \$1,000b to \$700b with consumption increase

BRADCOECONOMICS Analysis, Answers.

13

Marginal Cost Ceiling

Shale oil era has reduced estimated future marginal costs
Break-even cost for new projects, USD per barrel

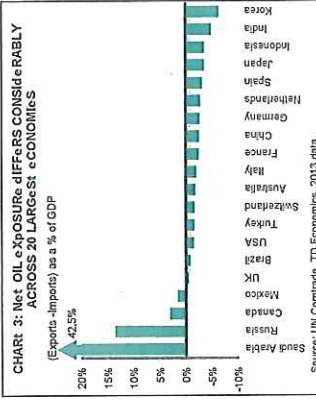


Source: Goldman Sachs, "400 projects to change the world", JPMorgan, 2014.

JPMorgan

BRADCOECONOMICS Analysis, Answers.

14



Source: UN Comtrade, TD Economics, 2013 data.

Housing

- Inventories at 5 months
- Median price grew 1.7% (up 6.0% y-o-y)

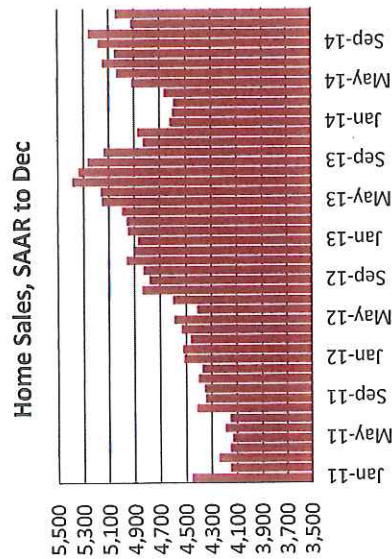
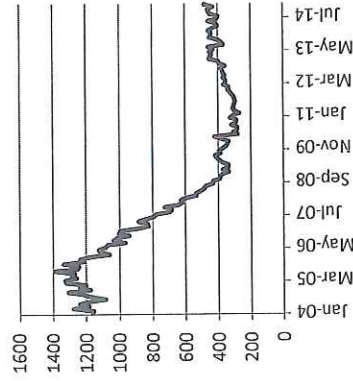


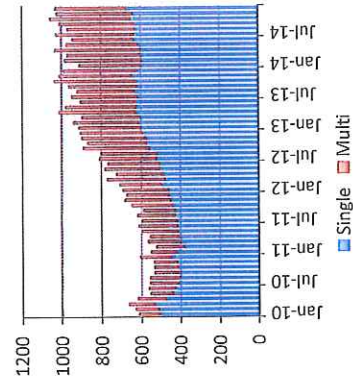
Exhibit "C"

New Construction

New SF Home Sales SAAR
2004 to 2014

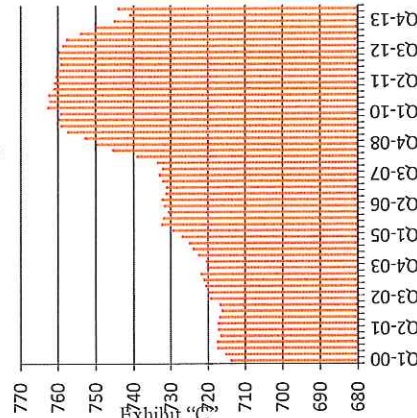


Housing Permits
2004 to 2014

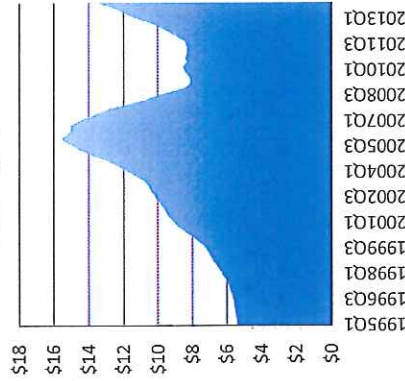


Better Signs...

Fannie Mae Average FICO

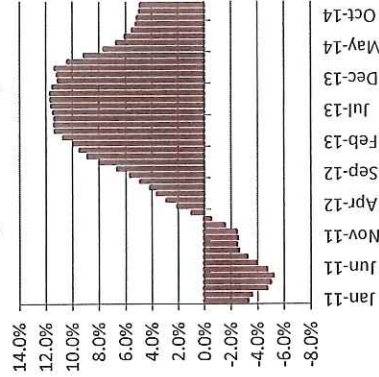


Home Equity



Home Prices

Core Logic Y-o-Y Changes

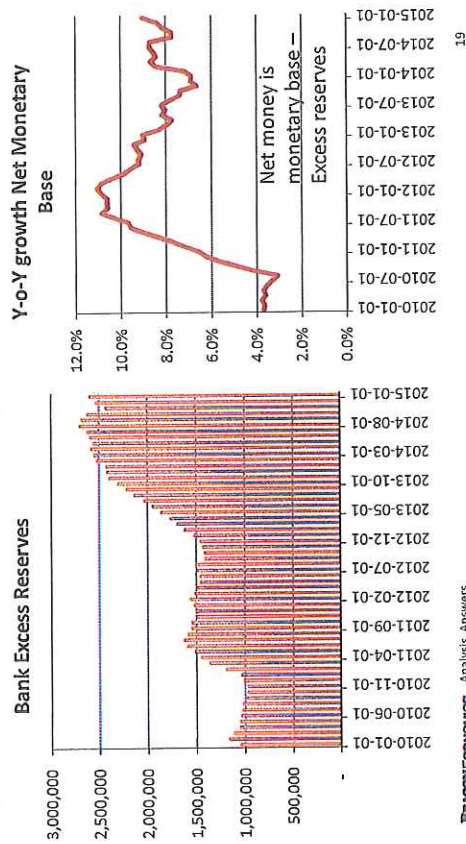


Case Shiller Nov. Release

| | 12-13 | 13-14 | Diff |
|------------------|-------|-------|--------|
| CO-Denver | 8.9% | 7.5% | -1.4% |
| TX-Dallas | 10.0% | 7.7% | -2.3% |
| OH-Cleveland | 4.8% | 0.6% | -4.2% |
| NY-New York | 6.0% | 1.5% | -4.5% |
| NC-Charlotte | 8.2% | 3.3% | -4.9% |
| MA-Boston | 9.8% | 4.0% | -5.8% |
| OR-Portland | 12.5% | 6.6% | -5.9% |
| DC-Washington | 7.9% | 1.9% | -6.0% |
| National-US | 10.9% | 4.7% | -6.2% |
| WA-Seattle | 12.5% | 6.1% | -6.4% |
| FL-Miami | 16.6% | 8.6% | -8.0% |
| FL-Tampa | 15.8% | 6.8% | -9.0% |
| MN-Minneapolis | 10.6% | 1.5% | -9.1% |
| IL-Chicago | 11.2% | 2.0% | -9.2% |
| GA-Atlanta | 18.5% | 4.9% | -13.6% |
| CA-San Diego | 18.6% | 4.9% | -13.7% |
| CA-San Francisco | 23.3% | 8.9% | -14.4% |
| MI-Detroit | 17.3% | 2.6% | -14.7% |
| AZ-Phoenix | 16.8% | 2.0% | -14.8% |
| CA-Los Angeles | 21.7% | 5.2% | -16.5% |
| NV-Las Vegas | 27.3% | 7.7% | -19.6% |

REALTORTRENDING Analysis, Answers.

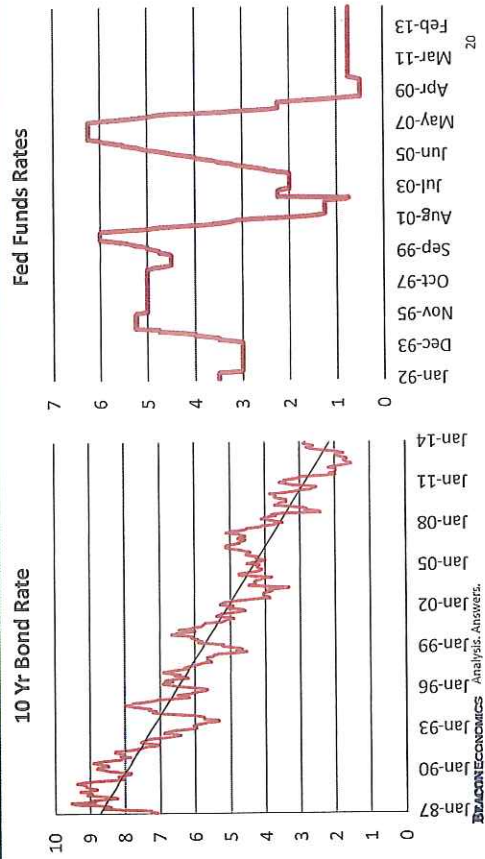
Money Supply



BRADON ECONOMICS Analysis, Answers.

19

Where are rates heading?



BRADON ECONOMICS Analysis, Answers.

20

California fact versus fiction

"Looking back a few years (2009 / 2010) ~~we~~ we was saying that CA would fail like Greece or Detroit, but things look different now. What has happened to turn things around?"

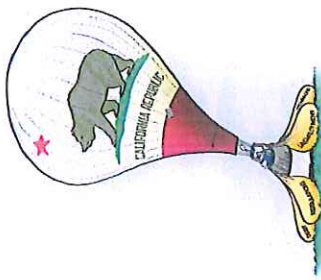


Exhibit "C"

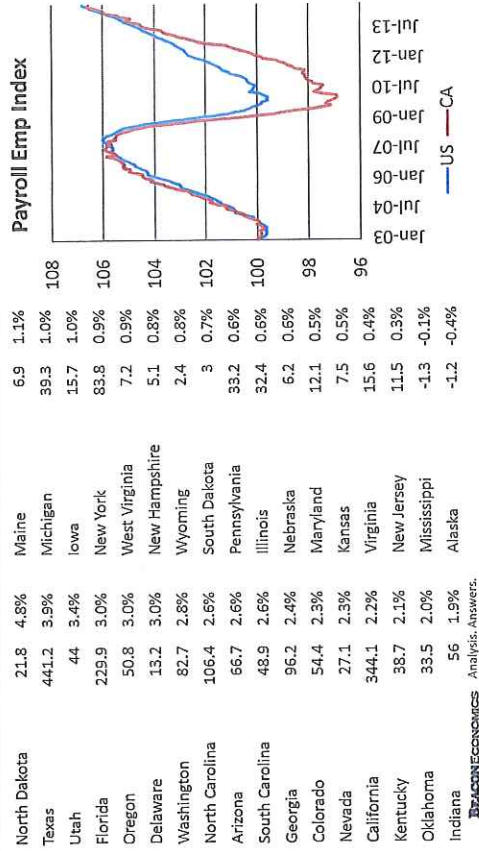
California Hype:

- High taxes, Over regulated
- People/business fleeing

Reality

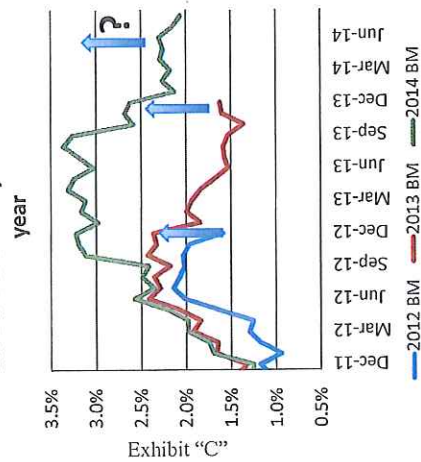
- Business Climate is not that important
- State still outperforming
- Certain industries more vulnerable than others, but others doing great
- Real enemy: CEQA, dumb taxes

Regional: Who's Hot and Not

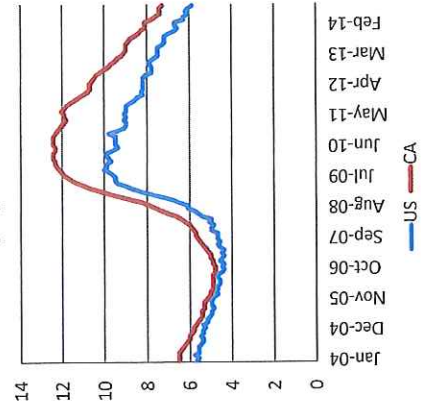


Job Estimates

CA Y-o-Y Growth by Benchmark



Unemployment Rate

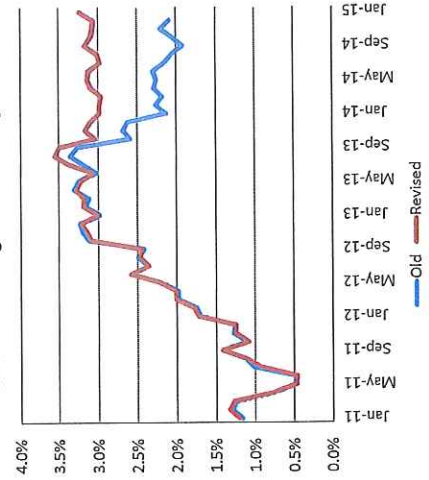


BEACONECONOMICS Analysis, Answers.

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Local Employment

Year on Year Change California Payrolls



| | Change | Growth |
|----------------|-----------|--------|
| United States | 3,212,000 | 2.4% |
| New York State | 156,800 | 1.8% |
| California | 488,000 | 3.2% |
| Texas | 392,900 | 3.5% |
| New York City | 115,600 | 2.9% |

| NYC Emp. | Jan-15 | Ch | Y-o-Y % |
|------------------|---------|-------|---------|
| Total Nonfarm | 4,059.7 | 115.6 | 2.9% |
| Construction | 121.8 | 2.6 | 2.2% |
| Manufacturing | 73.3 | -1.6 | -2.1% |
| Trade | 623.3 | 13.7 | 2.2% |
| Information | 183.0 | 2.9 | 1.6% |
| Finance | 326.6 | 7.4 | 2.3% |
| Real Estate | 121.8 | 0.9 | 0.7% |
| Professional | 671.3 | 24.8 | 3.8% |
| Education Health | 865.5 | 40.8 | 4.9% |
| Hospitality | 397.1 | 14.4 | 3.8% |
| Other Services | 181.8 | 6.4 | 3.6% |
| Government | 534.2 | 3.3 | 0.6% |

BEACONECONOMICS Analysis, Answers.

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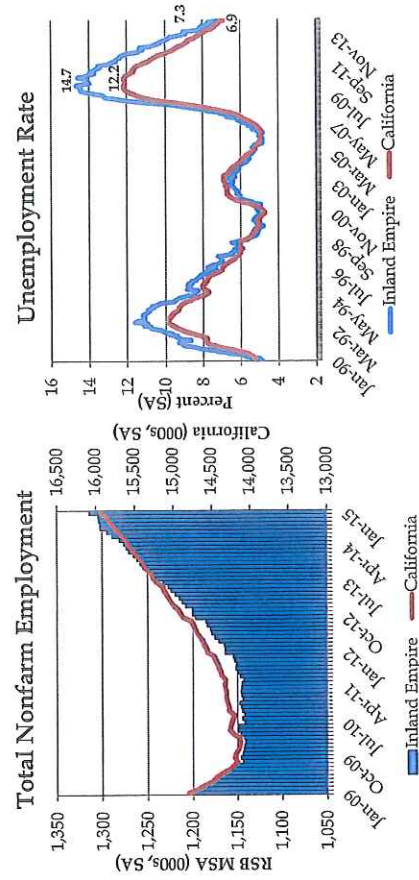
CA Employment

| Region | Jan-14 | Jan-15 | Change (000s) | Change (%) |
|---------------------------|----------|----------|---------------|------------|
| San Jose | 985.0 | 1,036.6 | 51.6 | 5.2 |
| San Francisco (MD) | 1,086.2 | 1,134.2 | 48.0 | 4.4 |
| Inland Empire | 1,261.5 | 1,314.0 | 52.5 | 4.2 |
| South Central Valley | 715.4 | 740.8 | 25.4 | 3.6 |
| Orange County (MD) | 1,474.8 | 1,523.7 | 48.9 | 3.3 |
| Central Coast | 400.4 | 412.7 | 12.3 | 3.1 |
| San Diego | 1,331.8 | 1,371.7 | 39.9 | 3.0 |
| Oakland (MD) | 1,051.1 | 1,081.6 | 30.5 | 2.9 |
| North Central Valley | 1,262.5 | 1,299.0 | 36.5 | 2.9 |
| Los Angeles (MD) | 4,190.7 | 4,303.0 | 112.3 | 2.7 |
| Bakersfield | 253.6 | 259.6 | 6.0 | 2.4 |
| Other Bay Area | 385.7 | 394.7 | 9.0 | 2.3 |
| San Luis Obispo | 109.4 | 111.6 | 2.2 | 2.0 |
| Other Southern California | 344.8 | 349.0 | 4.2 | 1.2 |
| California | 15,430.0 | 15,928.0 | 498.0 | 3.2 |

BEACONECONOMICS Analysis, Answers.

25

IE Employment



BEACONECONOMICS Analysis, Answers.

26

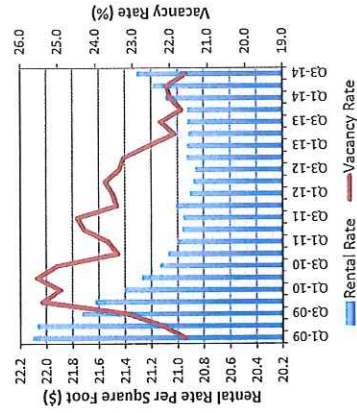
IE Job Recovery

| Industry | Feb-10 | Jan-15 | Change (000s) | Change (%) |
|-----------------------------|---------|---------|---------------|------------|
| Health Care | 137.9 | 176.0 | 38.2 | 27.7 |
| Transport, Warehouse, Util. | 65.7 | 93.0 | 27.4 | 41.7 |
| Leisure and Hospitality | 121.5 | 148.6 | 27.1 | 22.3 |
| Admin Support | 77.2 | 95.5 | 18.3 | 23.7 |
| Construction | 60.9 | 78.2 | 17.2 | 28.2 |
| Retail Trade | 155.3 | 168.7 | 13.4 | 8.6 |
| Wholesale Trade | 48.7 | 60.7 | 12.0 | 24.7 |
| Prof Sci and Tech | 35.0 | 42.2 | 7.2 | 20.4 |
| Manufacturing | 85.3 | 91.7 | 6.4 | 7.5 |
| Other Services | 37.8 | 44.0 | 6.1 | 16.2 |
| Educational Services | 15.5 | 18.8 | 3.3 | 21.4 |
| Financial Activities | 41.1 | 44.1 | 3.0 | 7.3 |
| Management | 8.5 | 9.1 | 0.6 | 7.2 |
| NR/Mining | 1.0 | 1.2 | 0.2 | 22.8 |
| Farm | 14.5 | 14.2 | -0.3 | -2.2 |
| Information | 14.3 | 11.2 | -3.1 | -21.6 |
| Government | 235.4 | 230.9 | -4.5 | -1.9 |
| Total Private | 905.6 | 1,083.1 | 177.5 | 19.6 |
| Total Nonfarm | 1,141.0 | 1,314.0 | 173.0 | 15.2 |
| | | | | 27 |

BRADCON ECONOMICS Analysis, Answers.

Commercial Office Market

Inland Empire Commercial Office Market

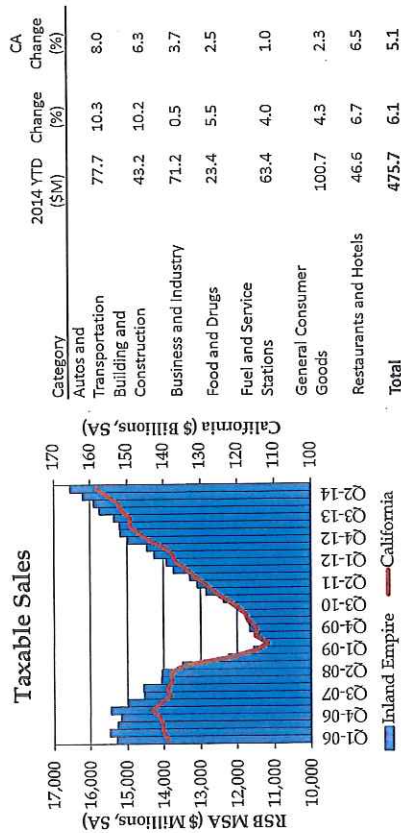


Office Submarkets (As of Q3-14)

| Submarket | Vacancy Rate | Net Absorption (Sq. Ft.) | Cost of Rent (Per Sq. Ft./Month) |
|----------------------------------|--------------|--------------------------|----------------------------------|
| Chino/Montclair/Upland | 14.2% | 23,000 | \$21.75 |
| Colton/Redlands/San Bernardino | 24.0% | -23,000 | \$19.78 |
| Corona/Riverside/Morano Valley | 24.1% | -32,000 | \$22.65 |
| Palm Springs/Palm Desert | 21.0% | -2,000 | \$20.05 |
| Rancho Cucamonga/Ontario/Fortana | 26.1% | 21,000 | \$22.29 |
| Temecula/Murrieta | 20.2% | 21,000 | \$21.33 |

BRADCON ECONOMICS Analysis, Answers.

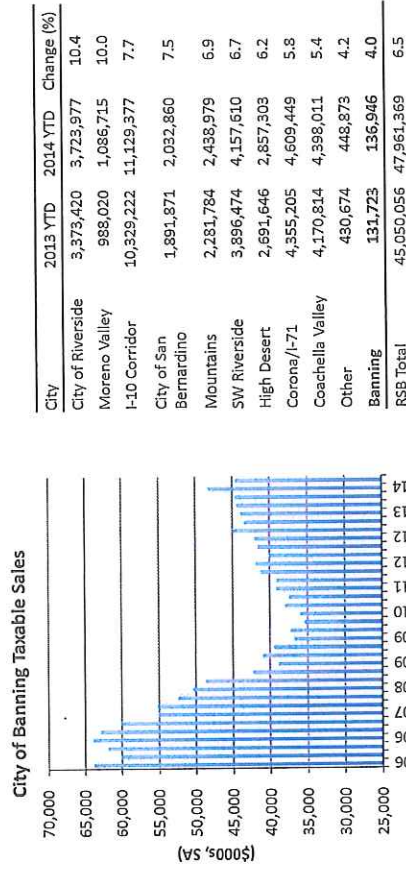
Taxable Sales



BRADCONECONOMICS Analysis, Answers.

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City Taxable Sales

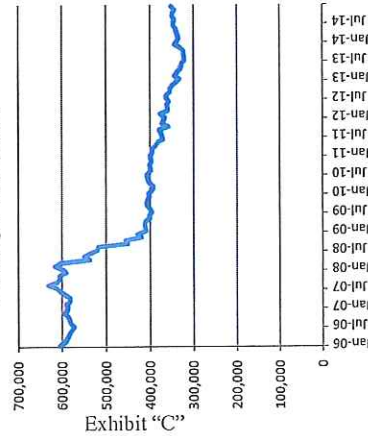


BRADCONECONOMICS Analysis, Answers.

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Tourism

Ontario International Airport
Passenger Traffic (SA)



Inland Empire YTD Hotel Statistics
(January to September 2014)

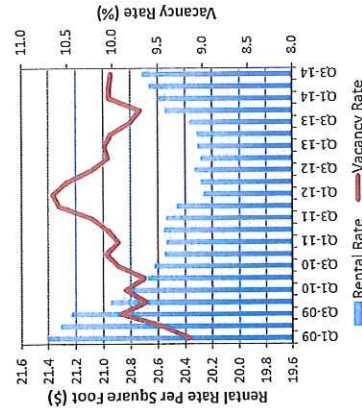
| Submarket | Average Daily Rate | | Occupancy Rate | |
|------------------|--------------------|----------|----------------|-------|
| | 2014 | 2013 | 2014 | 2013 |
| Ontario | \$92.15 | \$89.58 | 73.8% | 68.4% |
| Riverside/Corona | \$97.49 | \$91.72 | 69.7% | 67.2% |
| San Bernardino | \$78.23 | \$75.67 | 74.4% | 70.8% |
| Temecula | \$116.50 | \$111.83 | 77.7% | 73.5% |
| Overall Average | \$92.86 | \$89.26 | 73.2% | 69.0% |

BRADON ECONOMICS Analysis, Answers.

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Commercial Retail Market

Inland Empire Commercial Retail
Market



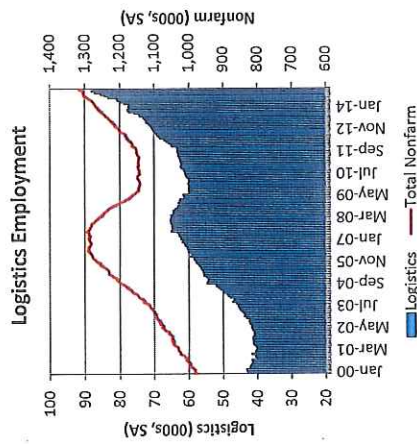
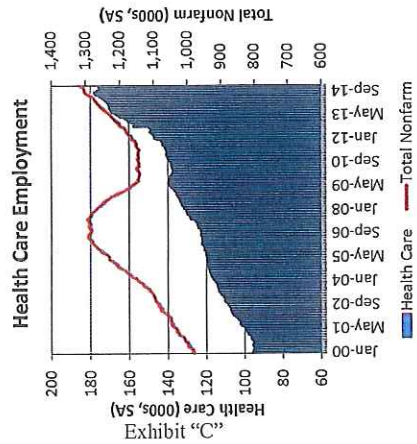
Retail Submarkets (As of Q3-14)

| Submarket | Vacancy Rate | Net Absorption (Sq. Ft.) | Cost of Rent (Per Sq. Ft./Month) |
|--------------------------------|--------------|--------------------------|----------------------------------|
| Colton/Redlands/San Bernardino | 10.7% | -16,000 | \$17.80 |
| Moreno Valley/Riverside/Corona | 7.0% | 19,000 | \$21.02 |
| Palm Desert | 15.6% | -18,000 | \$25.68 |
| Rancho Cucamonga/Chino | 10.0% | -15,000 | \$22.66 |
| South Riverside County | 9.1% | 51,000 | \$20.74 |
| Victorville | 7.7% | 27,000 | \$16.41 |

BRADON ECONOMICS Analysis, Answers.

32

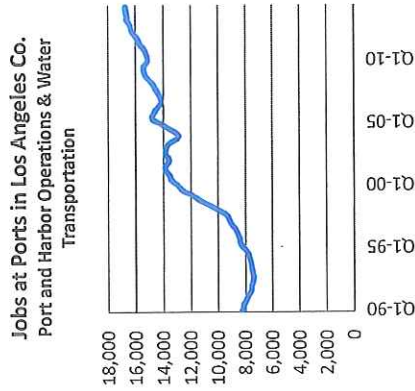
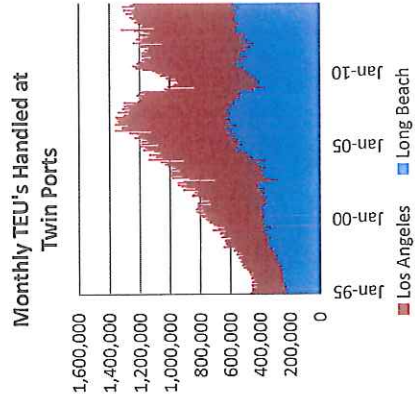
Top Local Sectors



BRADON ECONOMICS Analysis, Answers.

33

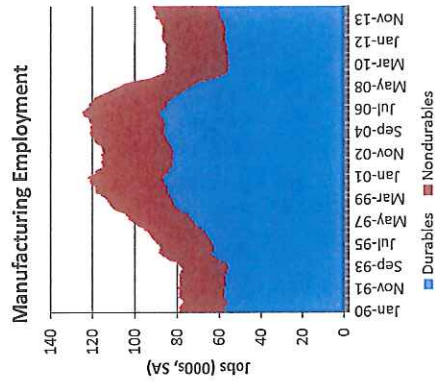
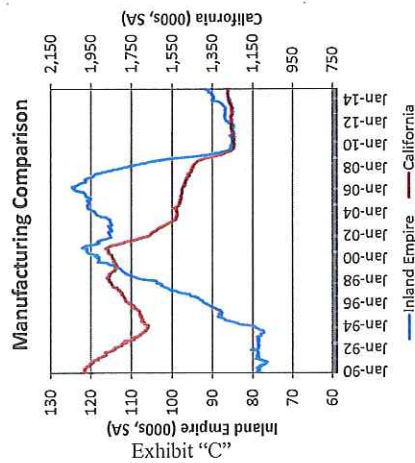
Goods Trade Movement



BRADON ECONOMICS Analysis, Answers.

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Manufacturing Trends

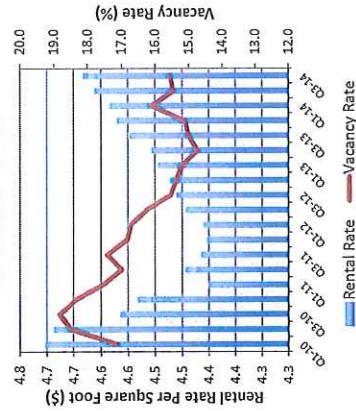


BRAD CONE ECONOMICS Analysis, Answers.

35

Commercial Warehouse Market

Inland Empire Commercial Warehouse Market



Warehouse Submarkets (As of Q3-14)

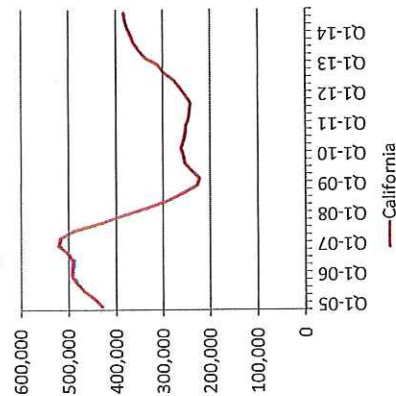
| Submarket | Vacancy Rate | Net Absorption (Sq. Ft.) | Cost of Rent (Per Sq. Ft./Month) |
|----------------------------|--------------|--------------------------|----------------------------------|
| Chino | 11.9% | 58,000 | \$5.77 |
| Corona | 13.1% | 2,070,000 | \$4.83 |
| Fontana | 10.2% | 27,000 | \$4.58 |
| Montclair | 6.3% | -12,000 | \$4.61 |
| Ontario | 9.1% | -111,000 | \$4.60 |
| Palm Springs | 10.2% | 40,000 | \$4.77 |
| Perris/Mo. Valley | 15.3% | 4,020,000 | \$4.66 |
| Rancho Cuc. | 9.0% | -100,000 | \$4.25 |
| San Bern./Redlands/Yuclipa | 10.4% | -50,000 | \$3.92 |
| Temecula | 28.2% | 28,000 | \$4.90 |
| Victorville | 16.3% | -12,000 | \$4.07 |

BRAD CONE ECONOMICS Analysis, Answers.

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Residential Real Estate

Existing SFR Median Prices



BRACON/ECONOMICS Analysis, Answers.

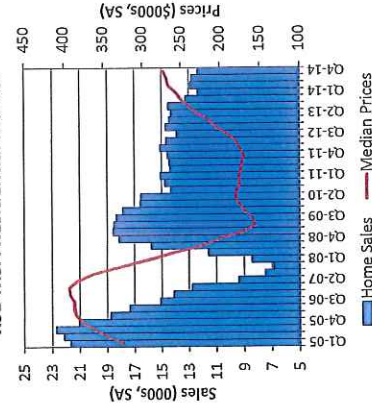
Source: DataQuick

| County/MSA | 2014 | Year over Year (%) |
|---------------------|---------|--------------------|
| Santa Barbara | 462,507 | 13.8 |
| San Francisco MD | 982,868 | 11.5 |
| South Bay | 809,572 | 11.1 |
| Inland Empire | 272,290 | 9.1 |
| Monterey | 423,365 | 8.0 |
| Los Angeles | 478,651 | 6.6 |
| San Diego | 481,548 | 5.6 |
| Orange County | 652,564 | 3.9 |
| San Luis Obispo | 449,822 | -0.8 |
| Existing Home Sales | | |
| San Francisco MD | 11,194 | -7.3 |
| San Luis Obispo | 2,912 | -7.6 |
| South Bay | 12,856 | -8.7 |
| San Diego | 24,347 | -10.2 |
| Inland Empire | 50,330 | -10.8 |
| Los Angeles | 52,953 | -11.0 |
| Santa Barbara | 2,770 | -11.1 |
| Orange County | 20,491 | -11.4 |
| Monterey | 2,617 | -14.3 |

37

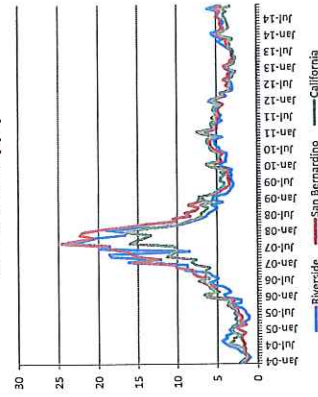
Real Estate

RSB MSA Residential Market



BRACON/ECONOMICS Analysis, Answers.

Months of Supply



38

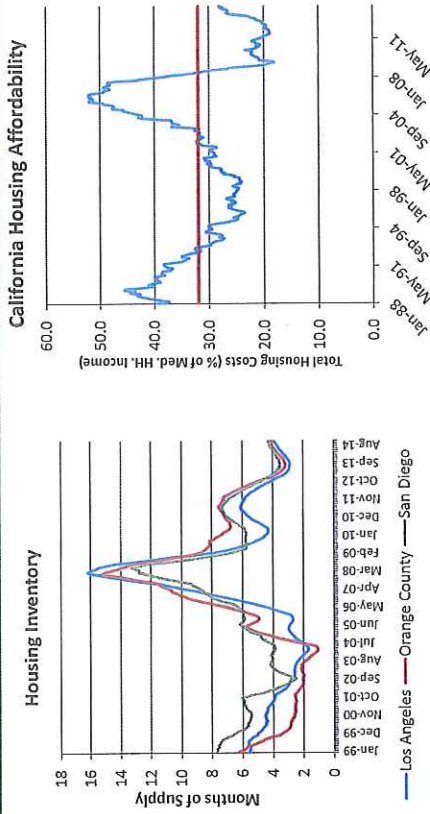
Real Estate

| | 2012 | 2013 | 2014 | 1-Year Change (%) |
|-------------------------|---------|---------|---------|-------------------|
| Median Home Prices (\$) | | | | |
| Banning | 160,000 | 160,000 | 170,000 | 6.3 |
| Riverside County | 210,000 | 260,000 | 295,000 | 13.5 |
| San Bernardino County | 163,000 | 205,000 | 240,000 | 17.1 |
| Sales | | | | |
| Banning | | 521 | 514 | -1.3 |
| Riverside County | | 40,604 | 36,627 | -9.8 |
| San Bernardino County | | 29,314 | 29,000 | -1.1 |

BRADON ECONOMICS Analysis, Answers.

39

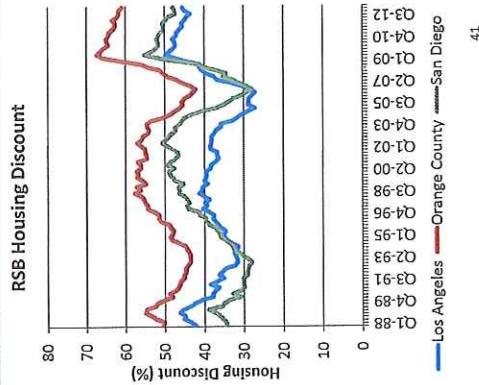
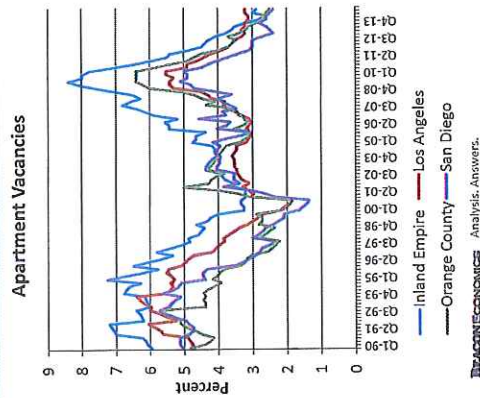
Bubble? No...



BRADON ECONOMICS Analysis, Answers.

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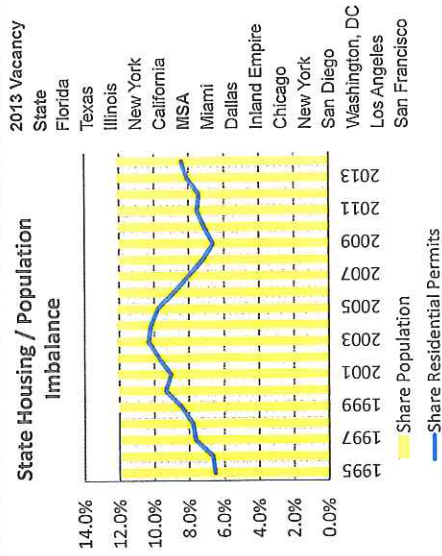
Local Situation



BEACON ECONOMICS Analysis, Answers.

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Supply Demand Imbalances



BEACON ECONOMICS Analysis, Answers.

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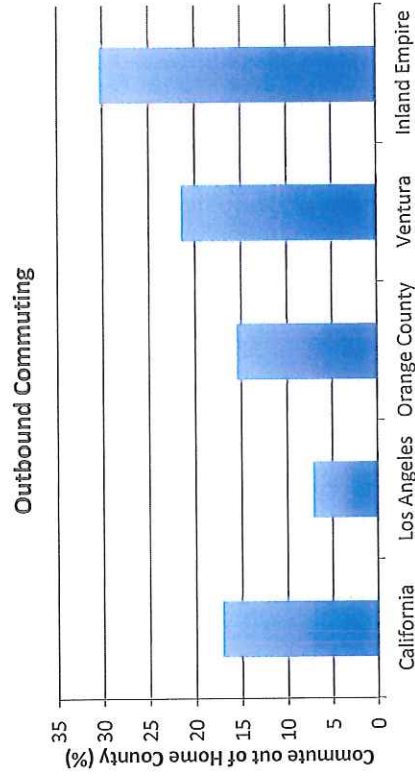
In the Long Term?

| 2011 Taxes Fees Paid as share PI | | Total Domestic Net Migration by Income 08-13 | |
|----------------------------------|-------|---|----------|
| 1 Alaska | 36.4% | Under \$25,000 | -192,061 |
| 2 Wyoming | 22.2% | \$25,000 to \$50,000 | -58,600 |
| 3 New York | 18.7% | \$50,000 to \$99,999 | 18,955 |
| 4 Delaware | 18.1% | Over \$100,000 | 2,619 |
| 5 North Dakota | 17.8% | Total | -229,087 |
| 6 West Virginia | 17.0% | | |
| 7 New Mexico | 16.5% | | |
| 8 South Carolina | 16.4% | Under \$25,000 | Texas |
| 9 Vermont | 16.2% | \$25,000 to \$50,000 | -40070 |
| 10 Hawaii | 15.9% | \$50,000 to \$99,999 | -23741 |
| 11 California | 15.7% | Over \$100,000 | -3433 |
| 12 Mississippi | 15.6% | | 599 |
| 13 Wisconsin | 15.6% | | |
| United States Total | | | |
| | | | 14.7% |

BRAD CONE ECONOMICS Analysis, Answers.

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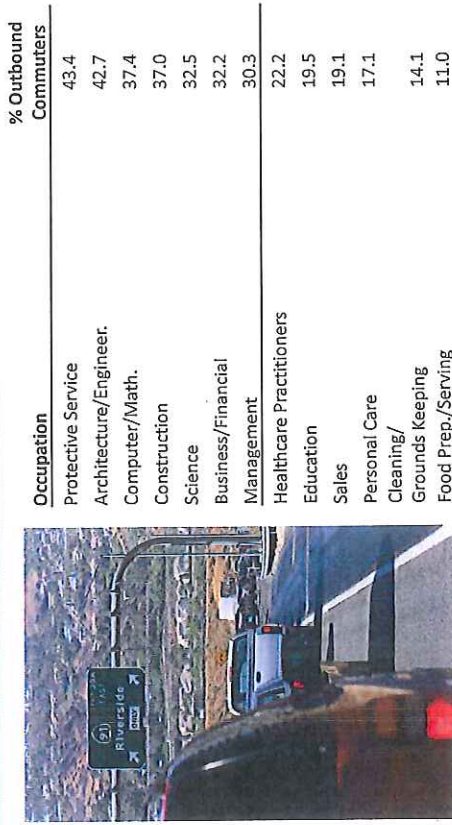
Commuting



BRAD CONE ECONOMICS Analysis, Answers.

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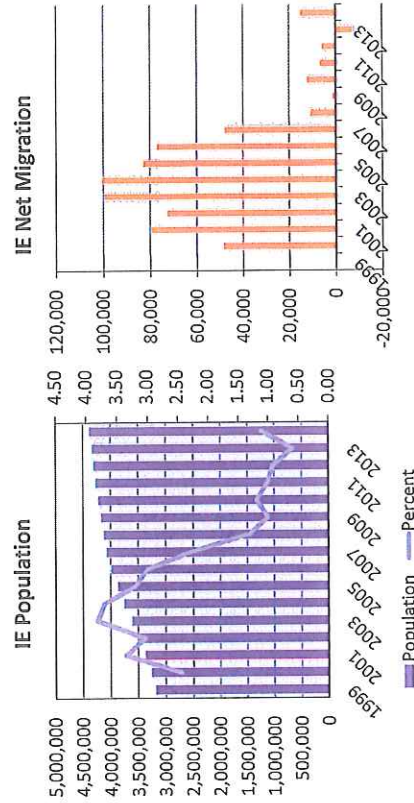
Big marketing pitch: Commuters



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BRADONECONOMICS Analysis, Answers.

Population Growth

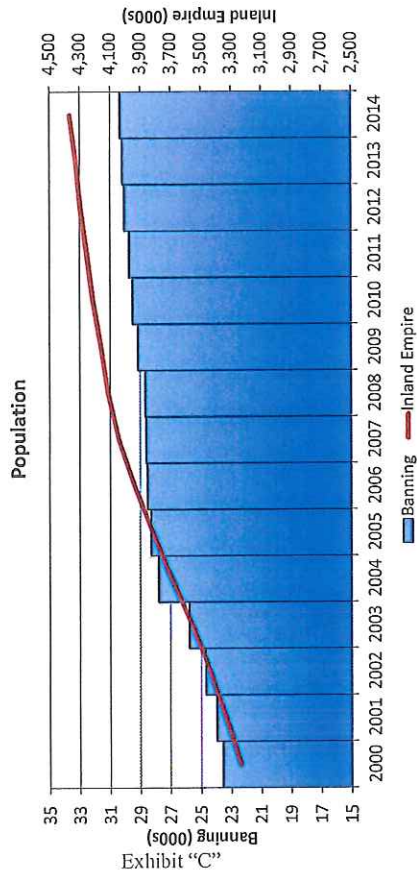


BRADONECONOMICS Analysis, Answers.

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Population



BRACON ECONOMICS Analysis, Answers.

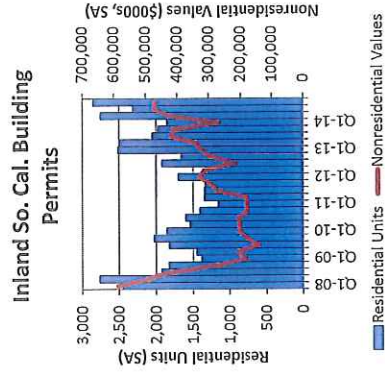
47

Construction Permits

| Region | Multi-Family Units | Single-Family Units | Total Res. Change (%) |
|----------------------|--------------------|---------------------|-----------------------|
| Central Coast | 632 | 697 | 45.4 |
| Non-Metros | 284 | 920 | 37.4 |
| Other So. Cal | 585 | 396 | 34.2 |
| San Jose | 8,221 | 1,665 | 26.6 |
| San Luis Obispo | 233 | 734 | 24.5 |
| Los Angeles (MD) | 14,526 | 4,315 | 16.0 |
| Inland Empire | 3,207 | 6,663 | 8.6 |
| Bakersfield | 380 | 2,002 | 7.9 |
| Oakland (MD) | 2,596 | 2,524 | 5.4 |
| Orange County | 6,902 | 3,631 | 4.1 |
| N. Central Valley | 968 | 5,724 | 0.4 |
| S. Central Valley | 1,055 | 3,297 | -8.3 |
| San Diego | 4,329 | 2,254 | -22.1 |
| San Francisco (MD) | 4,396 | 456 | -28.1 |
| Other So. Cal. | 59 | 177 | -29.3 |
| Other Bay Area | 263 | 974 | -40.4 |

BRACON ECONOMICS Analysis, Answers.

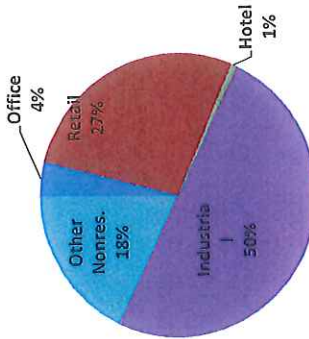
48



Non-Residential Permits

| New Nonresidential Building Permits by Type (\$000s) | | | | |
|--|-----------|-----------|------------|--|
| Permit Type | 2013 YTD | 2014 YTD | Change (%) | |
| New Commercial | 316,056 | 329,318 | 4.2 | |
| Office | 74,145 | 37,492 | -49.4 | |
| Retail | 216,611 | 264,560 | 22.1 | |
| Hotel | 3,586 | 7,001 | 95.2 | |
| Industrial | 476,310 | 483,580 | 1.5 | |
| Other Nonres. | 63,955 | 172,698 | 170.0 | |
| Nonres. Alts./Addis. | 641,668 | 666,762 | 3.9 | |
| Total Nonres. | 1,497,989 | 1,652,359 | 10.3 | |

2014 Nonres. Permits



BRADSONECONOMICS Analysis, Answers.

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Permits by Sub-Region

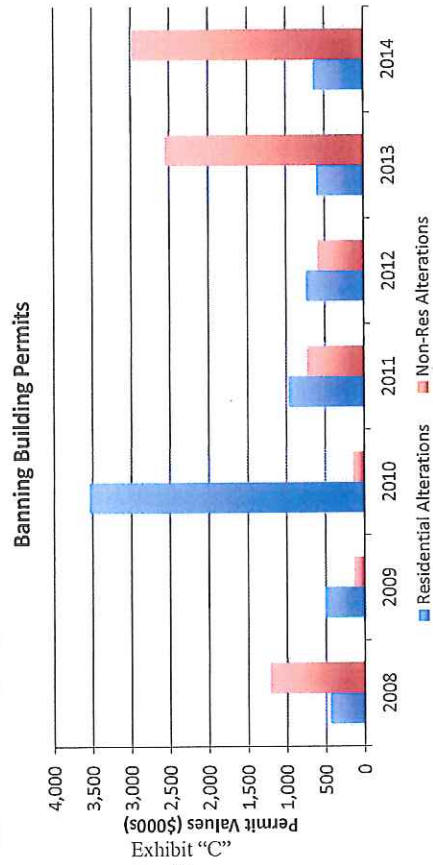
| Single-Family Permits | | | | | Multifamily Permits | | | | |
|------------------------|----------|----------|------------|--|------------------------|----------|----------|------------|--|
| Sub-Region | 2013 YTD | 2014 YTD | Change (%) | | Sub-Region | 2013 YTD | 2014 YTD | Change (%) | |
| City of Riverside | 70 | 230 | 228.6 | | Other | 182 | 311 | 70.9 | |
| City of San Bernardino | 38 | 62 | 63.2 | | City of Riverside | 51 | 85 | 66.7 | |
| Coachella Valley | 938 | 1,258 | 34.1 | | SW Riverside | 735 | 971 | 32.1 | |
| I-10 Corridor | 809 | 910 | 12.5 | | Corona/I-71 | 981 | 1,034 | 5.4 | |
| Other | 1,139 | 1,250 | 9.7 | | I-10 Corridor | 523 | 522 | -0.2 | |
| Mountains | 683 | 739 | 8.2 | | Coachella Valley | 243 | 222 | -8.6 | |
| High Desert | 251 | 264 | 5.2 | | Mountains | 76 | 0 | -100.0 | |
| Corona/I-71 | 641 | 627 | -2.2 | | Moreno Valley | 60 | 0 | -100.0 | |
| SW Riverside | 1,522 | 1,267 | -16.8 | | High Desert | 0 | 12 | N/A | |
| Moreno Valley | 133 | 46 | -65.4 | | City of San Bernardino | 0 | 50 | N/A | |
| RSB Total | 6,235 | 6,663 | 6.9 | | RSB Total | 2,853 | 3,207 | 12.4 | |

BRADSONECONOMICS Analysis, Answers.

50

41

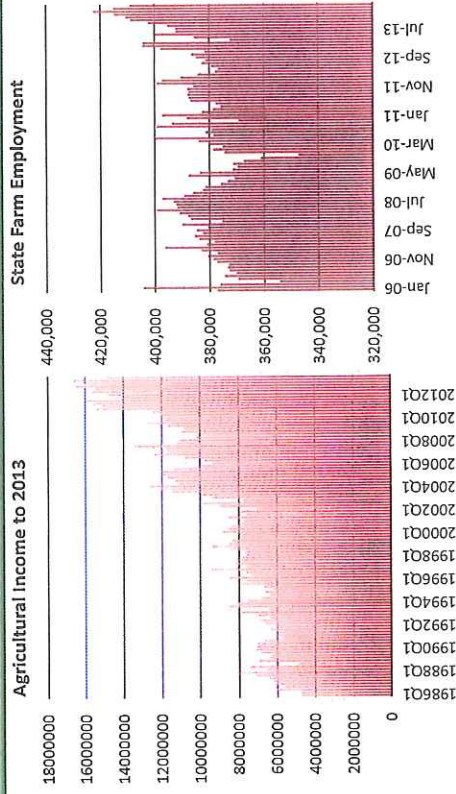
City Permits



BRADONECONOMICS Analysis, Answers.

51

Ag and the Drought



BRADONECONOMICS Analysis, Answers.

52

The Role of Reservoirs

MWD Storage Capacity

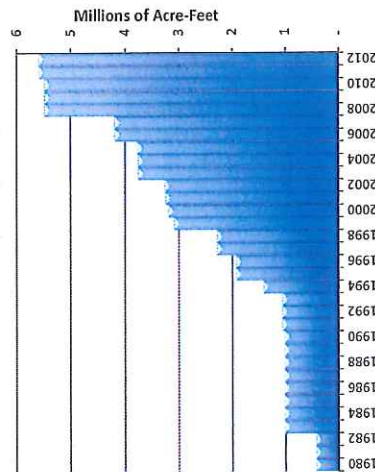


Exhibit "C"

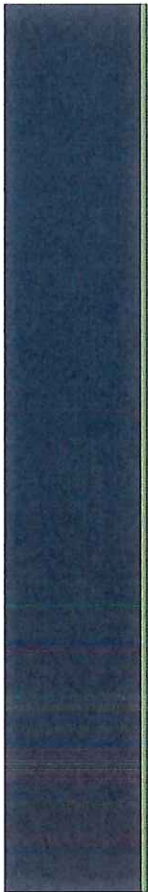
So what does it mean?

Big Themes for the 2015

- Labor markets reaching full recovery, incomes to rise
- Consumers will continue to spend on better income, easier credit
- Housing recovery to rebound again
- Commercial rebound will continue, construction in hot spots
- Business spending to grow steadily
- Fed will move slow, long term rates to drift up slowly—flatter yield curve ahead
- California still in the growth mix as long as there is still slack to work with

Future issues remain

- Government investments constrained
- Global economy still wobbly, uncertainty in the developing world
- State short on housing / needs CEQA reform
- State budget surplus in name only, need revenue reform
- Long term issues: healthcare, pensions, entitlements
- Growing inequality of income and wealth
- Politics politics politics



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BEACONECONOMICS Analysis. Answers.

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City of Banning

Strategic Visioning Sessions 2015

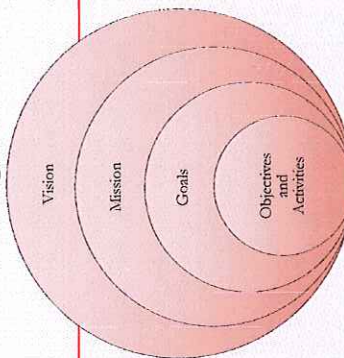
Preliminary Report
James E. Smith, Ph.D.



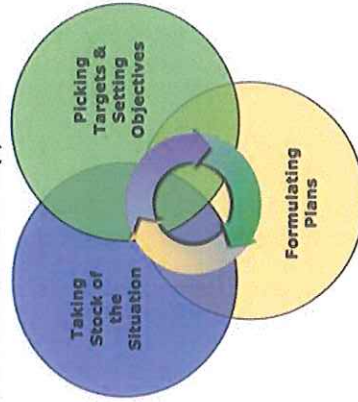
Project Started with Meetings To Get Citizen Input on City Needs

- Seven meetings in different parts of town
 - Churches
 - Senior Center
 - Sun Lakes
 - Restaurant near the center of town
- Conducted at a variety of times (morning, afternoon, and night)
- Conducted on multiple days of the week (weekdays and weekends)

Planning Model



Planning Process



Posted by Sheila Robinson (2014) to
American Evaluation Association
Website

Step 1: Taking Stock

Examining External Factors

- Economic trends
- Demographic trends
- Technological trends

Listen to Stockholders

- Residents
- Business owners
- Educators
- Workers
- Shoppers

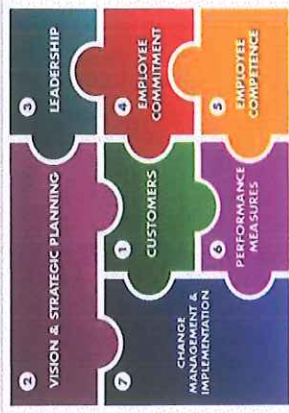
Assembling a team to
communicate with citizens



Include all Voices with Transparency



Strategic Management Accountability Model



SWOT Analysis at Community Meetings

| Strengths, Weaknesses, Opportunities, and Threats (SWOT) | | |
|--|------------------------------|--------------------------|
| | Positive | Negative |
| Internal | Strengths (Capitalize on) | Weaknesses (Shore Up) |
| External | Opportunities (Invest in) | Threats (acknowledge) |

Taking Stock of the Current Vision Statement

(More of a mission statement than a vision statement)

- The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of it citizens.

Taking Stock of The Current Mission Statement

(Too long, includes items that belong in the goals section, city government assumes all responsibility)

- Our Banning City Government is activity concerned with the quality of life offered to our citizens and is constantly striving to improve that quality by:
- ...highest level of police, fire and paramedic services possible
- ...well-planned and safe neighborhoods for a strong community
- ...downtown where you can live, work, shop, and play.
-generate new business opportunities and support existing businesses that generate jobs and revenue.

What are the existing strategic goals?

The existing strategic plan contains 7 goals in all the right areas.

- Fiscal Responsibility
- Safety
- Infrastructure and city facilities
- Economic development
- Quality of Life
- Community Relations
- Regional Cooperation and Partnerships

What do Respondents Like about Banning?

The strengths of the city.

- Location
- Climate
- Sense of community
- Small town feel

What do Respondents Not like About Banning?

- Weak economic development
- Few activities for youth
- City's image
- Poor public transportation
- Street and road maintenance
- Poor communication systems

What do respondents view as the biggest threats?

- Competition with Beaumont
- Lack of job opportunities
- Losing the small town feel
- Lack of cohesiveness among city council members
- Weak code enforcement

What do respondents view as the greatest opportunities for the city?

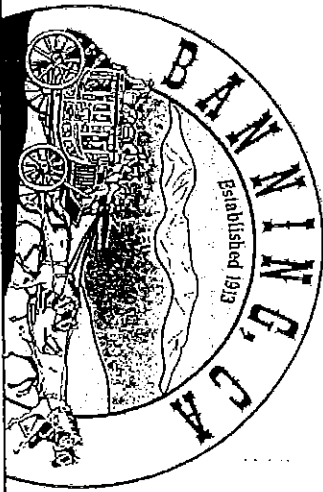
- Close proximity to Cabazon and Morongo
- Inexpensive land for development
- Small town image
- Proximity to the freeway
- Railroad access
- Unused airport property

The next steps.

- Clarify the image and define the vision for the city.
- Review and revise the mission statement
- Create the story you want people to have in their minds regarding the city.
- Define actions that could improve the image of the city?
- Identify the themes in the feedback from community groups
- Prioritize the actions you plan to take.
- Establish benchmarks and timetables.

SWOT Results

Strategic Visioning Meetings with Banning Residents
Preliminary Results for Strategic Planning



Proud History
Prosperous Tomorrow

James E Smith, Ph.D.
March 2015

| | |
|----------|------------------------|
| S | • Strengths |
| W | • Weaknesses |
| O | • Opportunities |
| T | • Threats |

| | |
|--|--|
| | Affordable housing |
| | Sense of community <i>community</i> |
| | Climate |
| | Location |
| | New court house |
| | Low traffic in most places (high traffic at Highland Spring) |
| | Large residential lots |
| | College access |
| | Sun Lakes |
| | Proximity to Cabazon and Morongo |
| | Movie (Fox Theater) |
| | Very little graffiti |
| | Small town feeling |
| | Senior Center |
| | Art Galleries |
| | Restaurant |
| | Access to fast-food |
| | Effective drainage system |
| | Courteous city employees |
| | Customer services from utility company |
| | Concerts in the park |
| | Stagecoach history |
| | Sunset grade separation |

54

| | |
|---|-----------------|
| 5 | •Strengths |
| W | •Weaknesses |
| O | • Opportunities |
| T | •Threats |

| | |
|--|---|
| | Close proximity to Cabazon and Morongo |
| | Inexpensive land for development |
| | Close to metropolitan areas |
| | Small town image |
| | Attracting tourists and visitors |
| | Rental Rate is up (too high for some residents) |
| | Proximity to the freeway |
| | Arts community |
| | Chamber of Commerce |
| | Celebrate the city in social media (facebook, etc.) |
| | Farmer's Market |
| | Railroad access |
| | Shopping for local residents and visitors |
| | College campus in city |
| | Food for less on the Eastside |
| | Block parties to bring people together |
| | Internet access allow people to work from home |
| | Unused airport property |

| | |
|---|-----------------|
| 5 | •Strengths |
| W | •Weaknesses |
| O | • Opportunities |
| T | • Threats |

| | |
|--|---|
| | Not getting more middle class housing |
| | Lack of cohesiveness on City Council |
| | Lack of job opportunities |
| | Losing our idle young people to crime |
| | Inability to attract business |
| | Weak code enforcement |
| | Losing the small town feel |
| | Building deterioration |
| | Beaumont students come to Banning for continuation school |
| | Communication problems (weak mechanisms for information dissemination) |
| | Empty storefronts downtown |
| | Gang influences from other cities |
| | Poor relationship between city residents and Sun Lakes residents |
| | Drugs and homelessness |
| | Too many rentals |
| | Rivalry between Banning and Beaumont |
| | Sacrifice of property (land give away) for court house and county offices that don't generate revenue |
| | Street Crime |

| | |
|---|---------------|
| S | Strengths |
| W | Weaknesses |
| O | Opportunities |
| T | Threats |

| | |
|--|---|
| | Weak local Economy |
| | * Empty store fronts |
| | City's image |
| | Not business friendly |
| | Homeless epidemic |
| | Older library |
| | No bike paths or bike racks in downtown area |
| | Slow economic development |
| | Individual citizen claim are referred to contractors |
| | Street and road maintenance is weak |
| | Zoning regulations are not as effective as they should |
| | Promote development in the areas designated as art zoning |
| | Diversity is an opportunity |
| | Food desert (economic segregation) |
| | Business flight |
| | Poor public transportation |
| | High electric bills |
| | Unqualified city official |
| | City council members who can't work together |
| | Lots of planning -- weak on execution |
| | No homeless shelter |
| | Poor street maintenance |
| | Few activities for youth (17 to 20) |
| | No grocery store |
| | Not enough concern about bringing businesses to town |
| | Too much reliance on property tax for revenue |
| | Weak code enforcement |
| | Micro-management from council members |
| | Not enough handicap parking |
| | No opportunities for youth |
| | Main street is too dark |

| | |
|--|--|
| | Not enough sidewalk |
| | Street signage is missing from many residential streets |
| | No street sweeping |
| | Low visibility of council in the community (except for the mayor) |
| | Poor communication from city council (transparency) |
| | Slow police response |
| | Downtown blight |
| | Noise from railroad trains |
| | Weak job opportunities |
| | Need more public transit access |
| | Poor system of communication |
| | Weak leadership |
| | Function of local government |
| | City needs a resource guide |
| | Tree maintenance |
| | Need friendlier website |
| | Weak planning & weak execution of plan |
| | Parliamentarian instead of legal counsel at board meeting (waste of money) |
| | Council hides behind the Brown Act |

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

03/24/15
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Franklin on March 24, 2015 at 3:01 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: James E. Smith, Interim City Manager
Lona N. Laymon, Assistant City Attorney
Colin Tanner, Attorney – Aleshire & Wynder, LLC
Stephen Onstot, Attorney – Aleshire & Wynder, LLC
Brian Guillot, Acting Community Development Director
Rita Chapparosa, Deputy Human Resources Director
Art Vela, Acting Public Works Director
Marie A. Calderon, City Clerk

CLOSED SESSION

Assistant City Attorney said closed session tonight will consist of two cases of potential initiation of litigation pursuant to Government Code Section 54956.9 (d)(2); existing litigation matter pursuant Government Code Section 54956.9 (d)(1) - Robertson's Ready Mix, Lt., v. City of Banning and the Banning City Council, et al; real property negotiations pursuant to Government Code Section 54956.8 to confer with its real property negotiator in regards to APN: 532-130-011; Personnel Matters - recruitment of City Manager pursuant to Government Code Section 54957; labor negotiations pursuant to the provisions of Government Code Section 54957.6, City is represented by City Attorney and negotiations are with International Brotherhood of Electrical Workers (IBEW) – Utility Unit and General Unit, Banning Police Officers Association (BPOA), and San Bernardino Public Employees Association (SBPEA); existing litigation pursuant to Government Code Section 54956.9(d)(1); Andrew Takata, Duane Burk and Leonard Purvis v. City of Banning et al, Case No. RIC 1408547; existing litigation pursuant to Government Code Section 54956.9 (d)(1): a) City of Banning v. Hunter Consulting, Inc. – Case No. RIC1311358; b) City of Banning v. Mary Ann Dureau and that item is actually not under discussion for closed session; and real property negotiations pursuant to Government Code Section 54956.8 to confer with its real property negotiator in regards to the Village at Paseo San Gorgonio (APN: 541-181-009 thru 012, 541-181-024 thru 028, 541-183-001 thru 004 and vacated rights-of-way as depicted on Tentative Parcel Map No. 36285.

Mayor Franklin opened the closed session item for public comments; there were none.

Meeting went into closed session at 3:03 p.m. and reconvened at 4:56 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 4:56 p.m.

Marie A. Calderon, City Clerk

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

03/24/15
REGULAR MEETING

A regular meeting of the Banning City Council and a Joint Meeting of the City Council and the Banning Utility Authority and a joint meeting of the City Council and the City Council Sitting in Its Capacity of a Successor Agency was called to order by Mayor Franklin on March 24, 2015, at 5:04 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: James E. Smith, Interim City Manager
Lona N. Laymon, Assistant City Attorney
Dean Martin, Interim Administrative Services Director
Rita Chapparosa, Deputy Human Resources Director
Michelle Green, Deputy Finance Director
Fred Mason, Electric Utility Dir.
Art Vela, Acting Public Works Director
Perry Gerdes, Public Utilities Superintendent
Alex Diaz, Interim Chief of Police
Phil Holder, Police Lieutenant
Heidi Meraz, Community Services Director
Brian Guillot, Acting Community Development Director
Oliver Mujica, Contract Planner
Sonja De La Fuente, Office Specialist
Marie A. Calderon, City Clerk

The invocation was given by Dr. David Frisbee, Pastor of the Church of the Nazarene. Councilmember Moyer led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

Assistant City Attorney said the City Council met in closed session there was no reportable action on all items in closed session with the exception of Item No. 4, personnel matters - recruitment of City Manager pursuant to Government Code Section 54957. On that matter the City Council unanimously voted to suspend recruitment of a city manager position at this point in time and rather to initiate negotiations with Jim Smith for position of full-time city manager.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

Frank Burgess, 2021 W. Cottonwood addressed the Council stating that he came before the Council on the 12th of January and it now the 24th of March and he has been waiting and waiting for an answer in regards to Pardee to get the exact figures that the City of Banning is waiving in development fees. He realizes that the four of the present Council Members and the staff had nothing to do with it but Mayor Franklin was on the Council when that was signed and that was in 2012. He thinks the citizens of Banning have a right to know that we have waived \$12 million dollars of the 27,000 taxpayers of Banning for 500 homes. It makes no sense to him and he doesn't know if any of the Council had a chance to read the agreement or not. He said he is very proud of Mr. Miller and Mr. Peterson for what they are doing for the benefit of the taxpayers and very disappointed in the Mayor because she was on the Council and should have known what kind of fees you were waiving. He hopes and prays that this never ever happens to the City again. He said that he would still want to be corrected if he is wrong on the \$12 million dollar accusation he is making here tonight. He said that \$12 million dollars would have paid almost all of the police station and we would not have raised the water rates 60% and the electric rates 25 or 30 percent. Put your business hat on and represent the citizens of Banning and not just the development group. He is not saying for the developers to stay away but they buy that land for an investment purpose. He also hears this cry of water shortage and how can you grant a permit if you truly, truly have a shortage of water. He said that he is very unhappy at the fact that we are giving away \$12 million dollars of the taxpayer's money.

Inge Schuler resident of Banning addressed the Council with her concern about the Items for Future Agendas, Pending Items, etc. In the minutes on page 16 from the February 24th meeting you have 9 items that are to be put on future agendas. In looking at today's agenda there is only one of those items on Pending Items for City Council; no items for Future Agenda beyond that. What happened to the other things? Did they just vanish or get swept under the rug? Will this never be discussed again? She noticed that the Animal Control Services, Police Staffing, etc. just vanished. What is happening to the utility bill that the Chamber of Commerce owes? She knows that they used the argument that they did not get a bill so they don't have to pay it. She said when she boards horses for other people they know very well that the board is due on a certain date whether they receive a bill or not. She said that her city utility bill did not arrive in time for February so she called and was told how much it was and when it was due so she went to the city hall and paid it. In the meantime the post office has found her and she got that bill. It is impossible at the counted at city hall to get a copy of your bill; you get a summary but cannot get a copy. Now here we go again the last bill was due on the 10th and she just received the next bill yesterday and it is due on the 4th of April. How can people actually deal with all of this when they never know until they get the bill and sometimes they have one day to pay depending on the services of the post office. She really thinks we need to clean that up and that should be an item for future agendas.

Ana Arevalo with Banning Family Community Health Center addressed the Council stating that they are open and their building is fully operational now. They have general doctors, pre-employment and sports physicals, TB tests, immunizations, and they also have dental and pharmacy. It is really convenient for everybody. Besides that if you do not have any type of

insurance they do have a sliding scale fee program of fees depending on income. They speak Spanish and English and also help people apply for various medical plans.

Don Smith said he wanted to piggyback on Inge's comments in that you have heard the problems lately of the bills being for cycles of 33-days which based on our tier system raises our rates and that has disappeared from the agenda also. His understanding is that there is something planned about some sort of a study session but when things like this just disappear from the agenda without that explanation the public has no idea what is going on. He can relate to what Inge said about her bill now being due six days sooner than last month because he noticed in this cycle the meter-reader bills run between 28 and 32 days that he received. So they are actually a much shorter cycle and they got on the right direction last month. More than not they were actually 31 days or less; some still weren't but more than not were 31 days and they did a better job. But if we could get an update on what the plan is that somebody is studying it, there is going to be a hearing on it at some time and we are going to discuss how to get our bills so that there is a fairer method of billing based on the number days in the bill mainly he thinks by going to daily than monthly tiers; it seems that the computer could do that and how we could get the bill to the people so that they can budget and know when to pay it he feels would go a long way in making people feel better when they receive Banning utility bills. He knows that there is a plan and has heard theories about the plan but most of the public have no idea how you plan on resolving this and when the hearing is going to be.

Alex Diaz, Police Chief addressed the Council and the public to remind them that their police survey is up and operational on their website at www.banningpolice.org and asked that citizens take four minutes out of their time to help out with the survey. For those who do not have a computer or smart phone or tablet they are providing paper copies and they are available at city hall, the community center and some will be taken to Sun Lakes and they can be returned to the same location where they are picked up. He hopes that our citizens can help in providing that information to help them be a better department.

Mayor Franklin said that there were a couple of questions in regards to what happened to some of the agenda items and we are actually folding some of them together to go into future meeting items or workshops and she thinks the City Manager is going to announce when we have some upcoming workshops.

Interim City Manager said that we have these items scheduled for an April 7th workshop that will include utilities, goal setting – Part I, and also Midyear. We are attempting to resolve all of these items here within the next couple of meetings so as you see them disappear they will be scheduled for April 7th, April 14th, and April 21st and on. That is why you seen them disappear.

Mayor Franklin asked the Council if they wanted to make any comments about upcoming events.

Councilmember Moyer said that VFW Post 233 does a lot of really good work in the Banning-Beaumont Pass Area helping veterans get settle back in, helping them get benefits and so forth and they are holding their 8th Annual Charity Golf Tournament at the Sun Lakes Executive Golf Course on April 26th. It is a worthwhile event and the cost is about \$75 a golfer.

Councilmember Welch stated that on April 25th the Banning Disaster Preparedness Expo will be held from 10 a.m. to 2 p.m. at the Banning Community Center. Please attend because it certainly gives you some insight as to what we can do and individuals and a community during a disaster.

Mayor Franklin said on April 18th from 8 a.m. to 1:00 p.m. there will be a Bulky Item Drop-off Day at Dysart Park and there will also be free paper shredding. This event is for Banning residents only. Also on March 25th the monthly Water Alliance Meeting will be held and the topic for the general meeting is having to do with ground water and ground water legislation and will deal somewhat with the storm water runoff.

CORRESPONDENCE – None at this time.

PRESENTATIONS

1. Proclaiming the Month of April 2015 as “DMV/Donate Life California Month.

Mayor Franklin said seeing no one here to accept the proclamation it will be mailed to them.

CONSENT ITEMS

Mayor Franklin said that Consent Items 9 and 10 are pulled.

1. Approval of Minutes – Special Meeting – 02/24/15 (*Closed Session*)

Recommendation: That the minutes of the Special Meeting of February 24, 2015 be approved.

2. Approval of Minutes – Regular Meeting – 02/24/15

Recommendation: That the minutes of the Regular Meeting of February 24, 2015 be approved.

3. Ordinance No. 1484 – 2nd Reading: An Ordinance of the City Council of the City of Banning, California, Approving an Initial Study/Negative Declaration, General Plan Amendment No. 14-2501 and Zone Change No. 14-3501 Relating to Eighteen (18) Properties (APN: 541-320-001, 541-320-002, 541-320-003, 541-320-004, 541-320-005; 541-320-006; 541-320-007, 541-320-008, 541-320-009, 541-320-010, 541-320-011, 541-320-012, 541-320-013; 541-320-014, 541-320-015, 541-320-018, 541-320-019, and 541-320-020) and Zoning Text Amendment No. 15-97501 Amending Section 17.08.030 (General Standards) Table 17.08.030 (Residential Development Standards) of the Zoning Ordinance (Title 17 of the Banning Municipal Code) Pertaining to the Minimum Lot Size Per Single Family Unit for Nine (9) Properties (APN: 541-320-010, 541-320-011, 541-320-012, 541-320-013, 541-320-014, 541-320-015, 541-320-018, 541-320-019 and 541-320-020) Within the Very Low Density Residential Zoning District.

Recommendation: That Ordinance No. 1484 pass its second reading and be adopted.

4. Ordinance No. 1485 – 2nd Reading: An Ordinance of the City Council of the City of Banning, California, Approving the Initial Study/Negative Declaration, General Plan Amendment No. 14-2503 and Zone Change No. 14-3503 Relating to Twelve (12)

Properties (APN: 535-060-008, 535-070-023, 535-070-038, 535-070-014, 535-070-025, 535-110-002, 535-110-011, 535-311-014, 535-311-015, 535-311-016, 535-311-017 and 535-311-018).

Recommendation: That Ordinance No. 1485 pass its second reading and be adopted.

5. Notice of Completion for Project No. 2014-05, Sidewalk Repairs at Various Locations

Recommendation: That the City Council accept Project No. 2014-05, Sidewalk Repairs at Various Locations as complete and directs the City Clerk to record the Notice of Completion.

6. Report of Investments for January 2015

Recommendation: That the City Council receive and file the monthly Report of Investments.

7. Approval of Accounts Payable and Payroll Warrants for Month of January 2015

Recommendation: That the City Council review and ratify the following reports per the California Government Code.

8. Resolution No. 2015-14, Approving the Purchase of One (1) 2015 Ford Utility Vehicle in the Amount of \$29,421 from Wondries Fleet Group.

Recommendation: That the City Council adopt Resolution No. 2015-14, authorizing the purchase of one (1) Ford Police Interceptor Utilities vehicle from Wondries Fleet Group in an amount not to exceed \$29,421.

11. Resolution No. 2015-17, Approving the Purchase of Nineteen (19) Data911 M7 In-Car CPUs with Installation Accessories and Two (2) Back-Up Hard Drives in the Amount of \$65,669 from Hubb System LLC Dba Data 911.

Recommendation: That the City Council adopt Resolution No. 2015-17, authorizing the purchase of nineteen (19) M7 In-Car Computers with installation accessories and two (2) backup hard drives from Hubb Systems, LLC dba Data911 in an amount not to exceed \$65,669.00.

12. Resolution No. 2015-18, Approving the First Amendment to the Contract Services Agreement between the City of Banning and Innovative Federal Strategies, LLC for Federal Advocacy "Lobbying" and Governmental Affairs Services.

Recommendation: That the City Council: (I) adopt Resolution No. 2015-18, approving the First Amendment to the Contract Services Agreement with Innovative Federal Strategies, LLC for Federal Legislative Advocacy "Lobbying" and Governmental Affairs Services; (II) authorize the Interim City Manager to execute the First Amendment to the Contract Services Agreement with Innovative Federal Strategies, LLC in the form that is approved by the City Attorney; and (III) Authorize the Interim Administrative Services Director to make necessary budget adjustments for FY 2015.

Motion Moyer/Welch to approve Consent Items 1 through 8 and 11 and 12. Mayor Franklin opened the item for public comment on those items; there were none. **Motion carried, all in favor.**

9. Resolution No. 2015-15, Authorizing the Banning Police Department to Begin Using the Mine-Resistant Ambush Protected (MRAP) Vehicle It Procured Through the Department of Defense (DOD) 1033 Program and to Use Funding Available in the Supplemental Law Enforcement Services Fund Grant Allocation (SLESA) Account to Pay for Equipment, Labor, and Materials to Make the Vehicle Operational for Department Use.

Interim City Manager said that he has pulled this item because he, Chief Diaz and the command staff have discussed it and feel this particular apparatus is not a valid piece of equipment that goes along with our Community Policing strategy so they would like to give this particular item back to whoever donated it to us and end our association with it.

Mayor Franklin opened the item for public comment; there was none.

10. Resolution No. 2015-16, Amending the Professional Services Agreement between the City of Banning and Romo Planning Group, Inc. for Additional Senior Management Analyst Services.

Acting Community Development Director Guillot gave the staff report on this item as contained in the agenda packet.

Councilmember Peterson said in looking at the staff report typical duties would include press releases, providing management and administrative analytical technical support to the City Manager all of which these duties were performed by Bill Manis so we are kind of incorporating that position into Oliver's position.

Director Guillot said yes, temporarily.

Councilmember Miller said if there was a budget change to this because he didn't see any specifications in that regard.

Director Guillot said the budget change would be a billing right added for those services so the person here performing the duties would turn-in two separate time cards accounting for his time each day and it would be billed accordingly.

Mayor Franklin said that the rate is for \$100.00 an hour. Director Guillot said that was correct.

Mayor Franklin opened the item for public comment.

Don Smith addressed the Council stating that since Zai Abu Bakar left our only professional planner is Brian Guillot and he is trying to do two or two and a half people's job by himself and he obviously needs help and he is not opposed to a short-term contract using the people we are already used to using but we need a long-term solution about Zai's position because until we have a long-term solution about Zai's position then we can't talk about the other positions that

we also need. So let's do whatever we need to do to speed up that process so that we can get our own department back to full strength.

Mayor Franklin closed the item for public comments.

Mayor Franklin said she actually pulled this item because she has a concern and we made a commitment to the residents that there were some things that we were supposed to be doing under the Planning Department that we did not do because we didn't have the money for it and didn't have the staff. She knows that we have taken some heat in the past for using people from one department to do something in another department and she made a commitment at that time that if we have people in a department then they need to do that department's work. So her concern is yes we do need to have somebody that is able to write press releases, someone working in economic development but she is not in favor of using somebody that should be doing Planning to do that work. So she will be voting no on that particular part and she believes that we do need the planners but we need planners to do planning items and look at other staff to do other things.

Motion Miller/Peterson to approve Consent Item No. 10 adopting Resolution No. 2015-16, approving the second amendment to the Contract Services Agreement with the Romo Planning Group, Inc. for Senior Management Analyst services for remainder of the contract period; (II) Authorize the Interim City Manager to execute the Second Amendment with Romo Planning Group, Inc. on the form that is approved by the City Attorney; and (III) Authorize the Interim Administrative Services Director to make necessary budget adjustments for FY 2015. Motion carried with Mayor Franklin voting no.

JOINT MEETINGS

Mayor Franklin recessed the regular City Council meeting and called to order a joint meeting of the Banning City Council and the Banning Utility Authority.

CONSENT ITEM

1. Resolution No. 2015-04 UA, Approving a Professional Services Agreement with Land Engineering Consultants, Inc. for the Water Main Replacement Design at Various Locations in the amount of \$107,980.00.

Motion Peterson/Moyer to adopt Resolution No. 2015-04 UA: (I) adopt Resolution No. 2015-04 UA, approving a Professional Services Agreement with Land Engineering Consulting, Inc. of Calimesa, California in the amount of \$107,980.00; and (II) authorize the Interim City Manager to execute the Professional Services Agreement with Land Engineering Consultants, Inc.

Mayor Franklin opened the item for public comments; there were none.

Motion carried, all in favor.

Mayor Franklin recessed the joint meeting of the Banning City Council and the Banning Utility Authority and called to order a joint meeting of the Banning City Council and the Banning City Council Sitting In Its Capacity of a Successor Agency.

CONSENT ITEM

1. Resolution No. 2015-01 SA, Approving the Establishment of Recognized Obligation Payment Schedule 15-16A for the Period of July through December 2015 and Approving Certain Related Actions.

Motion Peterson/Welch that the Successor Agency adopt Resolution No. 2015-01 SA, approving the Recognized Obligation Payment Schedule 15-16A for the period of July 1 through December 2015 and approving certain related actions.

Mayor Franklin opened the item for public comments; there were none.

Motion carried, all in favor.

Mayor Franklin recessed the joint meeting and reconvened the regular City Council Meeting.

REPORTS OF OFFICERS

1. Resolution No. 2015-12, Awarding the Construction and Professional Services Contracts for Project No. 2014-04, Corporate Yard Warehouse and Rejecting All Other Bids.
(Staff Report – Fred Mason, Electric Utility Director)

Director Mason gave the staff report as contained in the agenda packet. He also gave a power-point presentation on this project (see Exhibit "A" attached).

Councilmember Welch commended Director Mason and his staff for going back and re-working this and it resulted in a big savings compared to the original estimate that was put forward.

Councilmember Miller thanked Director Mason for this new estimate. He said that the Council has received a lot of complaints and statements that we micro-manage everything and that it is impolite to ask any question and it was their question that caused Director Mason to go back and look at this again and it resulted in a \$2 million dollar reduction. He said the Council has a responsibility to look at everything and ask questions and he appreciates everything that Director Mason is doing.

There were further Council questions and staff replied to the questions in regards to the difference in the engineer's estimate, cost per square foot of this type of building, and the contesting of the bid.

Councilmember Peterson said he wanted to give a thought to lease versus own. In corporate America they never own buildings. They lease and utilizes their funding and their capital to improve their business and let somebody else invest in the building. With us investing our \$7 million into the building he doesn't always think it is the right move and that perhaps we should take a look at leasing. At this time Councilmember Peterson gave further information in regards

to the possibility of leasing a building located on Williams and Hargrave that would have everything that is needed. The City in the past has bought all kinds of property and all kinds of buildings and today it is worth about ten cents on the dollars in our land banking which unfortunately the bottom fell out. He doesn't think that cities should be in the buying business when it comes into buildings and into land; we are not involved in real estate. But he would really like to take a look at leasing versus owning, occupying a vacant building versus building a new building, taking the \$7 million dollars and make it a reduction in the utility rate or even magically buying our bond debt down or if writing the rate payer a refund check for \$700 dollars; each and everybody in town. He thinks that we need to take a look at different alternative ways and innovative ways to: 1) save money; 2) to improve the economy; and 3) to get electric into a secure facility. He would like to see this item come off the agenda and staff do some type of analysis about lease versus own or build and take our money and utilize it differently. He said that he got figures and information from the property owner. He feels it meets Director Mason's specific needs and in fact, even exceeds his needs but would certainly give him room to grow.

Director Mason said to clarify this building that they are building is just for operations and does not house administration. They actually have 7,000 square feet of additional office space that they have 15 employees in so this building is specifically for operations.

There was much further discussion between the Council and staff and further questions were asked in regards to the proposal that Councilmember Peterson put forward in regards to lease versus owning. At this time also Director Mason gave more information in regards to the bond funds and the money allocated for the warehouse and Interim City Manager Smith spoke to the lease option and Interim Administrative Services Director Martin spoke to the lease option and how you can spend bond funds.

Councilmember Miller said from what he has heard from Interim City Manager and Interim Administrative Services Director Martin he wanted to know if it is worth considering that for this particular project or strictly something we should consider in the future; the leasing option.

Interim City Manager Smith said given the funding sources that you currently have available in this project that Interim Director Martin talked about the bond proceeds going into this project to fund the majority of the building unless we have identified some other funding he thinks this is probably the project we need to go ahead and do and that would be his recommendation since funding has been identified. He said in the future, he really does think we have other buildings like the water building and some other buildings that we may need to consider and look at doing it a cheaper way. He would not recommend leasing a building for this project.

Interim Director Martin said he would agree with that because of the fact you have the bond proceeds that are tied up with this and Director Mason was correct in saying when you do issue a bond issue you do have to specifically list the projects that you are going to spend that money on. Not that you can't later change but you need to document very good reasons why you have changed from what you originally intended those proceeds to be used for.

Councilmember Peterson thanked staff and it really did put a big question to rest. You never know until you explore all options.

There was more Council and staff discussion in regards to using a diesel generator instead of a natural gas generator, and are there any other capital projects where this \$2.7 could be used.

Director Mason said that he would check into the use of a diesel generator and there is no need for further funds for capital projects.

Assistant City Attorney Laymon stated that she does not have a lot to add legally into the discussion except to reiterate what Interim Director Martin mentioned although she has not read the bond documents and does not specifically know what capital projects were listed in the bond documents. As a general rule utilizing bond proceeds for a lease type of arrangement is problematic but she is sure that she and staff would be happy to answer any other questions following public comment.

Mayor Franklin opened the item for public comments.

Don Smith addressed the Council stating that he wasn't sure that would make sense either just because everything else is at the yards in the same place and it saves the City operational expenses in people not driving back and forth. Leasing is a fascinating idea and he is well aware of the building that is being discussed. He said he first decided that they needed a warehouse back in 1994 when he had a tour of the existing warehouse by the person in charge of the warehouse it was self-evident that we did need a new warehouse. He said that he had a different comment that is on point but not specifically about the warehouse and certainly we do want to approve what we want to approve before the 180 days run out on the bids. Also if any business in town would have built that million dollar wall and did the improvements with grading inside the yards there is not a chance in a billion they would not have been required to properly landscape and put sidewalks in on San Geronio. The next time the City has a paving project we should put in the sidewalks and the landscaping and do what everybody else is required to do and it would actually make our yards not look so very unprofessional.

Mayor Franklin closed the item for further public comments.

Motion Welch/Miller that the City Council adopt Resolution No. 2015-12: (I) Approving the Construction Contract for Phase I (Civil Improvements) of Project No. 2014-04 "Corporate Yard Warehouse" to Moalej Builders, Inc., of Sherman Oaks, California, in the amount not to exceed \$1,091,500.00 including taxes and allowing a 10% contingency of \$109,150.00, and rejecting all other Bids; (II) Approving the Construction Contract for Phase II (Metal Building) of Project No. 2014-04 "Corporate Yard Warehouse" to Kinsman Construction Inc., of San Diego, California, in the amount not to exceed \$859,000.00 including taxes and allowing a 10% contingency of \$85,900.00, and rejecting all other Bids; (III) Approving the Construction Contract for Phase III (Tenant Improvements) for Project No. 2014-04 "Corporate Yard Warehouse" to International Computing Systems, Inc., of Los Angeles, California, in the amount not to exceed \$1,145,000.00 including taxes and allowing a 10% contingency of \$114,500.00, and rejecting all other bids; (IV) Approving a Professional Services Agreement with Bernards, of Ontario, California for Construction Management Services ("CMS") for an amount "Not to Exceed" \$356,159.00; (V) Approving a Professional Services Agreement with RMA

Group of Rancho Cucamonga, California for Material Testing and Construction Inspection Services ("MT&CIS") for an amount "Not to Exceed" \$99,113.00; (VI) Approving the first Amendment to the Professional Services Agreement with Higginson & Cartozian Architects ("HCA") of Redlands, California to include additional services in an amount of \$69,495.00; (VII) Approving the first Amendment to the Professional Services Agreement with Albert A. Webb Associates ("WEBB") of Riverside, California to include additional services in an amount of \$15,800.00; (VIII) Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project and to approve change orders within the 10% contingencies; (IX) Authorizing the Interim City Manager to execute the construction and professional services contract agreements and amendments related to Project No. 2014-04, Corporate Yard Warehouse. Motion carried, all in favor.

2. Resolution No. 2015-19, Approving the Purchase of an Electric Vehicle Fast DC Charging Station and Awarding the Construction Contract for Project No. 2015-02EL, EV Charging station, 2140 W. Ramsey Street, City of Banning and Rejecting all Other Bids.
(Staff Report – Fred Mason, Electric Utility Director)

Director Mason gave the staff report as contained in the agenda packet and went over the specifics of the charging station to be placed at McDonalds.

There were Council and staff discussion and comments regarding this charging station in regards to how do they pay for the electricity, the possibility of putting a charging station at city hall instead of McDonalds, security and maintenance of the charging station, possibility of having a charging station primarily for City vehicles, and how do we let people know that there is a charging station at McDonalds.

Director Mason said that before this actually goes on-line he would be coming back to Council in regards to recommendations for charging a fee or free or a combination of both and also how they would let people know where the charging station was located such as freeway signage, etc.

Mayor Franklin opened the item for public comments. There were none.

Motion Welch/Moyer that the City Council adopt Resolution No. 2015-19: (I) Approving the equipment purchase and installation of a new Electric Vehicle ("EV") Fast DC Charging Station from Greenlots in the amount not to exceed \$33,175.38 including taxes; (II) Approving the Construction Contract for Project No. 2015-02EL "EV Charging Station, 2140 W. Ramsey St, City of Banning" to M. Brey Electric, Inc., of Beaumont, California, in the amount not to exceed \$25,014.00 including taxes and allowing a 10% contingency of \$2,501.40, and rejecting all other bids; and (III) Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project and to approve change orders within the 10% contingencies; and (IV) Authorizing the Interim City Manager to execute the construction and professional services contract agreements and amendments related to Project No. 2015-02EL, EV Charging Station, 2140 W. Ramsey St, City of Banning. Motion carried, all in favor.

ANNOUNCEMENTS/REPORTS (Upcoming Events/Other Items if any)

City Council

Councilmember Miller –

- Said in regards to the electric bills they are going to be discussed at the workshop but the question certainly exists and to him it is a very, very simple programming change that can require us to have bills per month. Our meters are read somewhat randomly by the fact that somebody has to come along and read them but again, it is a straight-forward programming procedure to extrapolate whatever data that is taken and do it per month so that people know when they have to pay for these things.

Mayor Franklin said don't we do that now? We don't do billing monthly?

Director Mason said yes, we do bill them monthly. If he understands what Councilmember Miller is saying is that some programs and he doesn't believe our software program can actually accommodate what you are asking for but they say if the number of day is X, then it takes the daily and extrapolates that so that it actually gives you the accurate tier for that number of days. So it would actually give you a higher tier one ratio if you had a 33-day billing cycle and then a lower tier one ratio if you had a 28 day so the monthly billing would be truly based on your cycle. Unfortunately our software system can't do that. At the Electric Utility Workshop he will be discussing one of the proposals that we have to fix this situation.

Mayor Franklin –

- She shared that we finally got our letter from the Housing Department for the State and we are finally approved for our Housing Element. It just came in on the 19th of March.
- We do have nominations for our Park and Recreation Commission so the City Clerk will be checking with everybody for the date and times for the Council to interview the candidates and we have three applications for two positions.
- RCTC (Riverside County Transportation Commission) are reminding people if you are traveling on the 91 please check for detours and road closures because there are some coming up throughout the city and it will take you a lot longer if you are traveling in the Riverside area.
- Also she has one possible interest for SCAG (Southern California Association of Governments) delegate to the Annual Conference. She asked if there were any other Council interest in attending. There were none.

City Committee Reports - None

Report by City Attorney

Assistant City Attorney Laymon congratulated the Council on getting your approval from HCD. It has been many years in the making and a lot of back and forth with the State.

Report by City Manager

- On the City's website if you haven't participated in the goal setting or the focus groups or anything like that there is still time available. On our website there is a press release that talks about what the goal setting is all about and click within there and there is a survey that

people can click on and do ratings of City services, Council meeting times and the like. Some of the issues that have come up have been repeated there and we want the public to let us know what they think.

Mayor Franklin said that we had some people volunteer a week ago Saturday to plant some trees downtown and seven students and a few adults planted 21 trees along Ramsey Street so we will have some certificates of appreciation for the students that came out for that event. She thanked those in our community who cared enough to help take care of it.

ITEMS FOR FUTURE AGENDAS

New Items – None

Pending Items – City Council

1. Discussion regarding City's ordinance dealing with sex offenders and child offenders.
2. Bond Workshop (*Midcycle*)

ADJOURNMENT

By common consent the meeting adjourned at 6:44 p.m.

Marie A. Calderon, City Clerk

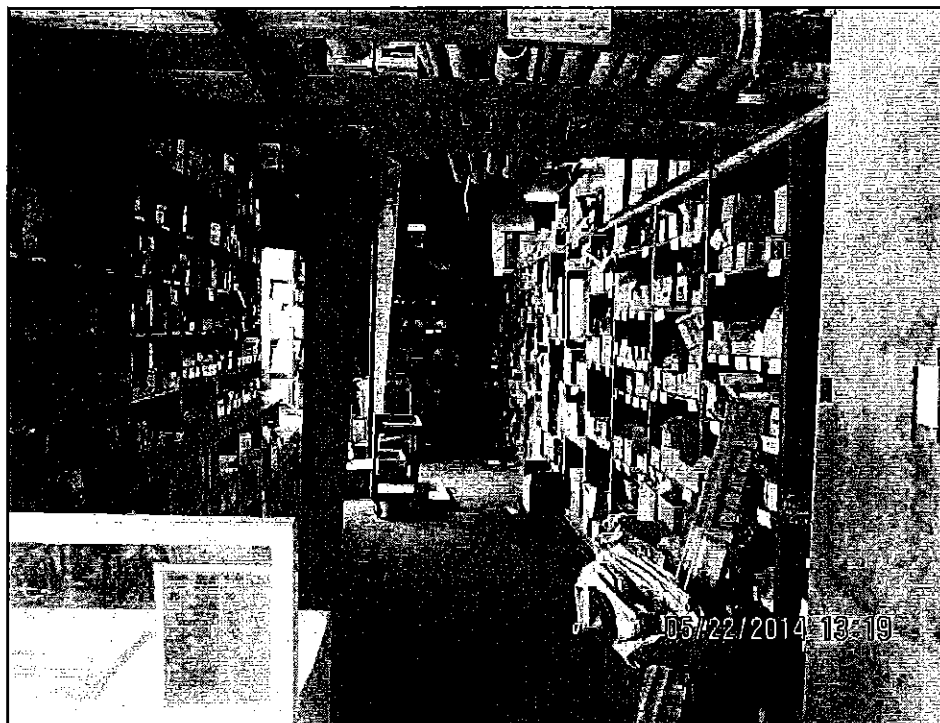
THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

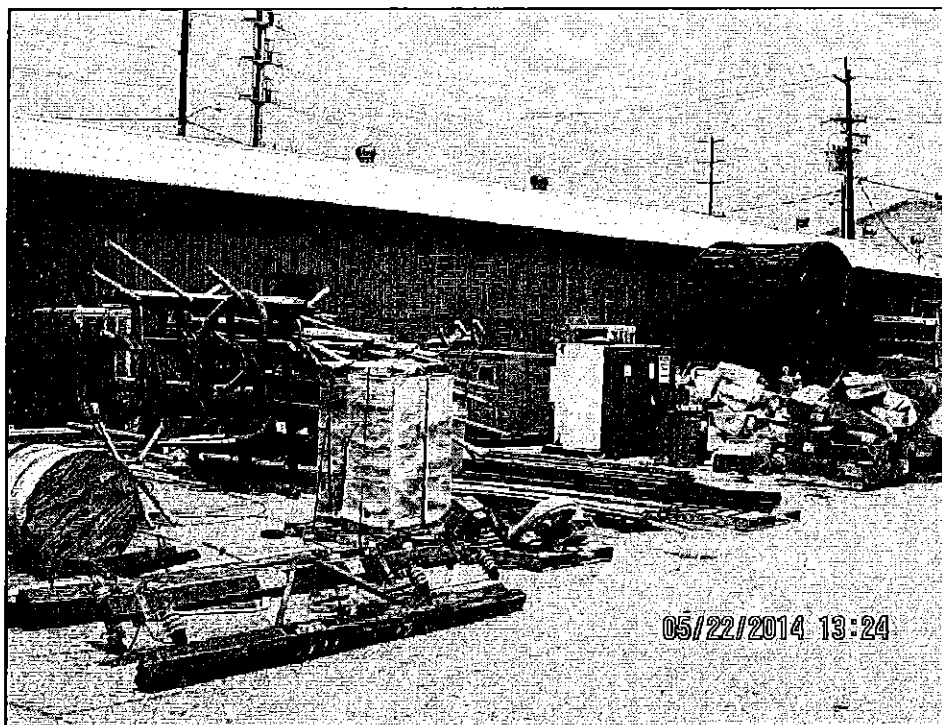
City of Banning Electric Department

Corporate Yard Warehouse

Why a New Warehouse?

- Historical information indicates the current warehouse was a produce packing facility back in the 1930's
- Current warehouse does not have enough space to store the Electric Utility's inventory and equipment
- The Utility has had over \$500,000 in material and equipment stolen





Proposed Building

- Approximately 20,000 sf
- Provides space for all inventory, equipment, vehicles, & document retention
- Improves Utility safety, security & function
- Provides Multi-purpose/Training Room
- Provides space for Public Works – Streets
- Upgrades Emergency Backup generation
- Concept approved by Council in 2010 through Capital Improvement Plan process

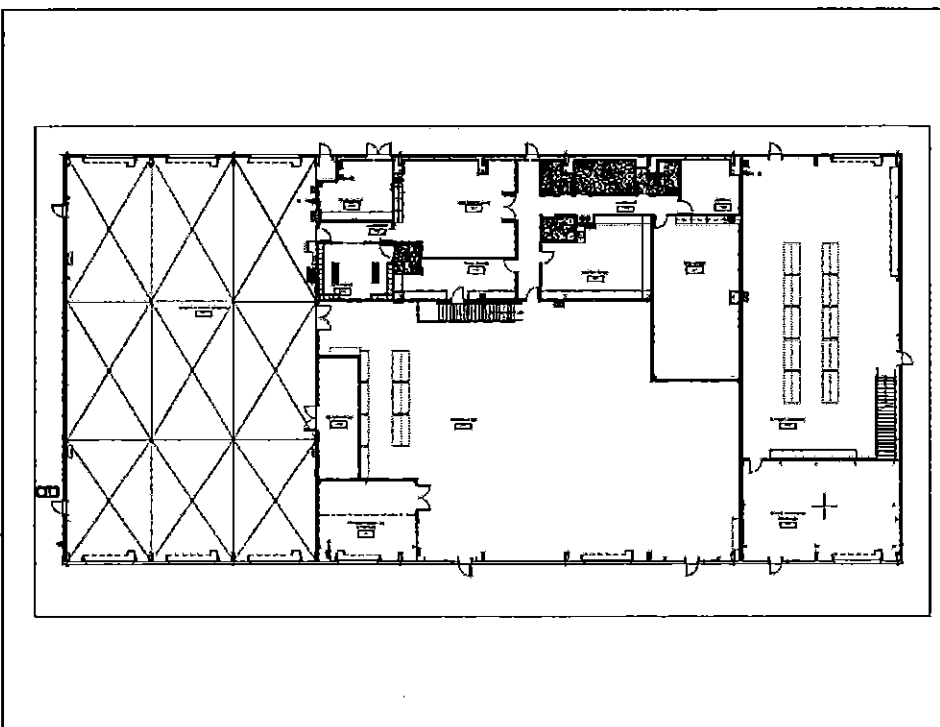
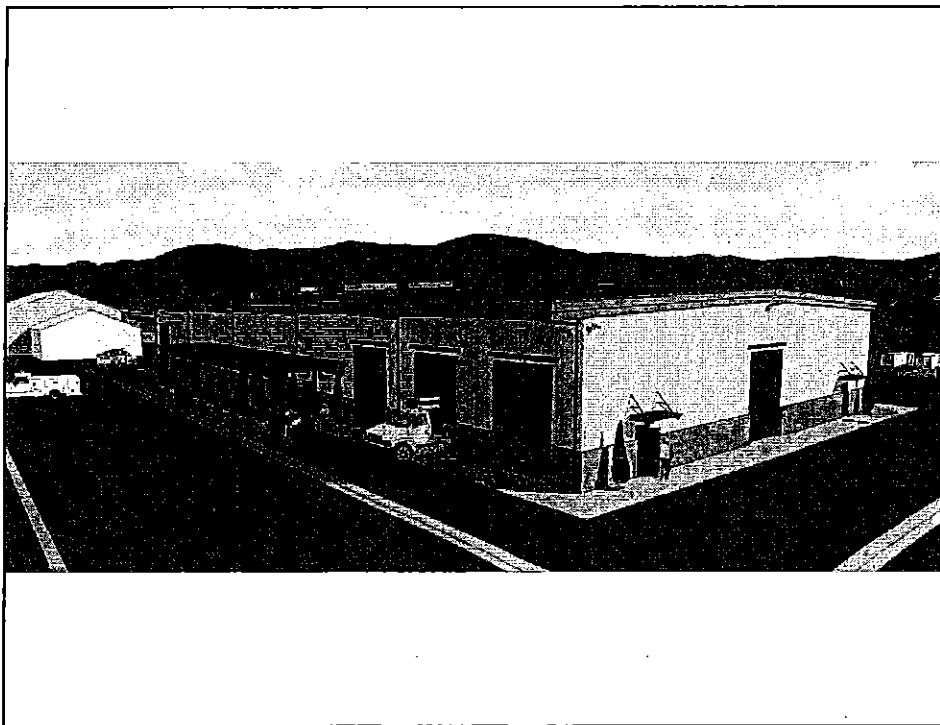


Exhibit "A"
17
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Original Design & Bid Process

- Staff worked with architectural firm HCA over 18 months to develop the project
- The original Engineer's Estimate was \$2,665,849 which set the CIP budget
- Staff originally solicited bids in July 2014
- Six bids were received and the lowest bid was \$5,116,529
- Council rejected all bids on 9/23/2014 and instructed staff to re-evaluate the project

Re-Evaluation Process

- Staff worked with the architect to perform a "value engineering" analysis of the project
- Divided project into three phases to reduce overhead costs and increase bid competition
 - Phase I: Civil Improvements
 - Phase II: Metal Building
 - Phase III: Tenant Improvements

Re-Bid Process

- Received five bids for Phase I (Civil)
 - Lowest responsible bid was \$1,091,500 compared to the Engineer's Est of \$1,050,000
- Received three bids for Phase II (Building)
 - Lowest bid was \$879,000 compared to the Engineer's Estimate of \$1,150,000
- Received 14 bids for Phase III (TI)
 - Lowest bid was \$1,145,000 compared to the Engineer's Estimate of \$1,125,000

\$\$\$ Savings

The Re-Evaluation exercise resulted in significant reductions to the project costs

- Original low bid for construction costs was \$5,116,529
- New low bid (total of three phases) after Value Engineering process is \$3,095,500
- Total reduction in project cost \$2,021,029

Fiscal Analysis

- Total Construction cost : \$3,095,500
- Additional \$850,117 is required for professional services and contingency
 - Construction Mgmt Services \$356,159
 - Mat'l Testing & Inspections \$ 99,113
 - Architectural Services \$ 69,495
 - Surveying/Staking \$ 15,800
 - 10% Contingency \$309,550
- Total Project cost: \$3,945,617

Recommendations

- Approve Resolution 2015-12
- Award all bids and approve all contracts, authorize Interim City Manager to execute contracts
- Authorize the necessary budget adjustments, appropriations and transfers related to the project

CITY COUNCIL AGENDA

Date: April 14, 2015

TO: City Council

FROM: Dean Martin, Interim Administrative Services Director

SUBJECT: Report of Investments for February 2015

RECOMMENDATION: The City Council receive and file the monthly *Report of Investments*.

JUSTIFICATION: State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

BACKGROUND/ANALYSIS: This report includes investments on hand at the end of February 2015. As of February 28, 2015, the City's operating funds totaled \$76,583,610. Included in Successor Agency operating funds is \$793,637 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of February 28, 2015 approximately 40% of the City's unrestricted cash balances were invested in investments other than LAIF.

The February Investment Report includes the following documents:

- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information

The attached Summary Schedule of Cash and Investments has been updated to show the rate of earnings allowance received from Wells Fargo Bank. The amount earned reduces the total amount of bank fees charged.

FISCAL DATA: The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was increased to 0.266% in February. The average rate for all investments in February was 0.393%.

RECOMMENDED BY:



Dean Martin
Interim Administrative Services Director

APPROVED BY:



James E. Smith
Interim City Manager

Summary Schedule of Cash and Investments

| Operating Funds | | <u>Amount</u> | |
|--|------------|---------------|--------------------------|
| <u>Petty Cash</u> | | | 3,705 |
| <u>Bank Accounts</u> | | Interest Rate | Amount |
| Wells Fargo Bank | | 0.200% * | 3,191,499 |
| Bank of America-Airport | | 0.020% | 8,340 |
| Bank of America-Parking Citations | | 0.020% | 3,624 |
| Bank of America-CNG Station | | 0.020% | 4,769 |
| <i>Money Market and Bank Account Sub-Total</i> | | | 3,208,232 |
| <u>Government Pools</u> | | | |
| Account #1 Operating Amount | 44,290,447 | | |
| Account #1 CRA Bond Cash Bal. | 793,637 | | |
| Local Agency Investment Fund: Account #1 | | 0.266% | 45,084,084 |
| Account #2 Successor Agency Cash Bal | 0 | | |
| Local Agency Investment Fund: Account #2 | | 0.266% | 0 |
| <i>Government Pool Sub-Total</i> | | | <u>45,084,084</u> |
| Operating Cash Balance | | | 48,296,021 |
| <u>Restricted Operating Funds</u> | | | |
| Riverside Public Utilities- Highmark U.S. Government Money Market Fund | | 0.010% | 401,055 |
| California ISO Corp- Union Bank | | | 100,195 |
| Worker's Compensation Program- (PERMA) | | | 1,889,198 |
| <u>Other Investments</u> | | | |
| Investments-US Bank/Piper Jaffray - See Page 2 | | 0.638% | 25,897,140 |
| Operating Funds Total | | | <u>76,583,610</u> |
| Fiscal Agent | | | |
| US Bank | | | <u>34,703,406</u> |
| Fiscal Agent Total | | | <u>34,703,406</u> |

* Rate of earnings allowance received, offsets analyzed bank charges.

Operational Portfolio Individual Investments

| Par Value | Investment Description | Coupon Rate | Interest Rate | Maturity Date | Purchase Date | Date | Discount or (Premium) Amortization | Market Value |
|---|-----------------------------------|-------------|---------------|---------------|---------------|------------|------------------------------------|--------------|
| <i>Bank Accounts</i> | | | | | | | | |
| 3,191,499 | Wells Fargo Bank-Operating | n/a | 0.20% | daily | varies | 3,191,499 | n/a | 3,191,499 |
| 8,340 | Bank of America-Airport | n/a | 0.02% | daily | varies | 8,340 | n/a | 8,340 |
| 3,624 | Bank of America-Parking Citations | n/a | 0.02% | daily | varies | 3,624 | n/a | 3,624 |
| 4,769 | Bank of America-Parking Citations | n/a | 0.02% | daily | varies | 4,769 | n/a | 4,769 |
| Sub-total | | | | | | | | |
| | | | | | | | | 3,208,232 |
| <i>Government Pools</i> | | | | | | | | |
| 45,084,084 | L.A.I.F. account #1 | n/a | 0.266% | daily | varies | 45,084,084 | n/a | 45,084,084 |
| 0 | L.A.I.F. account #2 | n/a | 0.266% | daily | varies | 0 | n/a | 0 |
| | | | | | | | | 45,084,084 |
| <i>Investments- US Bank/Piper Jaffray</i> | | | | | | | | |
| 1,000,000 | FHLMC Mtn | n/a | 0.570% | 6/20/2016 | 6/6/2013 | 1,000,000 | | 1,000,180 |
| 1,000,000 | FNMA | n/a | 0.750% | 12/19/2016 | 6/19/2013 | 1,000,000 | | 999,400 |
| 2,000,000 | FHLMC Mtn | n/a | 0.375% | 6/24/2016 | 12/24/2013 | 2,000,000 | | 2,000,160 |
| 2,000,000 | FHLMC Mtn | n/a | 0.500% | 6/27/2016 | 12/27/2013 | 2,000,000 | | 1,995,780 |
| 2,000,000 | FHLMC Mtn | n/a | 0.750% | 12/27/2016 | 12/27/2013 | 2,000,000 | | 2,000,200 |
| 2,000,000 | Federal Home Loan Bks | n/a | 0.700% | 12/27/2016 | 3/27/2014 | 2,000,000 | | 2,000,520 |
| 2,000,000 | Federal Home Loan Bks | n/a | 0.900% | 3/27/2017 | 3/27/2014 | 2,000,000 | | 1,996,940 |
| 2,000,000 | Federal Home Loan Bks | n/a | 0.500% | 7/15/2016 | 4/15/2014 | 2,000,000 | | 2,000,200 |
| 1,000,000 | Federal Home Loan Bks | n/a | 1.050% | 4/17/2017 | 4/17/2014 | 1,000,000 | | 1,001,000 |
| 1,700,000 | FHLMC Mtn | n/a | 0.700% | 12/30/2016 | 6/30/2014 | 1,700,000 | | 1,699,439 |
| 2,000,000 | FHLMC Mtn | n/a | 0.750% | 2/28/2017 | 11/28/2014 | 2,000,000 | | 2,002,000 |
| 2,000,000 | FHLMC Mtn | n/a | 0.800% | 5/26/2017 | 11/26/2014 | 2,000,000 | | 1,996,760 |
| 2,000,000 | Federal Home Loan Bks | n/a | 1.200% | 5/24/2018 | 11/6/2014 | 2,000,000 | | 1,989,100 |
| 3,215,461 | Money Market | n/a | 0.010% | daily | varies | 3,215,461 | 0 | 3,215,461 |
| US Bank/Piper Jaffray Average Rate= | | | | | | | | |
| | | | 0.638% | | | | | 25,897,140 |

Average Rate All= 0.393%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on January 13, 2015. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 211 days and does not include Bond Reserve Fund Investments.

City of Banning Investment Report

February 28, 2015

Individual Investments with Fiscal Agent

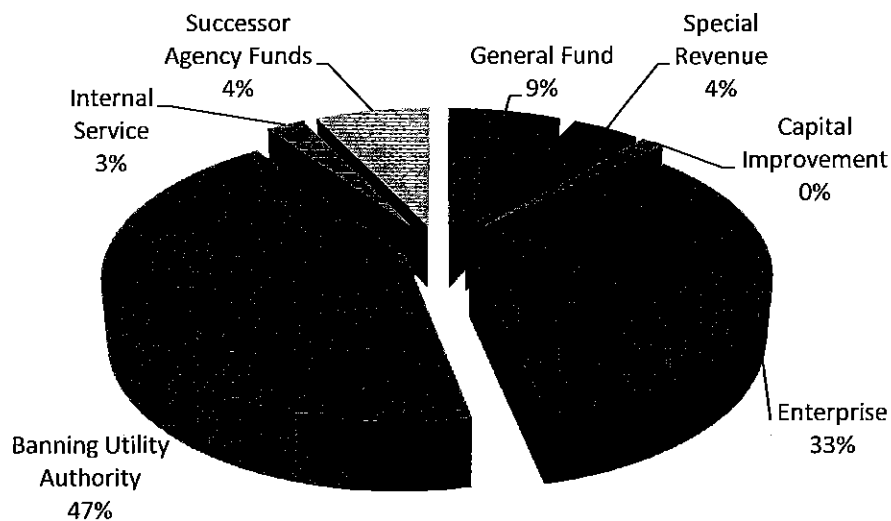
| Bond Issue Description | Bond Maturity Date | Investment Description | Current Yield | Bond Reserve Bond Maturity Date | Minimum Reserve Requirement | 2/28/2015 Market Value |
|---|--------------------|------------------------|---------------|---------------------------------|-----------------------------|------------------------|
| COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A | | | | | | |
| 2005 Fair Oaks Ranch Estates | 2035 | US Bank Mmkt 5-Ct | 0.020% | daily | 188,024 | 3.19 |
| COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003 | | | | | | |
| 2003 CRA Tax Allocation Bonds | 2028 | U S Treasury Bill | 4.61% | 1/29/2015 | 971,250 | 1.99 |
| | | US Bank Mmkt 5-Ct | 0.02% | daily | | 991,545 |
| | | US Bank Mmkt 5-Ct | 0.020% | daily | | 20,790 |
| | | US Bank Mmkt 5-Ct | 0.020% | daily | | 375,000 |
| | | US Bank Mmkt 5-Ct | 0.020% | daily | | 250,005 |
| Surplus Fund | | US Bank Mmkt 5-Ct | 0.000% | daily | | 12 |
| COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007 | | | | | | |
| Redevelop Fund | 2037 | US Bank Mmkt 5-Ct | 0.020% | daily | | 141.55 |
| Reserve Fund | | US Bank Mmkt 5-Ct | 0.020% | daily | 1,875,100 | 31.86 |
| Special Fund | | US Bank Mmkt 5-Ct | 0.000% | daily | | 9.76 |
| Surplus Fund | | US Bank Mmkt 5-Ct | 0.000% | daily | | 11 |
| BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES | | | | | | |
| Interest Account | | US Bank Mmkt 5-Ct | 0.000% | daily | | 2 |
| Principal Account | | US Bank Mmkt 5-Ct | 0.000% | daily | | 4 |
| | | US Bank Mmkt 5-Ct | 0.200% | daily | | 55.48 |
| BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES | | | | | | |
| Interest Account | | US Bank Mmkt 5-Ct | 0.000% | daily | | 12 |
| Principal Account | | US Bank Mmkt 5-Ct | 0.000% | daily | | 21 |
| Reserve Fund | | US Bank Mmkt 5-Ct | 0.020% | daily | 2,310,738 | 39.25 |
| Project Fund | | US Bank Mmkt 5-Ct | 0.020% | daily | | 27.22 |
| BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES | | | | | | |
| | | US Bank Mmkt 5-Ct | 0.000% | daily | | 12 |
| | | US Bank Mmkt 5-Ct | 0.020% | daily | 2,672,050 | 45.39 |
| Acquisition & Construction | | US Bank Mmkt 5-Ct | 0.020% | daily | | 216.12 |
| *Paid Semi-Annually-Deposited into Money Mkt Account | | | | | | 576.64 |
| Total | | | | | | 34,703,406 |

City of Banning

Investment Report Supplemental Information

Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the twelve month period of Jan. 2014 to Dec. 2014. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

| Fund Type | Description of Funds |
|---------------------------|--|
| Governmental | General Fund |
| Special Revenue | Restricted Funds (i.e. CFDs, grants) |
| Capital Improvement | Development Impact Fee funds |
| Enterprise | Airport, Transit, Refuse, Electric |
| Banning Utility Authority | Water, Wastewater, Reclaimed water |
| Internal Service | Risk Management, Fleet, IT, Utility Services |
| Successor Agency Funds | Previously called Redevelopment Agency |

Summary Schedule – Line item descriptions

Petty Cash –

The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiering in utility billing.

Bank Accounts –

When reviewing the *Report of Investments*, please keep in mind that the balances shown on the *Summary Schedule of Cash and Investments* for bank accounts are “statement” balances. They reflect what the financial institution has on hand as of particular date and lists on their statement. They are not “general ledger” balances. General ledger balances reflect all activity through a particular date (i.e. all checks that have been written and all deposits that have been made) and is what we show on our books (the general ledger). The general ledger balance more accurately reflects the amount of cash we have available.

It should be noted that statement balances and general ledger balances can differ significantly. For example – on June 30th the statement balance for Wells Fargo Bank could show \$1,000,000, however, staff may have prepared a check run in the amount of \$750,000 on the same day. Our general ledger balance would show \$250,000, as the Wells Fargo statement does not recognize the checks that have been issued until they clear the bank.

For investment decisions and cash handling purposes staff relies on the balance in the general ledger. Staff does not invest funds that are not available. Sufficient funds must be kept in the bank accounts to cover all checks issued.

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings. The Summary Schedule of Cash and Investments shows the rate of earnings allowance received from the bank. The amount earned reduces the total amount of bank fees charged.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.

Summary Schedule – Line item descriptions – Cont.

Government Pools –

- Local Agency investment Fund – Account #1
 - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to \$50M.
- Local Agency investment Fund – Account #2
 - There is currently no balance in this account.
 - Note: When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds.

Restricted Operating Funds at Riverside Public Utilities –

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earnings of the trust account.

Restricted Operating Funds at California ISO-

The California ISO facilitates the purchase and sale of the City's electricity. The City participates in periodic Congestion Revenue Rights (CRR) auctions to acquire financial hedges for transmission congestion. In order to participate in the CRR auctions the City was required to have a secured form of financial security in the amount of \$100,000. A cash deposit was placed with Union Bank in March, 2012 to meet the requirements. The account is an interest bearing collateral account.

Restricted Operating Funds at PERMA-

The City participates in a JPA with the Public Entity Risk Management Authority (PERMA), who provides administration for the City's worker's compensation insurance program. PERMA requires the City to deposit funds into an account used by PERMA for the payment of worker's compensation claims. The City does not control the investments or earnings of this account.

Other Investments –

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

Fiscal Agent / US Bank –

Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.

CITY COUNCIL AGENDA

Date: April 14, 2015
TO: City Council
FROM: Dean Martin, Interim Administrative Services Director
SUBJECT: Approval of Accounts Payable and Payroll Warrants for Month of February 2015

RECOMMENDATION: The City Council review and ratify the following reports per the California Government Code.

FISCAL DATA: The reports in your agenda packet cover "Expenditure Disbursements" and "Payroll Expenses" for the month of February 2015.

The reports are:

Expenditure approval lists

| | | |
|-------------------|--------------|----------------------|
| February 5, 2015 | 184,867.32 | |
| February 12, 2015 | 1,053,710.60 | |
| February 19, 2015 | 335,119.47 | |
| February 26, 2015 | 265,719.01 | |
| March 24, 2015 | 1,436,142.01 | (February Month End) |

Payroll check registers

| | |
|-------------------|----------|
| February 6, 2015 | 3,674.36 |
| February 20, 2015 | 3,850.38 |

Payroll direct deposits*

| | |
|-------------------|------------|
| February 6, 2015 | 243,062.01 |
| February 20, 2015 | 237,457.38 |

As you review the reports, if you have any questions please contact the Finance Department so that we can gather the information from the source documents and provide a response.


Report Prepared by: Melissa Rodriguez-Elizondo, Accountant

RECOMMENDED BY:



Dean Martin
Interim Administrative Services Director

APPROVED BY:



James E. Smith
Interim City Manager

CITY of BANNING

Fund/Department Legend

Fund/Department Legend

001 General Fund Departments

0001 – General
 1000 – City Council
 1200 – City Manager
 1300 – Human Resources
 1400 – City Clerk
 1500 – Elections
 1800 – City Attorney
 1900 – Fiscal Services
 1910 – Purchasing & A/P
 2060 – TV Government Access
 2200 – Police
 2210 – Dispatch
 2279 – TASIN – SB621 (Police)
 2300 – Animal Control
 2400 – Fire
 2479 – TASIN – SB621 (Fire)
 2700 – Building Safety
 2740 – Code Enforcement
 2800 – Planning
 3000 – Engineering
 3200 – Building Maintenance
 3600 – Parks
 4000 – Recreation
 4010 – Aquatics
 4050 – Senior Center
 4060 – Sr. Center Advisory Board
 4500 – Central Services
 4800 – Debt Service
 5400 – Community Enhancement

All Other Funds

002 – Developer Deposit Fund
 003 – Riverside County MOU
 100 – Gas Tax Street Fund
 101 – Measure A Street Fund
 103 – SB 300 Street Fund
 104 – Article 3 Sidewalk Fund
 110 – CDBG Fund
 111 – Landscape Maintenance
 132 – Air Quality Improvement Fund
 140 – Asset Forfeiture/Police Fund
 148 – Supplemental Law Enforcement
 149 – Public Safety Sales Tax Fund
 150 – State Park Bond Fund
 190 – Housing Authority Fund
 200 – Special Donation Fund
 201 – Sr. Center Activities Fund
 202 – Animal Control Reserve Fund
 203 – Police Volunteer Fund

204 – D.A.R.E. Donation Fund
 300 – City Administration COP Debt Service
 360 – Sun Lakes CFD #86-1
 365 – Wilson Street #91-1 Assessment Debt
 370 – Area Police Computer Fund
 375 – Fair Oaks #2004-01 Assessment Debt
 376 – Cameo Homes
 400 – Police Facilities Development
 410 – Fire Facilities Development
 420 – Traffic Control Facility Fund
 421 – Ramsey/Highland Home Road Signal
 430 – General Facilities Fund
 441 – Sunset Grade Separation Fund
 444 – Wilson Median Fund
 451 – Park Development Fund
 470 – Capital Improvement Fund
 475 – Fair Oaks #2004-01 Assessment District
 600 – Airport Fund
 610 – Transit Fund
 660 – Water Fund
 661 – Water Capital Facilities
 662 – Irrigation Water Fund
 663 – BUA Water Capital Project Fund
 669 – BUA Water Debt Service Fund
 670 – Electric Fund
 672 – Rate Stability Fund
 673 – Electric Improvement Fund
 674 – '07 Electric Revenue Bond Project Fund
 675 – Public Benefit Fund
 678 – '07 Electric Revenue Bond Debt Service Fund
 680 – Wastewater Fund
 681 – Wastewater Capital Facility Fund
 682 – Wastewater Tertiary
 683 – BUA Wastewater Capital Project Fund
 685 – State Revolving Loan Fund
 689 – BUA Wastewater Debt Service Fund
 690 – Refuse Fund
 700 – Risk Management Fund
 702 – Fleet Maintenance
 703 – Information Systems Services
 761 – Utility Billing Administration
 805 – Redevelopment Obligation Retirement Fund
 810 – Successor Housing Agency
 830 – Debt Service Fund
 850 – Successor Agency
 855 – 2007 TABS Bond Proceeds
 856 – 2003 TABS Bond Proceeds
 857 – 2003 TABS Bond Proceeds Low/Mod
 860 – Project Fund

CITY COUNCIL AGENDA

DATE: April 14, 2015
TO: CITY COUNCIL
FROM: Michelle Green, Deputy Finance Director
Heidi Meraz, Community Services Director
SUBJECT: RCTC SRTP Funding Request for City Services Allocation

RECOMMENDATION: Approve the request to RCTC for additional SRTP funding in the amount of \$132,094 to cover an allocation of City internal costs.

JUSTIFICATION: Costs of City services (insurance, legal, financial, management oversight, etc.) are allocated to the various City departments, funds, and programs based on assigned staffing dollars. This typical accounting allocation process ensures that the City accounts for the “full” costs of providing its various services.

BACKGROUND: Prior to Fiscal Year 2014, the amounts allocated to transit for City internal services was modified to a specific fixed amount. Some time ago, a decision was made to use these fixed amounts so as to minimize the impact on the Transit Fund. The effect of using these fixed amounts was that other City departments were, in fact, subsidizing the Transit Fund.

This process, however, was not based on a fair, reasonable, and justifiable allocation methodology and was not consistent with the purpose of an allocation methodology, namely to ensure that all services provided reflect “full” costing. Therefore, beginning in FY14 the allocation was revised back to a “full costing” calculation. The revised calculation resulted in an increase of approximately \$68,000 to Transit Fund costs.

The Transit Fund expenses are reviewed and approved annually by both the Council and the Riverside County Transportation Commission (RCTC), RCTC includes the City’s Transit Fund costs within its annual Short Range Transit Plan (SRTP). Due to timing differences between when that plan is reviewed and adopted, the additional costs being assigned to the Transit Fund by the City for its internal services was not included. RCTC staff has indicated that these costs are eligible to be included upon request and with approval of the City Council.

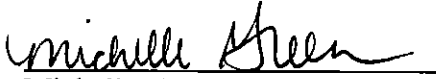
Additionally, in FY13 the Transit operations had a contract for professional services with Transportation Management and Design for a comprehensive analysis of Pass Transit’s Fixed Route service, etc. This amount was budgeted for in the FY13 budget. At the end of the year, there was still \$78,550 in unexpended but committed costs remaining on a purchase order, which was brought forward to the FY14 budget. Again due to a timing difference between the City’s annual budgeting process and completion of the RCTC Transportation Development Act

(TDA) Article 4 audit, this amount was not reported to RCTC until FY14. Reporting of this amount in the incorrect year resulted in RCTC reducing the FY14 Article 4 allocation, as it appeared to be an excess amount for FY14. Therefore, the FY14 allocation was erroneously shorted by \$78,550.

Going forward, steps have been implemented to align the budget process more closely with the SRTP process so that any relevant changes are recognized at the proper time. The total of the two items listed (the 68,000 allocation for City services and the underreporting for FY13 of outstanding purchase orders totaling \$78,550) amounts to \$146,550. However, due to the overall operational results for FY14 being \$14,456 less than budgeted, the total additional amount needed (and being requested at this time) is a net of \$132,094.

FISCAL DATA: It will eliminate the existing deficit in the Transit Fund.

RECOMMENDED BY:



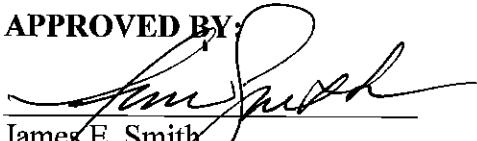
Michelle Green
Deputy Finance Director

REVIEWED BY:



Dean Martin, Interim
Administrative Services Director

APPROVED BY:



James E. Smith
Interim City Manager

**CITY COUNCIL AGENDA
RESOLUTION**

DATE: April 14, 2015

TO: City Council

FROM: Art Vela, Acting Director of Public Works

SUBJECT: Resolution No. 2015-23, "Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1"

RECOMMENDATION: The City Council adopt Resolution No. 2015-23 declaring the intention to levy and collect assessments within Landscape Maintenance District No. 1 (LMD No. 1) during the Fiscal Year 2015/16, pursuant to the "Landscaping and Lighting Act of 1972"; approving the Engineer's Report; and giving notice of the public hearing for renewal of said maintenance District.

JUSTIFICATION: It is essential to assess the property owners located within LMD No. 1 to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

BACKGROUND: The City Council authorized the formation of LMD No. 1 with the adoption of Resolution No. 1990-59 on August 14, 1990. An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution No. 2005-36 on May 10, 2005. A map displaying the District is attached herewith as Exhibit "A." On February 10, 2015 the City Council approved Resolution No. 2015-08, initiating proceedings for the fiscal year update of the District.

Resolution No. 2015-23 accomplishes three goals for the fiscal year update and renewal of LMD No. 1. First, it provides the resolution of intention to levy and collect assessments; second, it permits the City Council to review and approve the Engineer's Report; and third, it sets the date and time for a public hearing. Subsequent to the approval of Resolution No. 2015-23, the City Council will be requested to confirm the assessments for Fiscal Year 2015/16.

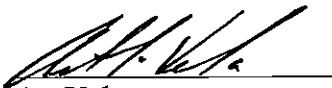
The Engineer's Report, reflecting the detail of proposed assessments, was forwarded to the City Council under a separate cover and is on file with the City Clerk. Upon approval of this resolution, the public hearing will be held at the regularly scheduled City Council meeting on May 26, 2015, at 5:00 p.m., as shown in the attached schedule (Exhibit "B"). A detailed list of tracts in LMD No. 1 and their respective assessments is shown as attached Exhibit "C."

A contract for the operation and maintenance of LMD No. 1 was awarded to Artistic Maintenance, Inc. at the regularly scheduled City Council meeting on May 13, 2014 through

the adoption of Resolution No. 2014-24. Staff intends to recommend the renewal of this contract for next Fiscal Year at the May 12, 2015 City Council meeting. For Fiscal Year 2015/2016, the Engineer's Report does not reflect a Consumer Price Index (CPI) percentage increase on the assessments over the last fiscal year due to the savings the LMD No. 1 budget has incurred by utilizing a landscape contractor instead of Public Works staff. Additionally, there was no CPI increase during the 2014/2015 Fiscal Year.

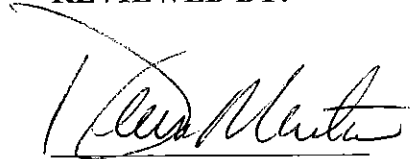
FISCAL DATA: Based on the proposed assessments, the estimated revenues for Fiscal Year 2015/16 for LMD No. 1 will be approximately \$136,562.00. If approved, the annual assessment for a single-family dwelling would remain the same as the last two fiscal years, ranging from \$98.91 to \$200.44. The assessment revenues will fund the landscape maintenance contract, electric and water utility costs, and miscellaneous costs (additional planting materials and irrigation repairs, County Assessor's Roll charge, Advertisement, etc.)

RECOMMENDED BY:



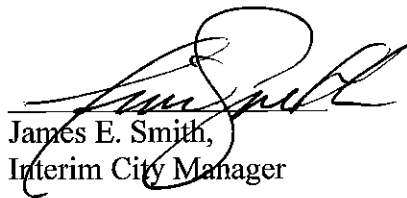
Art Vela,
Acting Director of Public Works

REVIEWED BY:



Dean Martin,
Interim Administrative Services
Director

APPROVED BY:



James E. Smith,
Interim City Manager

RESOLUTION NO. 2015-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DECLARING THE INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN LANDSCAPE MAINTENANCE DISTRICT NO. 1, DURING THE FISCAL YEAR 2015/16, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR THE MAINTENANCE AND SERVICING OF LANDSCAPING, APPROVING THE ENGINEER'S REPORT, AND SETTING THE DATE FOR THE PUBLIC HEARING FOR THE LEVY OF SAID ASSESSMENT

WHEREAS, at its regularly scheduled meeting on August 14, 1990, the City Council of the City of Banning (City Council) adopted Resolution No. 1990-59, authorizing the formation of Landscape Maintenance District No. 1 (LMD No. 1); and

WHEREAS, at its regularly scheduled meeting on May 10, 2005, the City Council adopted Resolution No. 2005-36, ordering the annexation of an additional five tracts and three tentative tracts to the City's LMD No. 1; and

WHEREAS, at its regularly scheduled meeting on February 10, 2015, the City Council adopted Resolution No. 2015-08, initiating proceedings for the fiscal year renewal of LMD No. 1 pursuant to the "Landscaping and Lighting Act of 1972," Part 2 (commencing with Sec. 22500) of Division 15 of the Streets and Highways code, for the maintenance and servicing of landscape medians, parkways, perimeter strips and slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities; and

WHEREAS, by said Resolution the City Council ordered the City Engineer to prepare and file a report with the City Clerk in accordance with Article 4 (commencing with Sec. 22565) of Chapter 1 of Part 2 of Division 15 of the Streets and Highways code; and

WHEREAS, the City Engineer has filed such report with the City Clerk, and such report has been presented to and considered by the City Council; and

WHEREAS, it is essential that the City Council adopt Resolution No. 2015-23, so that the City may assess and collect assessments from the property owners located within LMD No. 1; and

WHEREAS, the City Council hereby finds that the funding for LMD No. 1 is available through a special assessment of property owners located within the District.

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

SECTION 1. That the City Council hereby declares its intention to levy and collect assessments within LMD No. 1 for the Fiscal Year 2015/16 pursuant to the "Landscaping and Lighting Act of 1972." The area to be assessed is located in the City of Banning,

Riverside County. The boundaries of LMD No. 1 are described in Exhibit "A," and are on file in the Office of the City Clerk.

SECTION 2. That the purpose of LMD No. 1 is for the maintenance and servicing of landscape medians and parkways, perimeter strips and backup walls, landscaped hillsides with high visibility, side slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities.

SECTION 3. That the Engineer's Report, which is on file with the City Clerk and considered by the City Council at the meeting at which this Resolution has been adopted, is hereby approved and considered final. All interested persons are referred to that report for a full and detailed description of the work, the boundaries of the proposed assessment district, and the proposed assessments upon assessable lots and parcels of land within LMD No. 1.

SECTION 4. That the City Clerk shall give notice of the time and place of said hearing by advertising a copy of the resolution once in the local newspaper and provide a posted notice not less than ten (10) days before the date of the hearing.

SECTION 5. That on Tuesday, May 26, 2015, at the hour of 5:00 p.m., during the course of its regularly scheduled meeting, the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at Banning City Hall, 99 E. Ramsey Street, Banning, California.

PASSED, ADOPTED AND APPROVED this 14th day of April, 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon,
City Clerk of the City of Banning

94

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-23 was adopted by the City Council of the City of Banning at the Regular Meeting thereof held on the 14th day of April, 2015.

AYES:

NOES:

ABSENT:

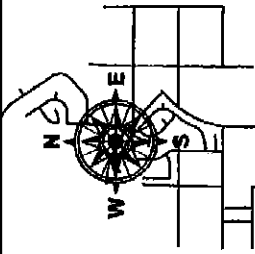
ABSTAIN:

Marie A. Calderon,
City Clerk of the City of Banning

EXHIBIT "A"

**LANDSCAPE MAINTENANCE DISTRICT NO. 1
FOR
FISCAL YEAR 2015/16**

MAP OF LANDSCAPE ARCHITECTURE DESIGN NO. 1 2014/2015



Legend

Existing Tracts

| | |
|-----------------------------|----------------------------|
| 1. 21882 Snow Creek I | 13. 31833 Fair Oaks |
| 2. 22810 Dev. Corp | 14. 31834 Fair Oaks |
| 3. 22811 Dev. Corp | 15. 31835 Fair Oaks |
| 4. 22913 Arce Bros. | 16. 32109 Sunset Ridge |
| 5. 23446 Highland Estates | 17. 30642 Opportunity Fund |
| 6. 23596 Snow Creek II | |
| 7. 28252 Fair Oaks | |
| 8. 29721 The Pines | |
| 9. 30186 Wilson Homes | |
| 10. 30222 Wilson Homes | |
| 11. 30793 Fiesta Collection | |
| 12. 30906 Evergreen Estates | |

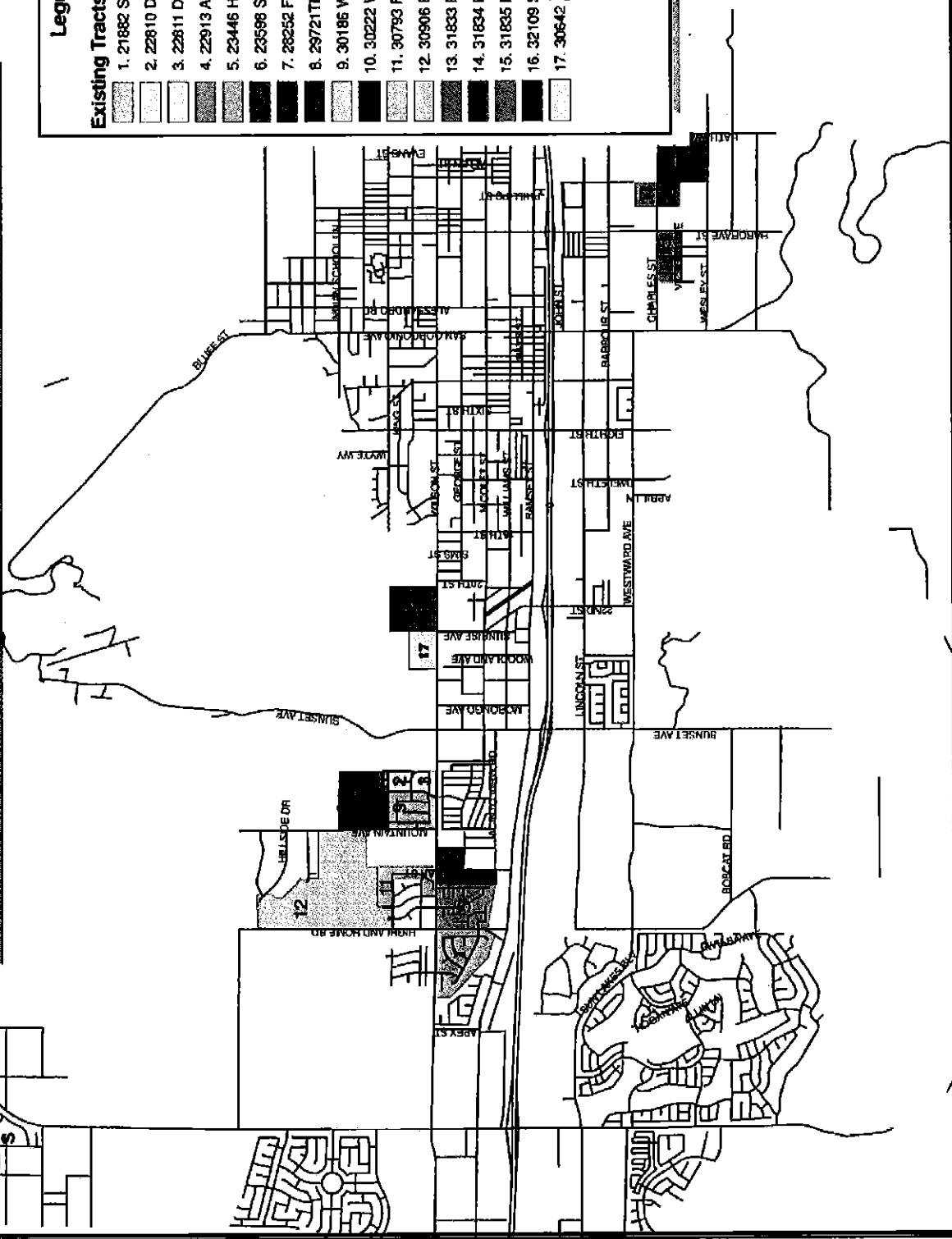


EXHIBIT “B”

TENTATIVE SCHEDULE UPDATING LANDSCAPE MAINTENANCE DISTRICT NO. 1

| <u>Item</u> | <u>Council Meeting</u> |
|---|------------------------|
| Resolution Initiating Update | February 10, 2015 |
| Resolution of Intention (Approving Engineer’s Report) | April 14, 2015 |
| Resolution Confirming Assessment (Public Hearing) | May 26, 2015 |

EXHIBIT "C"

LANDSCAPE MAINTENANCE DISTRICT NO. 1 TRACTS AND ASSESSMENTS FISCAL YEAR 2015/16

| Tract No. | No. of AU | Zone | Proposed Cost/AU (FY 2015/16) |
|--------------|--------------|------|----------------------------------|
| 22810 | 43 | A | \$108.90 |
| 22811 | 39 | A | \$108.90 |
| 22913 | 9 | A | \$108.90 |
| 21882 | 134 | B | \$113.31 |
| 23446 | 138 | B | \$113.31 |
| 29721 | 21 | B | \$113.31 |
| 30186 | 107 | B | \$113.31 |
| 30222 | 121 | B | \$113.31 |
| 32109 | 38 | B | \$113.31 |
| 23598 | 97 | C | \$98.91 |
| 30642 | (53) | C | \$98.91 |
| 28252 | 70 | D | \$200.44 |
| 30793 | 43 | D | \$200.44 |
| 31833 | 17 | D | \$200.44 |
| 31834 | 18 | D | \$200.44 |
| 31835 | 33 | D | \$200.44 |
| 30906* | 87 | D | \$200.44 |
| Total | 1,015 | | \$136,562.38 |

AU= Assessment Unit

(#) = Tract not yet completed or will not be accepted into the Landscape Maintenance District during the next Fiscal Year. Not included in total AU.

*Tract No. 30906 has a total of 303 AU; therefore, a total of 216 remain.

**CITY COUNCIL AGENDA
RESOLUTION**

DATE: April 14, 2015

TO: City Council

FROM: Art Vela, Acting Director of Public Works

SUBJECT: Resolution No. 2015-24, "Approving the Measure 'A' Five Year Capital Improvement Plan"

RECOMMENDATION: Adopt Resolution No. 2015-24, "Approving the Measure "A" Five Year Capital Improvement Plan."

JUSTIFICATION: The City is required to submit a Five Year Capital Improvement Plan ("CIP") annually to the Riverside County Transportation Commission ("RCTC") in order to receive Measure "A" funds.

BACKGROUND: Voters in Riverside County approved Measure "A" in 1988, which authorized the Riverside County Transportation Commission to impose an additional one-half percent (0.5%) sales tax for the next 20 years to be used for improvements of state highways, public transit systems, and local streets. In 2002, voters in Riverside County approved a 30-year extension of the one-half percent sales tax for transportation improvements.

RCTC has estimated that the City of Banning will receive Measure "A" Funds totaling \$2,803,000.00 as follows for the next five years:

| <u>Year</u> | <u>Estimated Amount</u> |
|-------------|-------------------------|
| 2015/2016 | \$535,000.00 |
| 2016/2017 | \$546,000.00 |
| 2017/2018 | \$557,000.00 |
| 2018/2019 | \$574,000.00 |
| 2020/2021 | \$591,000.00 |

Each City in Riverside County is required by the RCTC to submit a Five Year CIP, as approved by its governing board, to indicate how Measure "A" funding is to be utilized over the next five years. The list of street locations under the Five Year CIP is attached as Exhibit "A".

In 2012 the City hired Mission Geographics, LLC ("Mission") to complete a City wide mapping and data collection of the city's street network. Mission used automated data collection technology

to collect pavement surface distress data such as cracking, roughness, rutting, raveling/weathering, bleeding/flushing and deflection. Using these asset parameters the streets are scored and prioritized.

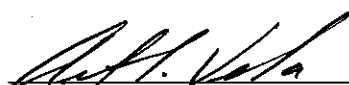
As part of the yearly Measure "A" CIP list submittal, the City is required to submit a Project Status Report for projects previously approved by City Council in previous fiscal years that have not been completed. Attached, as Exhibit "B", is the Project Status Report for FY 2014/2015.

The Measure "A" Ordinance requires annual certification that discretionary General Fund expenditures for transportation-related construction and maintenance activities for Fiscal Year 2015/2016 will meet or exceed the Maintenance of Effort Certification ("MOE") base year amount and commitment to expending Measure "A" funds to projects identified in the city's Five Year CIP. The MOE base year amount has been set to \$164,325.00. The MOE, attached as Exhibit "C", must be signed by the City Manager and submitted to RCTC along with the Five-Year CIP.

The program is intended to support public transit systems, street pavement rehabilitation, and public street improvements. If needed, City Council can request a change in the priority list of street locations after RCTC has approved the list by submitting a written request.

FISCAL DATA: The estimated revenue for the City of Banning's Measure "A" Program was provided by RCTC. The actual amounts will be determined during each Fiscal Year.

RECOMMENDED BY:



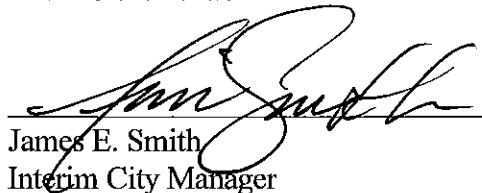
Art Vela
Acting Director of Public Works

APPROVED BY:



Dean Martin
Interim Administrative Services Director

APPROVED BY:



James E. Smith
Interim City Manager

Attachments:

Exhibit "A": 5-Year Measure "A" CIP

Exhibit "B": Project Status Report

Exhibit "C": Maintenance of Effort Certification Statement

RESOLUTION NO. 2015-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE MEASURE "A" FIVE YEAR CAPITAL IMPROVEMENT PLAN

WHEREAS, in 1988, Riverside County voters approved a 0.5% sales tax (Measure "A") over a 20-year span to be used toward improvements of state highways, local transit systems, and public streets; and

WHEREAS, in 2002, Riverside County voters approved a 30-year extension of the Measure "A" 0.5% sales tax; and

WHEREAS, each City in Riverside County is required by the Riverside County Transportation Commission ("RCTC") to submit a Five Year Capital Improvement Plan (attached as Exhibit "A"), as approved by its governing board, to indicate how Measure "A" funding is to be utilized over the next five years; and

WHEREAS, the RCTC has estimated that the City of Banning will receive a total of \$2,803,000.00 in Measure "A" funds over the next five years; and

WHEREAS, the program is intended to support local transit systems, street pavement rehabilitation and public street improvements; and

WHEREAS, the Measure "A" Ordinance requires annual certification that discretionary General Fund expenditures for transportation-related construction and maintenance activities for Fiscal Year 2015/2016 will meet or exceed the Maintenance of Effort Certification ("MOE") base year amount and commitment to expending Measure "A" funds to projects identified in the city's Five Year CIP; and

WHEREAS, the priority list of street locations can be changed by the City Council by submitting a written request to RCTC;

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

SECTION 1. City Council adopts Resolution No. 2015-24, "Approving the Measure 'A' Five Year Capital Improvement Plan."

SECTION 2. The City Manager is authorized to execute the Maintenance of Effort Certification Statement.

PASSED, APPROVED and ADOPTED this 14th day of April, 2015.

Deborah Franklin, Mayor

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-24 was duly adopted by the City Council of the City of Banning at a Regular Meeting thereof held on the 14th of April, 2015.

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning
Banning, California

EXHIBIT “A”

MEASURE “A” FIVE YEAR CAPITAL IMPROVEMENT PLAN

FISCAL YEARS 2015/2016 - 2019/2020

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A LOCAL FUNDS PROGRAM
FY 2015/2016**

Agency: City of Banning

Page 1 of 6

Prepared by: Arturo Vela, P.E.

Phone #: 951-922-3130

Date: 4-14-15

Estimated Prior Year Measure A Balance: \$896,384.77

Estimated FY 2015/2016 Measure A Allocation: \$535,000.00

Estimated Measure A Available for FY 2015/2016 Projects: \$1,431,384.77

FY 2015/2016

| Item No. | Project Name / Limits | Project Type | Total Cost | Measure A Funds |
|----------|--|-----------------------|--------------|---------------------|
| 1 | Nicolet Street: Sims Street to Sunset Avenue | AC Overlay | \$310,000.00 | \$310,000.00 |
| 2 | FTIP: Ramsey Street: Hargrave Street to East City Limits | Street Rehabilitation | \$477,000.00 | \$295,000.00 |
| 3 | Feasibility Study: Lincoln Street - Sunset Ave to Highland Home Road | Planning | \$75,000.00 | \$75,000.00 |
| | | TOTALS | | \$680,000.00 |

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**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A LOCAL FUNDS PROGRAM
FY 2016/2017**

Agency: City of Banning

Page 2 of 6

Prepared by: Arturo Vela, P.E.

Phone #: 951-922-3130

Date: 4-14-15

Estimated Prior Year Measure A Balance: \$751,384.77

Estimated FY 2016/2017 Measure A Allocation: \$546,000.00

Estimated Measure A Available for FY 2016/2017 Projects: \$1,297,384.77

FY 2016/2017

| Item No. | Project Name / Limits | Project Type | Total Cost | Measure A Funds |
|----------|---|---------------|--------------|---------------------|
| 1 | Theodore Street: Alessandro Road to Almond Way | AC Overlay | \$166,000.00 | \$166,000.00 |
| 2 | 8th Street: Lincoln Street to Westward Avenue | AC Overlay | \$180,000.00 | \$180,000.00 |
| 3 | Charles Street: Hargrave Street to 1037 E. Charles Street | AC Overlay | \$100,000.00 | \$100,000.00 |
| 4 | Wesley Street: Hargrave Street to 1041 E. Wesley Street | AC Overlay | \$100,000.00 | \$100,000.00 |
| | | TOTALS | | \$546,000.00 |

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A LOCAL FUNDS PROGRAM
FY 2017/2018**

Agency: City of Banning

Page 3 of 6

Prepared by: Arturo Vela, P.E.

Phone #: 951-922-3130

Date: 4-14-15

Estimated Prior Year Measure A Balance: \$751,384.77

Estimated FY 2017/2018 Measure A Allocation: \$557,000.00

Estimated Measure A Available for FY 2017/2018 Projects: \$1,308,384.77

FY 2017/2018

| Item No. | Project Name / Limits | Project Type | Total Cost | Measure A Funds |
|----------|---|---------------|--------------|---------------------|
| 1 | Cottonwood Road: 8th Street to 12th Street | AC Overlay | \$100,000.00 | \$100,000.00 |
| 2 | George Street: 8th Street to 12th Street | AC Overlay | \$100,000.00 | \$100,000.00 |
| 3 | 10th Street: Williams Street to George Street | AC Overlay | \$115,000.00 | \$115,000.00 |
| 4 | 12th Street Williams Street to George Street | AC Overlay | \$122,000.00 | \$122,000.00 |
| 5 | 14th Street: Williams Street to George Street | AC Overlay | \$120,000.00 | \$120,000.00 |
| | | TOTALS | | \$557,000.00 |

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A LOCAL FUNDS PROGRAM
FY 2018/2019**

Agency: City of Banning

Page 4 of 6

Prepared by: Arturo Vela, P.E.

Phone #: 951-922-3130

Date: 4-14-15

Estimated Prior Year Measure A Balance: \$751,384.77

Estimated FY 2018/2019 Measure A Allocation: \$574,000.00

Estimated Measure A Available for FY 2018/2019 Projects: \$1,325,384.77

FY 2018/2019

| Item No. | Project Name / Limits | Project Type | Total Cost | Measure A Funds |
|----------|---|------------------|----------------|-----------------|
| 1 | Lincoln Street: Highland Home Road to Sunset Avenue | New Construction | \$1,325,384.77 | \$1,325,384.77 |
| | | TOTALS | | \$1,325,384.77 |

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A LOCAL FUNDS PROGRAM
FY 2019/2020**

Agency: City of Banning

Page 5 of 6

Prepared by: Arturo Vela, P.E.

Phone #: 951-922-3130

Date: 4-14-15

Estimated Prior Year Measure A Balance: \$0.00

Estimated FY 2014/2015 Measure A Allocation: \$591,000.00

Estimated Measure A Available for FY 2014/2015 Projects: \$591,000.00

FY 2019/2020

| Item No. | Project Name / Limits | Project Type | Total Cost | Measure A Funds |
|----------|--|--------------|--------------|-----------------|
| 1 | Indian School Lane: 8th Street to San Gorgonio Avenue | AC Overlay | \$200,000.00 | \$200,000.00 |
| 2 | Lincoln Street: San Gorgonio Avenue to Hargrave Street | AC Overlay | \$300,000.00 | \$300,000.00 |
| 3 | City Wide Slurry Seal | Slurry Seal | \$91,000.00 | \$91,000.00 |
| | | TOTALS | | \$591,000.00 |

EXHIBIT "B"

PROJECT STATUS REPORT

FY 2014/2015

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A LOCAL FUNDS PROGRAM
PROJECT STATUS REPORT FY 2014/2015**

Agency: City of Banning
Page 6 of 6
Prepared by: Arturo Vela, P.E.
Phone #: 951-922-3130
Date: 4-14-15

| Item No. | Project Name / Limits | Project Type | Total Cost | Measure A Funds | Estimated Completion | Status |
|---------------|---|--------------|---------------------|---------------------|----------------------|--------------------------------|
| 1 | Cherry Street: Hoffer Street to George Street | AC Overlay | \$120,000.00 | \$120,000.00 | 9/1/2015 | Scheduled to bid in May, 2015. |
| 2 | Ramsey Street: San Geronio Avenue to 4th Street | AC Overlay | \$300,000.00 | \$300,000.00 | 9/1/2015 | Scheduled to bid in May, 2015. |
| 3 | City Wide Slurry Seal | Slurry Seal | \$110,000.00 | \$110,000.00 | 9/1/2015 | Scheduled to bid in May, 2015. |
| TOTALS | | | \$530,000.00 | \$530,000.00 | | |

EXHIBIT “C”

MAINTENANCE OF EFFORT CERTIFICATION

**FY 2015/2016 MEASURE A PROGRAM
MAINTENANCE OF EFFORT
CERTIFICATION STATEMENT**

The undersigned agrees and certifies for the CITY OF BANNING (the "Agency") that sales tax transportation funds received pursuant to Ordinance No. 02-001 of the Riverside County Transportation Commission (Measure "A") shall be used in compliance with the Commission's Maintenance of Effort Guidelines and a base year amount of \$164,325.00, approved by the Commission at its July 11, 2012 meeting, and that the Agency shall not use such funds to replace discretionary Local Funds previously expended by the Agency for local transportation purposes. The Agency hereby acknowledges that the failure of the Agency to continue such local expenditure shall result in a reduction or loss of Measure "A" funds. Additionally, the Agency commits to expending Measure A Local Streets and Roads funds for projects listed in the Five Year Capital Improvement Plan as approved by Riverside County Transportation Commission.

Dated: _____, 2015

James E. Smith, Interim City Manager

Attest:

Secretary

CITY COUNCIL MEETING

DATE: April 14, 2015

TO: City Council

FROM: Oliver Mujica, Contract Senior Management Analyst

SUBJECT: Consideration of City Council Resolution No. 2015-28 Opposing Senate Bill 608 (Liu – D) Regarding Homelessness

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt City Council Resolution No. 2015-28 (Attachment 1) to oppose Senate Bill 608 (Liu – D) (Attachment 2) regarding homelessness.

JUSTIFICATION:

Existing law, the Unruh Civil Rights Act, provides that all persons within the state are free and equal, regardless of their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation, and are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever. This bill would enact the Right to Rest Act, which would afford persons experiencing homelessness the right to use public space without discrimination based on their housing status. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. The bill would describe basic human and civil rights that may be exercised without being subject to criminal or civil sanctions or harassment, including the right to use and to move freely in public spaces, the right to rest in public spaces and to protect oneself from the elements, the right to eat in any public space in which having food is not prohibited, the right to perform religious observances in public spaces, and the right to occupy a motor vehicle or a recreational vehicle legally parked or parked with the permission of the property owner, as specified.

BACKGROUND:

Senate Bill 608 contains no solutions for homelessness. It contains no new programs, no funding for housing, and no effort to improve services. It creates a special set of exemptions and privileges for one group of people and undermines the equal applicability of laws.

Real solutions lie in providing resources for affordable housing and for treating underlying problems, not creating a special set of exemptions, privileges and rights for the homeless to occupy public and private property without complying with laws that apply to all others in society. Such an approach would create social disorder and undermine the ability of all others to access clean and non-threatening public spaces, while jeopardizing property rights and the economic viability of local businesses.

While opposing the approach of Senate Bill 608 there is a desire to address the root causes of homelessness. To do so we must work together to provide more resources for affordable housing such as those proposed by Assembly Bill 35 which increases affordable housing tax credits by \$300 million and Assembly Bill 1335 which would provide a permanent source of funding for affordable housing. These bills represent more constructive approaches to solving this chronic problem.


FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action.

CONCLUSION:

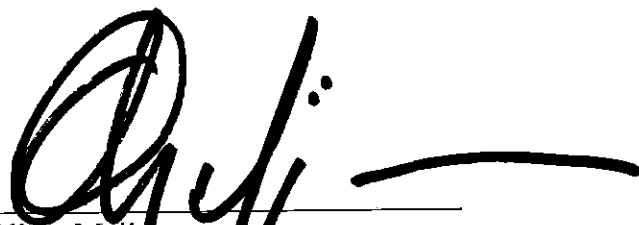
Staff recommends that the City Council adopt Resolution No. 2015-28 opposing Senate Bill 608 (Liu – D) regarding homelessness.

APPROVED BY:



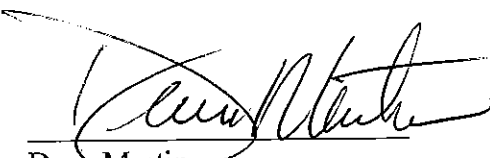
James E. Smith
Interim City Manager

PREPARED BY:



Oliver Mujica
Contract Senior Management Analyst

REVIEWED BY:



Dean Martin
Interim Administrative Services Director

ATTACHMENTS:

1. City Council Resolution No. 2015-28
2. Senate Bill 608 – Legislative Counsel's Digest

ATTACHMENT 1
City Council Resolution No. 2015-28

RESOLUTION NO. 2015-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA OPPOSING SENATE BILL 608 REGARDING HOMELESSNESS

WHEREAS, existing law, the Unruh Civil Rights Act, provides that all persons within the state are free and equal, regardless of their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation, and are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever. This bill would enact the Right to Rest Act, which would afford persons experiencing homelessness the right to use public space without discrimination based on their housing status. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. The bill would describe basic human and civil rights that may be exercised without being subject to criminal or civil sanctions or harassment, including the right to use and to move freely in public spaces, the right to rest in public spaces and to protect oneself from the elements, the right to eat in any public space in which having food is not prohibited, the right to perform religious observances in public spaces, and the right to occupy a motor vehicle or a recreational vehicle legally parked or parked with the permission of the property owner, as specified; and

WHEREAS, Senate Bill 608 contains no solutions for homelessness. It contains no new programs, no funding for housing, and no effort to improve services. It creates a special set of exemptions and privileges for one group of people and undermines the equal applicability of laws; and

WHEREAS, real solutions lie in providing resources for affordable housing and for treating underlying problems, not creating a special set of exemptions, privileges and rights for the homeless to occupy public and private property without complying with laws that apply to all others in society. Such an approach would create social disorder and undermine the ability of all others to access clean and non-threatening public spaces, while jeopardizing property rights and the economic viability of local businesses; and

WHEREAS, while opposing the approach of Senate Bill 608 there is a desire to address the root causes of homelessness. To do so we must work together to provide more resources for affordable housing such as those proposed by Assembly Bill 35 which increases affordable housing tax credits by \$300 million and Assembly Bill 1335 which would provide a permanent source of funding for affordable housing. These bills represent more constructive approaches to solving this chronic problem.

NOW THEREFORE, the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: City Council Action.

The City Council opposes Senate Bill 608 (Liu-D) regarding homelessness.

SECTION 2: City Council Direction.

The City Council directs the Interim City Manager to transmit a copy of this Resolution opposing Senate Bill 608 (Liu-D) to the City's legislative lobbyist (Joe A. Gonsalves & Son) for submittal to the State of California Legislature.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-28 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
Senate Bill 608 – Legislative Counsel’s Digest

BILL NUMBER: SB 608 INTRODUCED
BILL TEXT

INTRODUCED BY Senator Liu

FEBRUARY 27, 2015

An act to add Part 2.2 (commencing with Section 53.8) to Division 1 of, the Civil Code, and to amend Section 647 of the Penal Code, relating to homelessness.

LEGISLATIVE COUNSEL'S DIGEST

SB 608, as introduced, Liu. Homelessness.

Existing law, the Unruh Civil Rights Act, provides that all persons within the state are free and equal, regardless of their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation, and are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.

This bill would enact the Right to Rest Act, which would afford persons experiencing homelessness the right to use public space without discrimination based on their housing status. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. The bill would describe basic human and civil rights that may be exercised without being subject to criminal or civil sanctions or harassment, including the right to use and to move freely in public spaces, the right to rest in public spaces and to protect oneself from the elements, the right to eat in any public space in which having food is not prohibited, the right to perform religious observances in public spaces, and the right to occupy a motor vehicle or a recreational vehicle legally parked or parked with the permission of the property owner, as specified.

The bill would authorize a person whose rights have been violated pursuant to these provisions to enforce those rights in a civil action in which the court may award the prevailing party injunctive and declaratory relief, restitution, damages, statutory damages of \$1,000 per violation, and fees and costs.

Existing law provides that any person who lodges in any building, structure, vehicle, or place without the permission of the owner or person entitled to the possession or in control of it, is guilty of disorderly conduct.

The bill would also exempt conduct that is protected by the bill from this definition of the crime of disorderly conduct.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known and may be cited as "The Right to Rest Act."

SEC. 2. The Legislature finds and declares all of the following:

(a) According to the Housing and Urban Development's report to Congress, 136,826 people were estimated to be homeless in California in 2013, a rate that is unprecedented following a deep and prolonged economic recession, a severe shortage of safe and affordable housing, a failed veteran and civilian mental health system, and a diminished social safety net.

(b) According to the United States Department of Education, 259,656 school children were known to have experienced homelessness in the 2012-13 school year.

(c) Homelessness is an independent risk factor for a number of illnesses, making people more susceptible to increased health problems due to high stress, sleep deprivation, unsanitary surroundings, lack of access to hygiene facilities, and a myriad of other situational stressors experienced by people without stable housing. Subsequently, people who are chronically homeless are more medically frail and three to four times more likely to die prematurely than their housed counterparts.

(d) Throughout California, local governments have enacted ordinances that make it illegal to rest or seek nourishment in public spaces.

(e) These local ordinances do not reduce the incidence of homelessness or crime. Instead, they result in increased incarceration rates and financial indebtedness of people who simply have no means of support and prolong homelessness by making it more difficult for people to secure housing, employment, and medical care.

(f) While these ordinances apply to all residents, they disproportionately impact people without homes, who have no private place to rest or seek nourishment, and are often selectively applied by law enforcement to people based upon their appearance or an assumption of homelessness.

(g) In practice, these ordinances deprive persons experiencing homelessness and those who may be perceived as homeless of a safe and legal place to rest and seek nourishment, which adversely impacts their health and well-being.

(h) Sleep deprivation impairs cognitive processes and puts one at risk for obesity, heart disease, heart attack, heart failure, irregular heartbeat, high blood pressure, stroke, diabetes, and depression. People who are homeless suffer from sleep deprivation and, absent a place to rest, they suffer it more frequently.

(i) Lacking the resources necessary to obtain adequate legal representation, homeless persons are often denied relief or damages through the courts.

(j) Both the federal government, through its Interagency Council on Homelessness, and the United Nations, have recognized that discrimination and criminalization violate a homeless person's human rights and have called upon state and local governments to cease enactment and enforcement of those laws.

(k) Homelessness and the increasing criminalization of homelessness and discrimination against those experiencing homelessness are widespread throughout California and are matters of statewide concern.

(l) Section 1 of Article I of the California Constitution

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provides that " all people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and privacy," without qualification as to whether or not a person is, or appears to be, homeless.

(m) Subdivision (a) of Section 7 of Article I of the California Constitution provides that "a] person may not be deprived of life, liberty, or property without due process of law or denied equal protection of the laws... ."

(n) Concordant with this fundamental belief, a person should not be subject to discrimination based on his or her income, housing status, or ability or desire to appear housed. Therefore, it is the intent of the Legislature in enacting this legislation to protect the rights of all Californians, regardless of their housing status and ameliorate the adverse effects caused by the criminalization of homelessness on our communities and our citizens.

(o) Decriminalization of rest allows municipal governments to redirect resources from local enforcement activities to activities that address the root causes of homelessness and poverty.

SEC. 3. Part 2.2 (commencing with Section 53.8) is added to Division 1 of the Civil Code, to read:

PART 2.2. Homeless Persons

53.8. For purposes of this part, the following definitions shall apply:

(a) "BID" means a business improvement district, as established pursuant to Chapter 2 (commencing with Section 36520) of Part 6 of Division 18 of, or Chapter 2 (commencing with Section 36620) of Part 7 of Division 18 of, the Streets and Highways Code, or any public-private partnership established under any municipal or county law authorized pursuant to Chapter 1 (commencing with Section 36500) of Part 6 of Division 18 of, or Chapter 2 (commencing with Section 36620) of Part 7 of Division 18 of, the Streets and Highways Code, whether or not the phrase "business improvement district" is part of the public-private partnership's name.

(b) "BID agent" means any person hired by a business improvement district.

(c) "Discrimination based on housing status" includes any distinction, exclusion, or restriction based on the status of having or not having a fixed or regular residence or that disproportionately impacts person of a particular housing status. Measures taken to ensure equal enjoyment or exercise of the human right to rest shall not be deemed discriminatory.

(d) "Harassment" means a knowing or willful course of conduct by law enforcement, public or private security personnel, or a BID agent directed at a specific person that a reasonable person would consider as seriously alarming, threatening, tormenting, or terrorizing.

(e) (1) "Homeless persons," "homeless people," or "persons experiencing homelessness" means those individuals or members of families who lack a fixed, regular, and adequate nighttime residence including all of the following:

(A) Individuals and members of families who are sharing the housing of other persons due to a loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are

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abandoned in a hospital; or are awaiting foster care placement.

(B) Individuals and members of families who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

(C) Individuals and members of families who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.

(D) Individuals and members of families who, in the preceding 36 months, have moved between jurisdictions in order to obtain temporary or seasonal employment in agriculture or fishing work, or have migrated 20 miles or more to a temporary residence to engage in a fishing activity.

(2) This definition includes unaccompanied youth and homeless families with children and youth who have experienced a long-term period without living independently in permanent housing, have experienced persistent instability as measured by frequent moves over that period, and can be expected to continue in that status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

(f) "Motor vehicle" means a motor vehicle as defined in Section 415 of the Vehicle Code.

(g) "Public space" means any property that is owned, in whole or in part, by any state or local government entity or any property upon which there is an easement for public use and that is held open to the public, including, but not limited to, plazas, courtyards, parking lots, sidewalks, public transportation facilities and services, public buildings, shopping centers, and parks.

(h) "Recreational vehicle" means a recreational vehicle as defined in Section 18010 of the Health and Safety Code.

(i) "Rest" means the state of not moving, holding certain postures that include, but are not limited to, sitting, standing, leaning, kneeling, squatting, sleeping, or lying.

53.81. (a) Persons experiencing homelessness shall be permitted to use public space in the same manner as any other person, without discrimination based on their housing status. In addition, the existence of homelessness requires that civil and human rights that are amply protected in the home and in other private places be extended to the public areas in which homeless persons live to ensure the equal rights of all Californians, whether homeless or housed.

(b) Every person in the state shall have the following basic human and civil rights, that may be exercised without being subject to criminal or civil sanctions or harassment by law enforcement, public or private security personnel, or BID agents:

(1) The right to use and to move freely in public spaces, without discrimination and without time limitations that discriminate based upon housing status.

(2) The right to rest in public spaces and to protect oneself from the elements, in a nonobstructive manner.

(3) The right to eat, share, accept, or give food in any public space in which having food is not otherwise generally prohibited.

(4) The right to pray, meditate, worship, or practice religion in public spaces, without discrimination based upon housing status.

(5) The right to occupy a motor vehicle or a recreational vehicle, provided that the vehicle is legally parked on public property or parked on private property with permission of the property owner.

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53.82. (a) Any person whose rights have been violated pursuant to this part may enforce those rights in a civil action.

(b) The court may award appropriate injunctive and declaratory relief, restitution for loss of property or personal effects and belongings, actual damages, compensatory damages, exemplary damages, statutory damages of one thousand dollars (\$1,000) per violation, and reasonable attorney's fees and costs to a prevailing party.

SEC. 4. Section 647 of the Penal Code is amended to read:

647. Except as provided in subdivision (1), every person who commits any of the following acts is guilty of disorderly conduct, a misdemeanor:

(a) Who solicits anyone to engage in or who engages in lewd or dissolute conduct in any public place or in any place open to the public or exposed to public view.

(b) Who solicits or who agrees to engage in or who engages in any act of prostitution. A person agrees to engage in an act of prostitution when, with specific intent to so engage, he or she manifests an acceptance of an offer or solicitation to so engage, regardless of whether the offer or solicitation was made by a person who also possessed the specific intent to engage in prostitution. No agreement to engage in an act of prostitution shall constitute a violation of this subdivision unless some act, in addition to the agreement, is done within this state in furtherance of the commission of an act of prostitution by the person agreeing to engage in that act. As used in this subdivision, "prostitution" includes any lewd act between persons for money or other consideration.

(c) Who accosts other persons in any public place or in any place open to the public for the purpose of begging or soliciting alms.

(d) Who loiters in or about any toilet open to the public for the purpose of engaging in or soliciting any lewd or lascivious or any unlawful act.

(e) Who lodges in any building, structure, vehicle, or place ~~, whether public or private,~~ without the permission of the owner or person entitled to the possession or in control of it. This subdivision does not apply to conduct that is protected pursuant to Section 53.81 of the Civil Code.

(f) Who is found in any public place under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, controlled substance, or toluene, in a condition that he or she is unable to exercise care for his or her own safety or the safety of others, or by reason of his or her being under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, or toluene, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

(g) When a person has violated subdivision (f), a peace officer, if he or she is reasonably able to do so, shall place the person, or cause him or her to be placed, in civil protective custody. The person shall be taken to a facility, designated pursuant to Section 5170 of the Welfare and Institutions Code, for the 72-hour treatment and evaluation of inebriates. A peace officer may place a person in civil protective custody with that kind and degree of force which would be lawful were he or she effecting an arrest for a misdemeanor without a warrant. A person who has been placed in civil protective custody shall not thereafter be subject to any criminal prosecution or juvenile court proceeding based on the facts giving rise to this placement. This subdivision shall not apply to the following persons:

(1) Any person who is under the influence of any drug, or under

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the combined influence of intoxicating liquor and any drug.

(2) Any person who a peace officer has probable cause to believe has committed any felony, or who has committed any misdemeanor in addition to subdivision (f).

(3) Any person who a peace officer in good faith believes will attempt escape or will be unreasonably difficult for medical personnel to control.

(h) Who loiters, prowls, or wanders upon the private property of another, at any time, without visible or lawful business with the owner or occupant. As used in this subdivision, "loiter" means to delay or linger without a lawful purpose for being on the property and for the purpose of committing a crime as opportunity may be discovered.

(i) Who, while loitering, prowling, or wandering upon the private property of another, at any time, peeks in the door or window of any inhabited building or structure, without visible or lawful business with the owner or occupant.

(j) (1) Any person who looks through a hole or opening, into, or otherwise views, by means of any instrumentality, including, but not limited to, a periscope, telescope, binoculars, camera, motion picture camera, camcorder, or mobile phone, the interior of a bedroom, bathroom, changing room, fitting room, dressing room, or tanning booth, or the interior of any other area in which the occupant has a reasonable expectation of privacy, with the intent to invade the privacy of a person or persons inside. This subdivision shall not apply to those areas of a private business used to count currency or other negotiable instruments.

(2) Any person who uses a concealed camcorder, motion picture camera, or photographic camera of any type, to secretly videotape, film, photograph, or record by electronic means, another, identifiable person under or through the clothing being worn by that other person, for the purpose of viewing the body of, or the undergarments worn by, that other person, without the consent or knowledge of that other person, with the intent to arouse, appeal to, or gratify the lust, passions, or sexual desires of that person and invade the privacy of that other person, under circumstances in which the other person has a reasonable expectation of privacy.

(3) (A) Any person who uses a concealed camcorder, motion picture camera, or photographic camera of any type, to secretly videotape, film, photograph, or record by electronic means, another, identifiable person who may be in a state of full or partial undress, for the purpose of viewing the body of, or the undergarments worn by, that other person, without the consent or knowledge of that other person, in the interior of a bedroom, bathroom, changing room, fitting room, dressing room, or tanning booth, or the interior of any other area in which that other person has a reasonable expectation of privacy, with the intent to invade the privacy of that other person.

(B) Neither of the following is a defense to the crime specified in this paragraph:

(i) The defendant was a cohabitant, landlord, tenant, cotenant, employer, employee, or business partner or associate of the victim, or an agent of any of these.

(ii) The victim was not in a state of full or partial undress.

(4) (A) Any person who intentionally distributes the image of the intimate body part or parts of another identifiable person, or an image of the person depicted engaged in an act of sexual intercourse, sodomy, oral copulation, sexual penetration, or an image of masturbation by the person depicted or in which the person depicted participates, under circumstances in which the persons agree or

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understand that the image shall remain private, the person distributing the image knows or should know that distribution of the image will cause serious emotional distress, and the person depicted suffers that distress.

(B) A person intentionally distributes an image described in subparagraph (A) when he or she personally distributes the image, or arranges, specifically requests, or intentionally causes another person to distribute that image.

(C) As used in this paragraph, "intimate body part" means any portion of the genitals, the anus and in the case of a female, also includes any portion of the breasts below the top of the areola, that is either uncovered or clearly visible through clothing.

(D) It shall not be a violation of this paragraph to distribute an image described in subparagraph (A) if any of the following applies:

(i) The distribution is made in the course of reporting an unlawful activity.

(ii) The distribution is made in compliance with a subpoena or other court order for use in a legal proceeding.

(iii) The distribution is made in the course of a lawful public proceeding.

(5) This subdivision shall not preclude punishment under any section of law providing for greater punishment.

(k) In any accusatory pleading charging a violation of subdivision (b), if the defendant has been once previously convicted of a violation of that subdivision, the previous conviction shall be charged in the accusatory pleading. If the previous conviction is found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or is admitted by the defendant, the defendant shall be imprisoned in a county jail for a period of not less than 45 days and shall not be eligible for release upon completion of sentence, on probation, on parole, on work furlough or work release, or on any other basis until he or she has served a period of not less than 45 days in a county jail. In all cases in which probation is granted, the court shall require as a condition thereof that the person be confined in a county jail for at least 45 days. In no event does the court have the power to absolve a person who violates this subdivision from the obligation of spending at least 45 days in confinement in a county jail.

In any accusatory pleading charging a violation of subdivision (b), if the defendant has been previously convicted two or more times of a violation of that subdivision, each of these previous convictions shall be charged in the accusatory pleading. If two or more of these previous convictions are found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or are admitted by the defendant, the defendant shall be imprisoned in a county jail for a period of not less than 90 days and shall not be eligible for release upon completion of sentence, on probation, on parole, on work furlough or work release, or on any other basis until he or she has served a period of not less than 90 days in a county jail. In all cases in which probation is granted, the court shall require as a condition thereof that the person be confined in a county jail for at least 90 days. In no event does the court have the power to absolve a person who violates this subdivision from the obligation of spending at least 90 days in confinement in a county jail.

In addition to any punishment prescribed by this section, a court may suspend, for not more than 30 days, the privilege of the person to operate a motor vehicle pursuant to Section 13201.5 of the Vehicle Code for any violation of subdivision (b) that was committed within

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1,000 feet of a private residence and with the use of a vehicle. In lieu of the suspension, the court may order a person's privilege to operate a motor vehicle restricted, for not more than six months, to necessary travel to and from the person's place of employment or education. If driving a motor vehicle is necessary to perform the duties of the person's employment, the court may also allow the person to drive in that person's scope of employment.

(1) (1) A second or subsequent violation of subdivision (j) is punishable by imprisonment in a county jail not exceeding one year, or by a fine not exceeding two thousand dollars (\$2,000), or by both that fine and imprisonment.

(2) If the victim of a violation of subdivision (j) was a minor at the time of the offense, the violation is punishable by imprisonment in a county jail not exceeding one year, or by a fine not exceeding two thousand dollars (\$2,000), or by both that fine and imprisonment.

(m) (1) If a crime is committed in violation of subdivision (b) and the person who was solicited was a minor at the time of the offense, and if the defendant knew or should have known that the person who was solicited was a minor at the time of the offense, the violation is punishable by imprisonment in a county jail for not less than two days and not more than one year, or by a fine not exceeding ten thousand dollars (\$10,000), or by both that fine and imprisonment.

(2) The court may, in unusual cases, when the interests of justice are best served, reduce or eliminate the mandatory two days of imprisonment in a county jail required by this subdivision. If the court reduces or eliminates the mandatory two days' imprisonment, the court shall specify the reason on the record.

SEC. 5. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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CITY COUNCIL MEETING

DATE: April 14, 2015

TO: City Council

FROM: Oliver Mujica, Contract Senior Management Analyst

SUBJECT: Consideration of City Council Resolution No. 2015-29 Supporting Assembly Bill 35 (Chiu – D) Regarding Income Taxes, Credits, Low-Income Housing and Allocation Increase

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt City Council Resolution No. 2015-29 (Attachment 1) to supporting Assembly Bill 35 (Chiu – D) (Attachment 2) regarding income taxes, credits, low-income housing and allocation increase.

JUSTIFICATION:

Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, personal income, and corporation income tax credit amounts among low-income housing projects based on federal law. Existing law, in modified conformity to federal income tax law, allows the credit based upon the applicable percentage, as defined, of the qualified basis of each qualified low-income building. Existing law limits the total annual amount of the credit that the committee may allocate to \$70 million per year, as specified. This bill, for calendar years beginning 2015, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria.

BACKGROUND:

There is an eagerness to provide affordable housing but with the loss of redevelopment housing funds we lack the resources to do so. Increasing the available tax credits for low-income housing will leverage additional federal tax credits and tax exempt bond authority. Building more affordable housing will not only help to mitigate our low income housing crisis, but will increase construction jobs and tax revenues.

FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action.

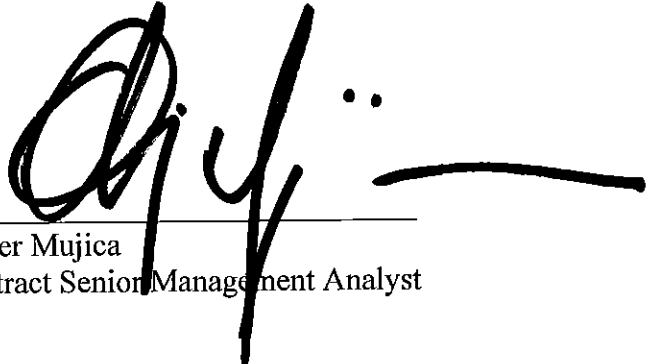
CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 2015-29 supporting Assembly Bill 35 (Chiu – D) regarding income taxes, credits, low-income housing and allocation increase.


APPROVED BY:


James E. Smith
Interim City Manager

PREPARED BY:


Oliver Mujica
Contract Senior Management Analyst

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

ATTACHMENTS:

1. City Council Resolution No. 2015-29
2. Assembly Bill 35 – Legislative Counsel's Digest

ATTACHMENT 1
City Council Resolution No. 2015-29

RESOLUTION NO. 2015-29

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA SUPPORTING ASSEMBLY BILL 35 REGARDING INCOME TAXES, CREDITS, LOW-INCOME HOUSING AND ALLOCATION INCREASE

WHEREAS, existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, personal income, and corporation income tax credit amounts among low-income housing projects based on federal law. Existing law, in modified conformity to federal income tax law, allows the credit based upon the applicable percentage, as defined, of the qualified basis of each qualified low-income building. Existing law limits the total annual amount of the credit that the committee may allocate to \$70 million per year, as specified. This bill, for calendar years beginning 2015, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria; and

WHEREAS, there is an eagerness to provide affordable housing but with the loss of redevelopment housing funds we lack the resources to do so. Increasing the available tax credits for low-income housing will leverage additional federal tax credits and tax exempt bond authority. Building more affordable housing will not only help to mitigate our low income housing crisis, but will increase construction jobs and tax revenues.

NOW THEREFORE, the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: City Council Action.

The City Council supports Assembly Bill 35 regarding income taxes, credits, low-income housing and allocation increase.

SECTION 2: City Council Direction.

The City Council directs the Interim City Manager to transmit this Resolution supporting Assembly Bill 35 (Chiu – D) to the City's legislative lobbyist (Joe A. Gonsalves & Son) for submittal to the State of California Legislature.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-29 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
Assembly Bill 35 – Legislative Counsel’s Digest

BILL NUMBER: AB 35 AMENDED
BILL TEXT

AMENDED IN ASSEMBLY APRIL 6, 2015
AMENDED IN ASSEMBLY MARCH 2, 2015

INTRODUCED BY Assembly Members Chiu and Atkins
 (Principal coauthor: Assembly Member
 Wilk)
 (Coauthor: Assembly Member
 Steinorth)

DECEMBER 1, 2014

An act to amend Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 35, as amended, Chiu. Income taxes: credits: low-income housing: allocation increase.

Existing law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, *personal* income, and corporation *income* tax credit amounts among low-income housing projects based on federal law. *Existing law, in modified conformity to federal income tax law, allows the credit based upon the applicable percentage, as defined, of the qualified basis of each qualified low-income building.* Existing law limits the total annual amount of the credit that the committee may allocate to \$70 million per year, as specified.

This bill, for calendar years beginning 2015, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000, as specified. *The bill, under the insurance taxation law, the Personal Income Tax Law, and the Corporation Tax Law, would modify the definition of applicable percentage relating to qualified low-income buildings that meet specified criteria.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12206 of the Revenue and Taxation Code is amended to read:

12206. (a) (1) There shall be allowed as a credit against the "tax," as described by Section 12201, a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit,~~
Code except as otherwise provided in this section.

(2) "Taxpayer," for purposes of this section, means the sole owner

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in the case of a "C" corporation, the partners in the case of a partnership, *members in the case of a limited liability company*, and the shareholders in the case of an "S" corporation.

(3) "Housing sponsor," for purposes of this section, means the sole owner in the case of a "C" corporation, the partnership in the case of a partnership, *the limited liability company in the case of a limited liability company*, and the "S" corporation in the case of an "S" corporation.

(4) "Extremely low-income" has the same meaning as in Section 50053 of the Health and Safety Code.

(5) "Rural area" means a rural area as defined in Section 50199.21 of the Health and Safety Code.

(6) "Special needs housing" has the meaning as in paragraph (4) of subdivision (g) of Section 10325 of Title 4 of the California Code of Regulations.

(7) "SRO" means single room occupancy.

(8) "Very low-income" has the same meaning as in Section 50053 of the Health and Safety Code."

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility in accordance with the requirements of this section.

(A) Except for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, that are allocated credits solely under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code, the low-income housing project shall be located in California and shall meet either of the following requirements:

(i) The project's housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code, ~~relating to low-income housing credit~~ Code

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue ~~Code, relating to special rule where 50 percent or more of building is financed with tax-exempt bonds subject to volume cap~~ Code .

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code . The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(C) (i) For a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a), on or after January 1, 2009, and before January 1, 2016, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue ~~Code, relating to determination of distributive share~~ Code .

(ii) This subparagraph shall not apply to a project that receives a preliminary reservation of state low-income housing tax credits under the set-aside described in subdivision (c) of Section 50199.20

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of the Health and Safety Code unless the project also receives a preliminary reservation of federal low-income housing tax credits.

(iii) This subparagraph shall cease to be operative with respect to any project that receives a preliminary reservation of a credit on or after January 1, 2016.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership or an "S" corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall attach a copy of the certification to any return upon which a tax credit is claimed under this section.

(D) In the case of a failure to attach a copy of the certification for the year to the return in which a tax credit is claimed under this section, no credit under this section shall be allowed for that year until a copy of that certification is provided.

(E) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit,~~ Code shall apply to this section.

~~—(F) (i) Except as described in clause (ii), for buildings located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, credits may be allocated under this section in the amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code, relating to low-income housing credit, is computed on 100 percent of the qualified basis of the building.~~

~~—(ii) Notwithstanding clause (i), the California Tax Credit Allocation Committee may allocate the credit for buildings located in DDAs or QCTs that are restricted to having 50 percent of its occupants be special needs households, as defined in the California Code of Regulations by the California Tax Credit Allocation Committee, even if the taxpayer receives federal credits pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, provided that the credit allowed under this section shall not exceed 30 percent of the eligible basis of the building.~~

~~—(G)—~~

(F) (i) The California Tax Credit Allocation Committee may allocate a credit under this section in exchange for a credit allocated pursuant to Section 42(d)(5)(B) of the Internal Revenue ~~Code, relating to increase in credit for buildings in high-cost areas,~~ Code in amounts up to 30 percent of the eligible basis of a building if the credits allowed under Section 42 of the Internal Revenue ~~Code, relating to low-income nursing credit,~~ Code are reduced by an equivalent amount.

(ii) An equivalent amount shall be determined by the California Tax Credit Allocation Committee based upon the relative amount required to produce an equivalent state tax credit to the taxpayer.

(c) Section 42(b) of the Internal Revenue ~~Code, relating to applicable percentage,~~ Code shall be modified as follows:

(1) In the case of any qualified low-income building that ~~receives an allocation after 1989 and is a new building not~~ federally subsidized, the term "applicable percentage" means the following:

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(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section ~~42(b)(2)~~ 42

~~(b)(1) of the Internal Revenue Code, relating to temporary minimum credit rate for nonfederally subsidized new buildings,~~ Code in lieu of the percentage prescribed in Section 42(b)(1)(A) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

~~—(2) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally subsidized or that is an existing building that is "at risk of conversion," the term "applicable percentage" means the following:—~~

~~—(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.—~~

~~—(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.—~~

~~—(3) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:—~~

~~—(A) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:—~~

~~—(i) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.—~~

~~—(ii) The Below Market Interest Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715-1-~~

~~(d)(3) and (5) of Title 12 of the United States Code.—~~

~~—(iii) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.—~~

~~—(iv) Programs for rent supplement assistance pursuant to Section 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.—~~

~~—(v) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.—~~

~~—(vi) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code, relating to low-income housing credit.—~~

~~—(B) The restrictions on rent and income levels will terminate or the federal insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.—~~

~~—(C) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.—~~

~~—(D) The property satisfies the requirements of Section 42(c) of the Internal Revenue Code, relating to rehabilitation expenditures~~

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~~treated as separate new building, regarding rehabilitation expenditures, except that the provisions of Section 42(c)(3)(A)(ii)-(I) shall not apply.~~

(2) In the case of any qualified low-income building that (i) is a new building, (ii) not located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 45(d)(5)(B) of the Internal Revenue Code, and (iii) is federally subsidized, the term "applicable percentage" means for the first three years, 15 percent of the qualified basis of the building, and for the fourth year, 5 percent of the qualified basis of the building.

(3) In the case of any qualified low-income building that is (i) an existing building, (ii) not located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 45(d)(5)(B) of the Internal Revenue Code, and (iii) is federally subsidized, the term applicable percentage means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(4) In the case of any qualified low-income building that is (i) a new or an existing building, (ii) located in designated difficult development areas (DDAs) or qualified census tracts (QCTs) as defined in Section 42(d)(5)(B) of the Internal Revenue Code, and (iii) federally subsidized, the California Tax Credit Allocation Committee shall determine the amount of credit to be allocated under subparagraph (F) of paragraph (2) of subdivision (b) required to produce an equivalent state tax credit to the taxpayer, as produced in paragraph (2), taking into account the basis boost provided under Section 42(d)(5)(B) of the Internal Revenue Code.

(5) In the case of any qualified low-income building that meets all of the requirements of subparagraphs (A) through (D), inclusive, the term "applicable percentage" means 30 percent for each of the first three years and 5 percent for the fourth year.

(A) The qualified low-income building is at least 15 years old.

(B) The qualified low-income building is a SRO, special needs housing, is in a rural area, or serves households with very low-income or extremely low-income residents.

(C) The qualified low-income building is serving households of very low-income or extremely low-income provided that the average income at time admission is not more than 45 percent of the median gross income, as determined under Section 42 of the Internal Revenue Code, adjusted by household size.

(D) The qualified low-income building would have insufficient credits under paragraphs (1) and (2) to complete substantial rehabilitation due to a low appraised value.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue ~~Code, relating to~~ ~~qualified low-income building,~~ Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, that, at the election of the taxpayer, is equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity that shall include the amount of the capital contributions actually paid to the housing sponsor and shall not

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include any amounts until they are paid on an investor note.

(ii) Twenty percent of the adjusted basis of the building as of the close of the first taxable year of the credit period.

(B) The amount of the cashflow from those units in the building that are not low-income units. For purposes of computing cashflow under this subparagraph, operating costs shall be allocated to the low-income units using the "floor space fraction," as defined in Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code .

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of the compliance period may ~~accumulate~~ be accumulated and ~~be~~ distributed any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return shall apply in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an "S" corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue ~~Code, relating to in general~~ Code .

(e) The provisions of Section 42(f) of the Internal Revenue ~~Code, relating to definition and special rules relating to credit period,~~ Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue ~~Code, relating to credit period defined,~~ Code is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue ~~Code, relating to special rule for first year of credit period,~~ Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue ~~Code, relating to determination of applicable percentage with respect to increases in qualified basis after first year of credit period,~~ Code is modified to read:

If, as of the close of any taxable year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the ~~later of~~ the taxable ~~years~~ year in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue ~~Code, relating to limitation on aggregate credit allowable with respect to projects located in a state,~~ Code shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue ~~Code, relating to allocated credit amount to apply to all taxable years ending during or after credit allocation year,~~ Code shall not be applicable and instead the following provisions shall be applicable:

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The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, Code shall not be applicable.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 17058, and Section 23610.5 shall be an amount equal to the sum of all the following:

(1) (A) Seventy million dollars (\$70,000,000) for the 2001 calendar year, and, for ~~calendar years 2002 to 2014, inclusive,~~ the 2002 calendar year and each calendar year thereafter, seventy million dollars (\$70,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2001 calendar year. For the purposes of this paragraph, the term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor.

(B) ~~Three hundred seventy million dollars (\$370,000,000)~~

An additional three hundred million dollars (\$300,000,000) for the 2015 calendar year, and, for the 2016 calendar year and each calendar year thereafter, ~~three hundred seventy million dollars (\$370,000,000)~~ three hundred million dollars (\$300,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2015 calendar year. For the purposes of this paragraph, the term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor. A housing sponsor receiving an allocation under paragraph (1) of subdivision (c) shall not be eligible for receipt of the housing credit allocated from the increased amount under this subparagraph. A housing sponsor receiving an allocation under paragraph (1) of subdivision (c) shall remain eligible for receipt of the housing credit allocated from the credit ceiling amount under subparagraph (A).

(2) The unused housing credit ceiling, if any, for the preceding calendar years.

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(4) Five hundred thousand dollars (\$500,000) per calendar year for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) The amount of any unallocated or returned credits under former Sections 17053.14, 23608.2, and 23608.3, as those sections read prior to January 1, 2009, until fully exhausted for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

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(h) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue ~~Code, relating to compliance period,~~

Code is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto.

(i) (1) Section 42(j) of the Internal Revenue ~~Code, relating to recapture of credit,~~ Code shall not be applicable and the provisions in paragraph (2) shall be substituted in its place.

(2) The requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and ~~this~~ the regulatory agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code, shall apply, ~~providing~~ provided that the agreement includes all of the following provisions:

(A) A term not less than the compliance period.

(B) A requirement that the agreement be recorded in the official records of the county in which the qualified low-income housing project is located.

(C) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(D) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income limitation applicable to the building, the right to enforce the regulatory agreement in any state court.

(E) A provision incorporating the requirements of Section 42 of the Internal Revenue ~~Code, relating to low income housing credit,~~ Code as modified by this section.

(F) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue ~~Code, relating to qualified low-income housing project~~ Code

(G) A requirement that the housing sponsor, as security for the performance of the housing sponsor's obligations under the regulatory agreement, assign the housing sponsor's interest in rents that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(H) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period, include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year

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during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and ~~the~~ allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue ~~Code,~~ ~~relating to plans for allocation of credit among projects~~ Code. In adopting this plan, the committee shall comply with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code, ~~relating to qualified allocation plan and relating to certain selection criteria must be used,~~ respectively.

(3) Notwithstanding Section 42(m) of the Internal Revenue Code, ~~relating to responsibilities of housing credit agencies,~~ Code the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the following provisions:

(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate there is a need and demand for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and that the proposed operating income shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies, and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if both of the following apply:

(i) The project serves the lowest income tenants at rents affordable to those tenants.

(ii) The project is obligated to serve qualified tenants for the

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longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units ~~is comprised of~~ are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) (I) Existing projects that are "at risk of ~~conversion,~~" as defined by ~~paragraph (3) of subdivision (c).~~ conversion. "

(II) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:

(ia) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:

(Ia) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.

(Ib) The Below-Market-Interest-Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715l(d)(3) and (5) of Title 12 of the United States Code.

(Ic) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.

(Id) Programs for rent supplement assistance pursuant to Section 18 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.

(Ie) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.

(If) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code.

(ib) The restrictions on rent and income levels will terminate or the federal insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.

(ic) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.

(id) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, regarding rehabilitation expenditures except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner's equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of

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the date of submission of its application except to break a tie when two or more of the projects have an equal rating.

(k) Section 42(1) of the Internal Revenue ~~Code, relating to certifications and other reports to secretary,~~ Code shall be modified as follows:

The term "secretary" shall be replaced by the term "California Franchise Tax Board."

(l) In the case where the credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(m) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, shall apply to calendar years after 1993.

(n) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, shall not apply.

(o) This section shall remain in effect for as long as Section 42 of the Internal Revenue Code, relating to low-income housing credit, remains in effect.

SEC. 2. Section 17058 of the Revenue and Taxation Code is amended to read:

17058. (a) (1) There shall be allowed as a credit against the "net tax," as defined in Section 17039, a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit,~~ Code except as otherwise provided in this section.

(2) "Taxpayer" for purposes of this section means the sole owner in the case of an individual, the partners in the case of a partnership, *members in the case of a limited liability company,* and the shareholders in the case of an "S" corporation.

(3) "Housing sponsor" for purposes of this section means the sole owner in the case of an individual, the partnership in the case of a partnership, *the limited liability company in the case of a limited liability company,* and the "S" corporation in the case of an "S" corporation.

(4) "Extremely low-income" has the same meaning as in Section 50053 of the Health and Safety Code.

(5) "Rural area" means a rural area as defined in Section 50199.21 of the Health and Safety Code.

(6) "Special needs housing" has the meaning as in paragraph (4) of subdivision (g) of Section 10325 of Title 4 of the California Code of Regulations.

(7) "SRO" means single room occupancy.

(8) "Very low-income" has the same meaning as in Section 50053 of the Health and Safety Code."

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility in accordance with the requirements of this section.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) Except for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, that are allocated credits solely under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code, the project's housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue ~~Code,~~

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~~relating to low-income housing credit~~ Code .

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue ~~Code, relating to special rule where 50 percent or more of building is financed with tax-exempt bonds subject to volume cap~~ Code .

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code . The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(C) (i) For a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a), on or after January 1, 2009, and before January 1, 2016, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue ~~Code, relating to determination of distributive share~~ Code .

(ii) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the federal credit shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until and treated as if it occurred in the first taxable year immediately following the taxable year in which the federal credit period expires for the project described in clause (i).

(iii) This subparagraph shall not apply to a project that receives a preliminary reservation of state low-income housing tax credits under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code unless the project also receives a preliminary reservation of federal low-income housing tax credits.

(iv) This subparagraph shall cease to be operative with respect to any project that receives a preliminary reservation of a credit on or after January 1, 2016.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership , *limited liability company*, or an "S" corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall, upon request, provide a copy of the certification to the Franchise Tax Board.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~, Code shall apply to this section.

~~(E) (i) Except as described in clause (ii), for buildings located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, credits may be allocated under this section in the~~

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~~amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code, relating to low income housing credit, is computed on 100 percent of the qualified basis of the building.~~

~~—(ii) Notwithstanding clause (i), the California Tax Credit Allocation Committee may allocate the credit for buildings located in DDAs or QCTs that are restricted to having 50 percent of its occupants be special needs households, as defined in the California Code of Regulations by the California Tax Credit Allocation Committee, even if the taxpayer receives federal credits pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, provided that the credit allowed under this section shall not exceed 30 percent of the eligible basis of the building.~~

~~—(C)—~~

(E) (i) The California Tax Credit Allocation Committee may allocate a credit under this section in exchange for a credit allocated pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, Code in amounts up to 30 percent of the eligible basis of a building if the credits allowed under Section 42 of the Internal Revenue Code, relating to low-income nursing credit, Code are reduced by an equivalent amount.

(ii) An equivalent amount shall be determined by the California Tax Credit Allocation Committee based upon the relative amount required to produce an equivalent state tax credit to the taxpayer.

(c) Section 42(b) of the Internal Revenue Code, relating to applicable percentage, Code shall be modified as follows:

~~—(1) In the case of any qualified low-income building placed in service by the housing sponsor during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.~~

~~—(2)—~~

(1) In the case of any qualified low-income building that receives an allocation after 1989 and is a new building not federally subsidized, the term "applicable percentage" means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) 42

(b)(1) of the Internal Revenue Code, relating to temporary minimum credit rate for nonfederally subsidized new buildings, Code in lieu of the percentage prescribed in Section 42(b)(1)(A) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

~~—(3) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally subsidized or that is an existing building that is "at risk of conversion," the term "applicable percentage" means the following:~~

~~—(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.~~

~~— (B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.~~

~~— (4) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:~~

~~— (A) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:~~

~~— (i) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.~~

~~— (ii) The Below Market-Interest Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715-1~~

~~(d)(3) and (5) of Title 12 of the United States Code.~~

~~— (iii) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.~~

~~— (iv) Programs for rent supplement assistance pursuant to Section 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.~~

~~— (v) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.~~

~~— (vi) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code, relating to low-income housing credit.~~

~~— (B) The restrictions on rent and income levels will terminate or the federally insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.~~

~~— (C) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.~~

~~— (D) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, relating to rehabilitation expenditures treated as separate new building, regarding rehabilitation expenditures, except that the provisions of Section 42(e)(3)(A)(ii)-(I) shall not apply.~~

(2) In the case of any qualified low-income building that (i) is a new building, (ii) not located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 45(d)(5)(B) of the Internal Revenue Code, and (iii) is federally subsidized, the term "applicable percentage" means for the first three years, 15 percent of the qualified basis of the building, and for the fourth year, 5 percent of the qualified basis of the building.

(3) In the case of any qualified low-income building that is (i) an existing building, (ii) not located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 45(d)(5)(B) of the Internal Revenue Code, and (iii) is federally subsidized, the term applicable percentage means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally

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subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(4) In the case of any qualified low-income building that is (i) a new or an existing building, (ii) located in designated difficult development areas (DDAs) or qualified census tracts (QCTs) as defined in Section 42(d)(5)(B) of the Internal Revenue Code, and (iii) federally subsidized, the California Tax Credit Allocation Committee shall determine the amount of credit to be allocated under subparagraph (E) of paragraph (2) of subdivision (b) required to produce an equivalent state tax credit to the taxpayer, as produced in paragraph (2), taking into account the basis boost provided under Section 42(d)(5)(B) of the Internal Revenue Code:

(5) In the case of any qualified low-income building that meets all of the requirements of subparagraphs (A) through (D), inclusive, the term "applicable percentage" means 30 percent for each of the first three years and 5 percent for the fourth year.

(A) The qualified low-income building is at least 15 years old.

(B) The qualified low-income building is a SRO, special needs housing, is in a rural area, or serves households with very low-income or extremely low-income residents.

(C) The qualified low-income building is serving households of very low-income or extremely low-income provided that the average income at time admission is not more than 45 percent of the median gross income, as determined under Section 42 of the Internal Revenue Code, adjusted by household size.

(D) The qualified low-income building would have insufficient credits under paragraphs (1) and (2) to complete substantial rehabilitation due to a low appraised value.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue ~~Code, relating to~~ ~~qualified low-income building,~~ Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, that, at the election of the taxpayer, is equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity that shall include the amount of the capital contributions actually paid to the housing sponsor and shall not include any amounts until they are paid on an investor note.

(ii) Twenty percent of the adjusted basis of the building as of the close of the first taxable year of the credit period.

(B) The amount of the cashflow from those units in the building that are not low-income units. For purposes of computing cashflow under this subparagraph, operating costs shall be allocated to the low-income units using the "floor space fraction," as defined in Section 42 of the Internal Revenue ~~Code, relating to~~ ~~low-income housing credit~~ Code .

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of the compliance period may be accumulated and distributed any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return shall apply in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an "S" corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under

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paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue ~~Code, relating to in general~~ Code .

(e) The provisions of Section 42(f) of the Internal Revenue ~~Code, relating to definition and special rules relating to credit period,~~ Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue ~~Code, relating to credit period defined,~~ Code is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue ~~Code, relating to special rule for first year of credit period,~~ Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue ~~Code, relating to determination of applicable percentage with respect to increases in qualified basis after first year of credit period,~~ Code is modified to read:

If, as of the close of any taxable year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the taxable year in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue ~~Code, relating to limitation on aggregate credit allowable with respect to projects located in a state,~~ Code shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue ~~Code, relating to allocated credit amount to apply to all taxable years ending during or after credit allocation year,~~ Code shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue ~~Code, relating to limitation on aggregate credit allowable with respect to projects located in a state,~~ Code shall not be applicable.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 12206, and Section 23610.5 shall be an amount equal to the sum of all the following:

(1) (A) Seventy million dollars (\$70,000,000) for the 2001 calendar year, and, for ~~calendar years 2002 to 2014, inclusive,~~ the 2002 calendar year and each calendar year thereafter, seventy million dollars (\$70,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price

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Index for the 2001 calendar year. For the purposes of this paragraph, the term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor.

(B) ~~Three hundred seventy million dollars (\$370,000,000)~~

An additional three hundred million dollars (\$300,000,000) for the 2015 calendar year, and, for the 2016 calendar year and each calendar year thereafter, ~~three hundred seventy million dollars (\$370,000,000)~~ three hundred million dollars (\$300,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2015 calendar year. For the purposes of this paragraph, the term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor. A housing sponsor receiving an allocation under paragraph (1) of subdivision (c) shall not be eligible for receipt of the housing credit allocated from the increased amount under this subparagraph. A housing sponsor receiving an allocation under paragraph (1) of subdivision (c) shall remain eligible for receipt of the housing credit allocated from the credit ceiling amount under subparagraph (A).

(2) The unused housing credit ceiling, if any, for the preceding calendar years.

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(4) Five hundred thousand dollars (\$500,000) per calendar year for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) The amount of any unallocated or returned credits under former Sections 17053.14, 23608.2, and 23608.3, as those sections read prior to January 1, 2009, until fully exhausted for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(h) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue ~~Code, relating to compliance period,~~

Code is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto.

(i) Section 42(j) of the Internal Revenue ~~Code, relating to recapture of credit,~~ Code shall not be applicable and the following requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and ~~this~~

the regulatory agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code shall apply, provided that the agreement includes all of the following provisions:

(1) A term not less than the compliance period.

(2) A requirement that the agreement be recorded in the official records of the county in which the qualified low-income housing project is located.

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(3) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(4) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income limitation applicable to the building, the right to enforce the regulatory agreement in any state court.

(5) A provision incorporating the requirements of Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit,~~ Code as modified by this section.

(6) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue ~~Code, relating to qualified low-income housing project~~ Code .

(7) A requirement that the housing sponsor, as security for the performance of the housing sponsor's obligations under the regulatory agreement, assign the housing sponsor's interest in rents that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(8) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period, include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and ~~the~~ allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue ~~Code, relating to plans for allocation of credit among projects~~ Code . In adopting this plan, the committee shall comply

with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code, ~~relating to qualified allocation plan and relating to certain selection criteria must be used,~~ respectively.

(3) Notwithstanding Section 42(m) of the Internal Revenue ~~Code, relating to responsibilities of housing credit agencies,~~

Code the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the

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following provisions:

(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate there is a need and demand for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and that the proposed operating income shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if both of the following apply:

(i) The project serves the lowest income tenants at rents affordable to those tenants.

(ii) The project is obligated to serve qualified tenants for the longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) (I) Existing projects that are "at risk of ~~conversion, as defined by paragraph (4) of subdivision (c).~~ conversion. "

(II) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:

(ia) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:

(Ia) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.

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(Ib) The Below-Market-Interest-Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 17151(d)(3) and (5) of Title 12 of the United States Code.

(Ic) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.

(Id) Programs for rent supplement assistance pursuant to Section 18101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.

(Ie) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.

(If) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code.

(ib) The restrictions on rent and income levels will terminate or the federal insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.

(ic) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.

(id) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, regarding rehabilitation expenditures except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner's equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of the date of submission of its application.

(k) Section 42(1) of the Internal Revenue Code, ~~relating to certifications and other reports to secretary,~~ Code shall be modified as follows:

The term "secretary" shall be replaced by the term "California Franchise Tax Board."

(1) In the case where the credit allowed under this section exceeds the net tax, the excess may be carried over to reduce the net tax in the following year, and succeeding taxable years, if necessary, until the credit has been exhausted.

(m) A project that received an allocation of a 1989 federal housing credit dollar amount shall be eligible to receive an allocation of a 1990 state housing credit dollar amount, subject to all of the following conditions:

(1) The project was not placed in service prior to 1990.

(2) To the extent the amendments made to this section by the Statutes of 1990 conflict with any provisions existing in this section prior to those amendments, the prior provisions of law shall prevail.

(3) Notwithstanding paragraph (2), a project applying for an allocation under this subdivision shall be subject to the requirements of paragraph (3) of subdivision (j).

(n) The credit period with respect to an allocation of credit in 1989 by the California Tax Credit Allocation Committee of which any

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amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, shall apply to calendar years after 1989.

(p) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, shall not apply.

(q) Any unused credit may continue to be carried forward, as provided in subdivision (1), until the credit has been exhausted.

~~—This—~~

(r) *This* section shall remain in effect on and after December 1, 1990, for as long as Section 42 of the Internal Revenue Code, relating to low-income housing credit, remains in effect.

~~—(r)—~~

(s) The amendments to this section made by Chapter 1222 of the Statutes of 1993 shall apply only to taxable years beginning on or after January 1, 1994.

SEC. 3. Section 23610.5 of the Revenue and Taxation Code is amended to read:

23610.5. (a) (1) There shall be allowed as a credit against the "tax," as defined by Section 23036, a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code ~~of 1986, relating to low-income housing credit,~~ except as otherwise provided in this section.

(2) "Taxpayer," for purposes of this section, means the sole owner in the case of a "C" corporation, the partners in the case of a partnership, *members in the case of a limited liability company,* and the shareholders in the case of an "S" corporation.

(3) "Housing sponsor," for purposes of this section, means the sole owner in the case of a "C" corporation, the partnership in the case of a partnership, *the limited liability company in the case of a limited liability company,* and the "S" corporation in the case of an "S" corporation.

(4) "Extremely low-income" has the same meaning as in Section 50053 of the Health and Safety Code.

(5) "Rural area" means a rural area as defined in Section 50199.21 of the Health and Safety Code.

(6) "Special needs housing" has the meaning as in paragraph (4) of subdivision (g) of Section 10325 of Title 4 of the California Code of Regulations.

(7) "SRO" means single room occupancy.

(8) "Very low-income" has the same meaning as in Section 50053 of the Health and Safety Code."

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility in accordance with the requirements of this section.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) Except for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, that are allocated credits solely under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code, the project's housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax

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purposes under Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code .

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue ~~Code, relating to special rule where 50 percent or more of building is financed with tax-exempt bonds subject to volume cap~~ Code .

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code . The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(C) (i) For a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a), on or after January 1, 2009, and before January 1, 2016, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue ~~Code, relating to determination of distributive share~~ Code .

(ii) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the federal credit shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until and treated as if it occurred in the first taxable year immediately following the taxable year in which the federal credit period expires for the project described in clause (i).

(iii) This subparagraph shall not apply to a project that receives a preliminary reservation of state low-income housing tax credits under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code unless the project also receives a preliminary reservation of federal low-income housing tax credits.

(iv) This subparagraph shall cease to be operative with respect to any project that receives a preliminary reservation of a credit on or after January 1, 2016.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership , *limited liability company*, or an "S" corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall, upon request, provide a copy of the certification to the Franchise Tax Board.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code shall apply to this section.

~~(E) (i) Except as described in clause (ii), for buildings located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in~~

~~high-cost areas, credits may be allocated under this section in the amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code, relating to low-income housing credit, is computed on 100 percent of the qualified basis of the building.~~

~~—(ii) Notwithstanding clause (i), the California Tax Credit Allocation Committee may allocate the credit for buildings located in DDAs or QCTs that are restricted to having 50 percent of its occupants be special needs households, as defined in the California Code of Regulations by the California Tax Credit Allocation Committee, even if the taxpayer receives federal credits pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, provided that the credit allowed under this section shall not exceed 30 percent of the eligible basis of the building.~~

~~—(G)—~~

(E) (i) The California Tax Credit Allocation Committee may allocate a credit under this section in exchange for a credit allocated pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, Code in amounts up to 30 percent of the eligible basis of a building if the credits allowed under Section 42 of the Internal Revenue Code are reduced by an equivalent amount.

(ii) An equivalent amount shall be determined by the California Tax Credit Allocation Committee based upon the relative amount required to produce an equivalent state tax credit to the taxpayer.

(c) Section 42(b) of the Internal Revenue Code, relating to applicable percentage, Code shall be modified as follows:

~~—(1) In the case of any qualified low-income building placed in service by the housing sponsor during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.~~

~~—(2)—~~

(1) In the case of any qualified low-income building that ~~receives an allocation after 1989 and is a new building not federally subsidized~~, the term "applicable percentage" means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section ~~42(b)(2)~~ 42

~~(b)(1) of the Internal Revenue Code, relating to temporary minimum credit rate for nonfederally subsidized new buildings,~~ Code in lieu of the percentage prescribed in Section 42(b)(1)(A) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

~~—(3) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally subsidized or that is an existing building that is "at risk of conversion," the term "applicable percentage" means the following:—~~

~~—(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.—~~

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~~— (B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.~~

~~— (4) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:~~

~~— (A) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:~~

~~— (i) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.~~

~~— (ii) The Below Market Interest Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715-1(d)(3) and (5) of Title 12 of the United States Code.~~

~~— (iii) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.~~

~~— (iv) Programs for rent supplement assistance pursuant to Section 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.~~

~~— (v) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.~~

~~— (vi) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code, relating to low-income housing credit.~~

~~— (B) The restrictions on rent and income levels will terminate or the federally insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.~~

~~— (C) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.~~

~~— (D) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, relating to rehabilitation expenditures treated as separate new building, regarding rehabilitation expenditures, except that the provisions of Section 42(e)(3)(A)(iii)-(I) shall not apply.~~

(2) In the case of any qualified low-income building that (i) is a new building, (ii) not located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 45(d)(5)(B) of the Internal Revenue Code, and (iii) is federally subsidized, the term "applicable percentage" means for the first three years, 15 percent of the qualified basis of the building, and for the fourth year, 5 percent of the qualified basis of the building.

(3) In the case of any qualified low-income building that is (i) an existing building, (ii) not located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 45(d)(5)(B) of the Internal Revenue Code, and (iii) is federally subsidized, the term applicable percentage means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally

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subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(4) In the case of any qualified low-income building that is (i) a new or an existing building, (ii) located in designated difficult development areas (DDAs) or qualified census tracts (QCTs) as defined in Section 42(d)(5)(B) of the Internal Revenue Code, and (iii) federally subsidized, the California Tax Credit Allocation Committee shall determine the amount of credit to be allocated under subparagraph (E) of paragraph (2) of subdivision (b) required to produce an equivalent state tax credit to the taxpayer, as produced in paragraph (2), taking into account the basis boost provided under Section 42(d)(5)(B) of the Internal Revenue Code.

(5) In the case of any qualified low-income building that meets all of the requirements of subparagraphs (A) through (D), inclusive, the term "applicable percentage" means 30 percent for each of the first three years and 5 percent for the fourth year.

(A) The qualified low-income building is at least 15 years old.

(B) The qualified low-income building is a SRO, special needs housing, is in a rural area, or serves households with very low-income or extremely low-income residents.

(C) The qualified low-income building is serving households of very low-income or extremely low-income provided that the average income at time admission is not more than 45 percent of the median gross income, as determined under Section 42 of the Internal Revenue Code, adjusted by household size.

(D) The qualified low-income building would have insufficient credits under paragraphs (1) and (2) to complete substantial rehabilitation due to a low appraised value.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue ~~Code, relating to qualified low-income building,~~ Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, that at the election of the taxpayer, is equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity, that shall include the amount of the capital contributions actually paid to the housing sponsor and shall not include any amounts until they are paid on an investor note.

(ii) Twenty percent of the adjusted basis of the building as of the close of the first taxable year of the credit period.

(B) The amount of the cashflow from those units in the building that are not low-income units. For purposes of computing cashflow under this subparagraph, operating costs shall be allocated to the low-income units using the "floor space fraction," as defined in Section 42 of the Internal Revenue ~~Code, relating to low-income housing credit~~ Code .

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of the compliance period may be accumulated and distributed any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return shall apply in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an "S" corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under

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paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue ~~Code, relating to in general~~ Code .

(e) The provisions of Section 42(f) of the Internal Revenue ~~Code, relating to definition and special rules relating to credit period,~~ Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue ~~Code, relating to credit period defined,~~

Code is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue ~~Code, relating to special rule for first year of credit period,~~

Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue ~~Code, relating to determination of applicable percentage with respect to increases in qualified basis after first year of credit period,~~

Code is modified to read:

If, as of the close of any taxable year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the later of the taxable years in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue ~~Code, relating to limitation on aggregate credit allowable with respect to projects located in a state,~~ Code

shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue ~~Code, relating to allocated credit amount to apply to all taxable years ending during or after credit allocation year,~~ Code

shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue ~~Code, relating to limitation on aggregate credit allowable with respect to projects located in a state,~~ Code shall not be applicable.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 12206, and Section 17058 shall be an amount equal to the sum of all the following:

(1) (A) Seventy million dollars (\$70,000,000) for the 2001 calendar year, and, for ~~calendar years 2002 to 2014, inclusive,~~ the 2002 calendar year and each calendar year thereafter, seventy million dollars (\$70,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2001 calendar year. For the purposes of this paragraph,

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the term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor.

(B) ~~Three hundred seventy million dollars (\$370,000,000)~~

An additional three hundred million dollars (\$300,000,000) for the 2015 calendar year, and, for the 2016 calendar year and each calendar year thereafter, ~~three hundred seventy million dollars (\$370,000,000)~~ three hundred million dollars (\$300,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2015 calendar year. For the purposes of this paragraph, the term "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor. A housing sponsor receiving an allocation under paragraph (1) of subdivision (c) shall not be eligible for receipt of the housing credit allocated from the increased amount under this subparagraph. A housing sponsor receiving an allocation under paragraph (1) of subdivision (c) shall remain eligible for receipt of the housing credit allocated from the credit ceiling amount under subparagraph (A).

(2) The unused housing credit ceiling, if any, for the preceding calendar years.

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(4) Five hundred thousand dollars (\$500,000) per calendar year for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) The amount of any unallocated or returned credits under former Sections 17053.14, 23608.2, and 23608.3, as those sections read prior to January 1, 2009, until fully exhausted for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(h) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue ~~Code, relating to compliance period,~~

Code is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto.

(i) Section 42(j) of the Internal Revenue ~~Code, relating to recapture of credit,~~ Code shall not be applicable and the following shall be substituted in its place:

The requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and ~~this~~ the regulatory agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code shall apply, provided that the agreement includes all of the following provisions:

(1) A term not less than the compliance period.

(2) A requirement that the agreement be recorded in the official records of the county in which the qualified low-income housing project is located.

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(3) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(4) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto, and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income limitation applicable to the building, the right to enforce the regulatory agreement in any state court.

(5) A provision incorporating the requirements of Section 42 of the Internal Revenue ~~Code, relating to low income housing credit,~~ Code as modified by this section.

(6) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue ~~Code, relating to qualified low income housing project~~ Code .

(7) A requirement that the housing sponsor, as security for the performance of the housing sponsor's obligations under the regulatory agreement, assign the housing sponsor's interest in rents that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(8) The remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue ~~Code, relating to plans for allocation of credit among projects~~ Code . In adopting this plan, the committee shall comply with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code, ~~relating to qualified allocation plan and relating to certain selection criteria must be used,~~ respectively.

(3) Notwithstanding Section 42(m) of the Internal Revenue ~~Code, relating to responsibilities of housing credit agencies,~~

Code the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the following provisions:

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(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate there is a need for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if both of the following apply:

(i) The project serves the lowest income tenants at rents affordable to those tenants.

(ii) The project is obligated to serve qualified tenants for the longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) (I) Existing projects that are "at risk of ~~conversion~~," as defined by paragraph (4) of subdivision (c). ~~conversion.~~ "

(II) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:

(ia) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:

(Ia) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.

(Ib) The Below-Market-Interest-Rate Program pursuant to Section

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221(d)(3) of the National Housing Act, Sections 1715l(d)(3) and (5) of Title 12 of the United States Code.

(Ic) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.

(Id) Programs for rent supplement assistance pursuant to Section 18101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.

(Ie) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.

(If) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code.

(ib) The restrictions on rent and income levels will terminate or the federal insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.

(ic) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.

(id) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, regarding rehabilitation expenditures except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner's equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of the date of submission of its application except to break a tie when two or more of the projects have an equal rating.

(5) Not less than 20 percent of the low-income housing tax credits available annually under this section, Section 12206, and Section 17058 shall be set aside for allocation to rural areas as defined in Section 50199.21 of the Health and Safety Code. Any amount of credit set aside for rural areas remaining on or after October 31 of any calendar year shall be available for allocation to any eligible project. No amount of credit set aside for rural areas shall be considered available for any eligible project so long as there are eligible rural applications pending on October 31.

(k) Section 42(1) of the Internal Revenue Code, ~~relating to certifications and other reports to secretary,~~ Code shall be modified as follows:

The term "secretary" shall be replaced by the term "California Franchise Tax Board."

(1) In the case where the credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding taxable years if necessary, until the credit has been exhausted.

(m) A project that received an allocation of a 1989 federal housing credit dollar amount shall be eligible to receive an allocation of a 1990 state housing credit dollar amount, subject to all of the following conditions:

(1) The project was not placed in service prior to 1990.

(2) To the extent the amendments made to this section by the

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Statutes of 1990 conflict with any provisions existing in this section prior to those amendments, the prior provisions of law shall prevail.

(3) Notwithstanding paragraph (2), a project applying for an allocation under this subdivision shall be subject to the requirements of paragraph (3) of subdivision (j).

(n) The credit period with respect to an allocation of credit in 1989 by the California Tax Credit Allocation Committee of which any amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, shall apply to calendar years after 1989.

(p) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, shall not apply.

(q) (1) A corporation may elect to assign any portion of any credit allowed under this section to one or more affiliated corporations for each taxable year in which the credit is allowed. For purposes of this subdivision, "affiliated corporation" has the meaning provided in subdivision (b) of Section 25110, as that section was amended by Chapter 881 of the Statutes of 1993, as of the last day of the taxable year in which the credit is allowed, except that "100 percent" is substituted for "more than 50 percent" wherever it appears in the section, as that section was amended by Chapter 881 of the Statutes of 1993, and "voting common stock" is substituted for "voting stock" wherever it appears in the section, as that section was amended by Chapter 881 of the Statutes of 1993.

(2) The election provided in paragraph (1):

(A) May be based on any method selected by the corporation that originally receives the credit.

(B) Shall be irrevocable for the taxable year the credit is allowed, once made.

(C) May be changed for any subsequent taxable year if the election to make the assignment is expressly shown on each of the returns of the affiliated corporations that assign and receive the credits.

(r) Any unused credit may continue to be carried forward, as provided in subdivision (1), until the credit has been exhausted.

~~—This—~~

(s) This section shall remain in effect on and after December 1, 1990, for as long as Section 42 of the Internal Revenue Code, relating to low-income housing credit, remains in effect.

~~—(s)—~~

(t) The amendments to this section made by Chapter 1222 of the Statutes of 1993 shall apply only to taxable years beginning on or after January 1, 1994, except that paragraph (1) of subdivision (q), as amended, shall apply to taxable years beginning on or after January 1, 1993.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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CITY COUNCIL MEETING

DATE: April 14, 2015

TO: City Council

FROM: Oliver Mujica, Contract Senior Management Analyst

SUBJECT: Consideration of City Council Resolution No. 2015-30 Supporting Assembly Bill 1335 (Atkins – D) Regarding Building Homes and Jobs

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt City Council Resolution No. 2015-30 (Attachment 1) to supporting Assembly Bill 1335 (Atkins – D) (Attachment 2) regarding building homes and jobs.

JUSTIFICATION:

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home-ownership for very low and low-income households, and down payment assistance for first-time homebuyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Existing law requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. This bill would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that revenues from this fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, be sent quarterly to the Department of Housing and Community Development for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury. The bill would provide that moneys in the fund may be expended for supporting affordable housing, home ownership opportunities, and other housing-related program, as specified. The bill would impose certain auditing and reporting requirements.

BACKGROUND:

This bill would generate up to \$700 million per year for affordable rental or ownership housing, supportive housing, emergency shelters, transitional housing and other housing needs via a \$75 recordation fee on real estate transactions with the exception of home sales. There is an eagerness to provide affordable housing but we lack the resources to do so.

Assembly Bill 1335 would provide an ongoing, permanent state source of funding which would allow the state to fund existing programs at dependable levels. This is a more reliable and efficient mechanism than occasional housing bonds. Further, the Building Homes and Jobs Act will help to leverage additional federal, local and private investment.

FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action.

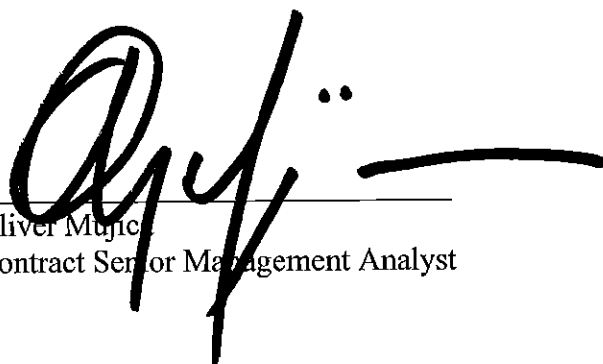
CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 2015-30 supporting Assembly Bill 1335 (Atkins – D) regarding building homes and jobs.

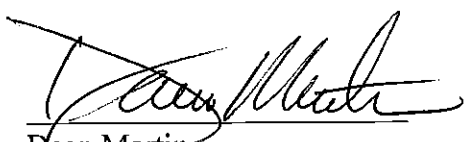
APPROVED BY:


James E. Smith
Interim City Manager

PREPARED BY:


Oliver Mujica
Contract Senior Management Analyst

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

ATTACHMENTS:

1. City Council Resolution No. 2015-30
2. Assembly Bill 35 – Legislative Counsel's Digest

ATTACHMENT 1
City Council Resolution No. 2015-30

RESOLUTION NO. 2015-30

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA SUPPORTING ASSEMBLY BILL 1335 REGARDING BUILDING HOMES AND JOBS

WHEREAS, under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home-ownership for very low and low-income households, and down payment assistance for first-time homebuyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Existing law requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. This bill would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that revenues from this fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, be sent quarterly to the Department of Housing and Community Development for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury. The bill would provide that moneys in the fund may be expended for supporting affordable housing, home ownership opportunities, and other housing-related program, as specified. The bill would impose certain auditing and reporting requirements; and

WHEREAS, this bill would generate up to \$700 million per year for affordable rental or ownership housing, supportive housing, emergency shelters, transitional housing and other housing needs via a \$75 recordation fee on real estate transactions with the exception of home sales. There is an eagerness to provide affordable housing but we lack the resources to do so; and

WHEREAS, Assembly Bill 1335 would provide an ongoing, permanent state source of funding which would allow the state to fund existing programs at dependable levels. This is a more reliable and efficient mechanism than occasional housing bonds. Further, the Building Homes and Jobs Act will help to leverage additional federal, local and private investment.

NOW THEREFORE, the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: City Council Action.

The City Council supports Assembly Bill 1335 (Atkins – D) regarding building homes and jobs.

SECTION 2: City Council Direction.

The City Council directs the Interim City Manager to transmit this Resolution supporting Assembly Bill 1335 (Atkins – D) to the City's legislative lobbyist (Joe A. Gonsalves & Son) for submittal to the State of California Legislature.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-30 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
Assembly Bill 1335 – Legislative Counsel’s Digest

BILL NUMBER: AB 1335 INTRODUCED
BILL TEXT

INTRODUCED BY Assembly Member Atkins

(Principal coauthors: Assembly Members Chau, Chiu, and Gordon)

(Coauthors: Assembly Members Alejo, Bloom, Bonilla, Bonta, Cooper, Gonzalez, Lopez, Low, McCarty, Mullin, Rendon, Santiago, Mark Stone, Ting, and Weber)

FEBRUARY 27, 2015

An act to add Section 27388.1 to the Government Code, and to add Chapter 2.5 (commencing with Section 50470) to Part 2 of Division 31 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1335, as introduced, Atkins. Building Homes and Jobs Act.

Under existing law, there are programs providing assistance for, among other things, emergency housing, multifamily housing, farmworker housing, home ownership for very low and low-income households, and downpayment assistance for first-time homebuyers. Existing law also authorizes the issuance of bonds in specified amounts pursuant to the State General Obligation Bond Law. Existing law requires that proceeds from the sale of these bonds be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development. The bill would impose a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. By imposing new duties on counties with respect to the imposition of the recording fee, the bill would create a state-mandated local program. The bill would require that revenues from this fee, after deduction of any actual and necessary administrative costs incurred by the county recorder, be sent quarterly to the Department of Housing and Community Development for deposit in the Building Homes and Jobs Fund, which the bill would create within the State Treasury. The bill would provide that moneys in the fund may be expended for supporting affordable housing, home ownership opportunities, and other housing-related program, as specified. The bill would impose certain auditing and reporting requirements.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.

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State-mandated local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known as the Building Homes and Jobs Act.

SEC. 2. (a) The Legislature finds and declares that having a healthy housing market that provides an adequate supply of homes affordable to Californians at all income levels is critical to the economic prosperity and quality of life in the state.

(b) The Legislature further finds and declares all of the following:

(1) Funding approved by the state's voters in 2002 and 2006, as of June 2014, has financed the construction, rehabilitation, and preservation of over 14,000 shelter spaces and 149,000 affordable homes. These numbers include thousands of supportive homes for people experiencing homelessness. In addition, these funds have helped tens of thousands of families become or remain homeowners. Nearly all of the voter-approved funding for affordable housing was awarded by the beginning of 2015.

(2) The requirement in the Community Redevelopment Law that redevelopment agencies set aside 20 percent of tax increment for affordable housing generated roughly \$1 billion per year. With the elimination of redevelopment agencies, this funding stream has disappeared.

(3) In 2014, the Legislature committed 10 percent of ongoing cap-and-trade funds for affordable housing that reduces greenhouse gas emissions and dedicated \$100 million in one-time funding for affordable multifamily and permanent supportive housing. In addition, the people of California thoughtfully approved the repurposing of \$600 million in already committed bond funds for the creation of affordable rental and permanent supportive housing for veterans through the passage of Proposition 41.

(4) Despite these investments, the need in the state of California greatly exceeds the available resources, considering 36.2 percent of mortgaged homeowners and 47.7 percent of all renters are spending more than 35 percent of their household incomes on housing.

(5) California has 12 percent of the United States population, but 20 percent of its homeless population. California has the highest percentage of unsheltered homeless in the nation, with 63 percent of homeless Californians not having shelter. California has 24 percent of the nation's homeless veterans population and one-third of the nations' chronically homeless population. California also has the largest populations of unaccompanied homeless children and youth, with 30 percent of the national total.

(6) Furthermore, four of the top 10 metropolitan areas in the country for homeless are in the following metropolitan areas in California: San Jose-Sunnyvale-Santa Clara, Los Angeles-Long Beach-Santa Ana, Fresno, and Stockton.

(7) California continues to have the second lowest homeownership rate in the nation, and the Los Angeles metropolitan area is now a majority renter area. In fact, five of the eight lowest homeownership rates are in metropolitan areas in California.

(8) Los Angeles and Orange Counties have been identified as the epicenter of overcrowded housing, and numerous studies have shown that children in crowded homes have poorer health, worse scores on mathematics and reading tests, and higher rates of depression and behavioral problems--even when poverty is taken into account.

(9) Millions of Californians are affected by the state's chronic

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housing shortage, including seniors, veterans, people experiencing chronic homelessness, working families, people with mental, physical, or developmental disabilities, agricultural workers, people exiting jails, prisons, and other state institutions, survivors of domestic violence, and former foster and transition-aged youth.

(10) Eight of the top 10 hardest hit cities by the foreclosure crisis in the nation were in California. They include the Cities of Stockton, Modesto, Vallejo, Riverside, San Bernardino, Merced, Bakersfield, and Sacramento.

(11) California's workforce continues to experience longer commute times as persons in the workforce seek affordable housing outside the areas in which they work. If California is unable to support the construction of affordable housing in these areas, congestion problems will strain the state's transportation system and exacerbate greenhouse gas emissions.

(12) Many economists agree that the state's higher than average unemployment rate is due in large part to massive shrinkage in the construction industry from 2005 to 2009, including losses of nearly 700,000 construction-related jobs, a 60-percent decline in construction spending, and an 83-percent reduction in residential permits. Restoration of a healthy construction sector will significantly reduce the state's unemployment rate.

(13) The lack of sufficient housing impedes economic growth and development by making it difficult for California employers to attract and retain employees.

(14) To keep pace with continuing demand, the state should identify and establish a permanent, ongoing source or sources of funding dedicated to affordable housing development. Without a reliable source of funding for housing affordable to the state's workforce and most vulnerable residents, the state and its local and private housing development partners will not be able to continue increasing the supply of housing after existing housing bond resources are depleted.

(15) The investment will leverage billions of dollars in private investment, lessen demands on law enforcement and dwindling health care resources as fewer people are forced to live on the streets or in dangerous substandard buildings, and increase businesses' ability to attract and retain skilled workers.

(16) In order to promote housing and homeownership opportunities, the recording fee imposed by this act shall not be applied to any recording made in connection with a sale of real property. Purchasing a home is likely the largest purchase made by Californians, and it is the intent of this act to not increase transaction costs associated with these transfers.

SEC. 3. Section 27388.1 is added to the Government Code, to read:

27388.1. (a) (1) Commencing January 1, 2016, and except as provided in paragraphs (2) and (3), in addition to any other recording fees specified in this code, a fee of seventy-five dollars (\$75) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded except those expressly exempted from payment of recording fees. "Real estate instrument, paper, or notice" means a document relating to real property, including, but not limited to, the following: deed, grant deed, trustee's deed, deed of trust, reconveyance, quit claim deed, fictitious deed of trust, assignment of deed of trust, request for notice of default, abstract of judgment, subordination agreement, declaration of homestead, abandonment of homestead, notice of default, release or discharge, easement, notice of trustee sale, notice of completion, UCC financing statement, mechanic's lien, maps, and covenants, conditions, and

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restrictions.

(2) The fee described in paragraph (1) shall not be imposed on any real estate instrument, paper, or notice recorded in connection with a transfer subject to the imposition of a documentary transfer tax as defined in Section 11911 of the Revenue and Taxation Code or on any real estate instrument, paper, or notice recorded in connection with a transfer of real property that is a residential dwelling to an owner-occupier.

(3) The fee described in paragraph (1) shall be reduced so that the fee, together with any charges or recording fees that are in effect on or before the effective date of the act adding this section, shall not exceed a per parcel maximum charge of two hundred twenty-five dollars (\$225).

(b) The fees, after deduction of any actual and necessary administrative costs incurred by the county recorder in carrying out this section, shall be remitted quarterly, on or before the last day of the month next succeeding each calendar quarterly period, to the Department of Housing and Community Development for deposit in the California Homes and Jobs Trust Fund established by Section 50470 of the Health and Safety Code, to be expended for the purposes set forth in that section. In addition, the county shall pay to the Department of Housing and Community Development interest, at the legal rate, on any funds not paid to the Controller before the last day of the month next succeeding each quarterly period.

SEC. 4. Chapter 2.5 (commencing with Section 50470) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 2.5. BUILDING HOMES AND JOBS ACT

Article 1. General Provisions

50470. (a) (1) There is hereby created in the State Treasury the Building Homes and Jobs Trust Fund. All interest or other increments resulting from the investment of moneys in the fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code.

(2) Moneys in the Building Homes and Jobs Trust Fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except to the Surplus Money Investment Fund. Upon appropriation by the Legislature, moneys in the fund may be expended for the following purposes:

(A) The development, acquisition, rehabilitation, and preservation of rental housing that is affordable to extremely low, very low, low- and moderate-income households, including necessary operating subsidies.

(B) Affordable rental and ownership housing that meets the needs of a growing workforce up to 120 percent of area median income.

(C) Matching portions of funds placed into local or regional housing trust funds.

(D) Matching portions of funds available through the Low and Moderate Income Housing Asset Fund pursuant to subdivision (d) of Section 34176 of the Health and Safety Code.

(E) Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Program.

(F) Emergency shelters, transitional housing, and rapid rehousing.

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(G) Accessibility modifications.

(H) Efforts to acquire and rehabilitate foreclosed or vacant homes.

(I) Homeownership opportunities, including, but not limited to, down payment assistance.

(b) Both of the following shall be paid and deposited in the fund:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any other moneys that may be made available to the department for the purposes of the fund from any other source or sources.

50471. (a) In order to maximize efficiency and address comprehensive needs, the department, in consultation with the California Housing Finance Agency, the California Tax Credit Allocation Committee, and the California Debt Limit Allocation Committee, shall develop and submit to the Legislature, at the time of the Department of Finance's adjustments to the proposed 2015-16 fiscal year budget pursuant to subdivision (e) of Section 13308 of the Government Code, the Building Homes and Jobs Investment Strategy. Notwithstanding Section 10231.5 of the Government Code, commencing with the 2020-21 fiscal year, and every five years thereafter, concurrent with the release of the Governor's proposed budget, the department shall update the investment strategy and submit it to the Legislature. The investment strategy shall do all of the following:

(1) Identify the statewide needs, goals, objectives, and outcomes for housing for a five-year time period. Goals should include targets of the total number of affordable homes created and preserved with the funds.

(2) Promote a geographically balanced distribution of funds including consideration of a direct allocation of funds to local governments.

(3) Emphasize investments that serve households that are at or below 60 percent of area median income.

(4) Meet the following minimum objectives:

(A) Encourage economic development and job creation by helping to meet the housing needs of a growing workforce up to 120 percent of area median income.

(B) Identify opportunities for coordination among state departments and agencies to achieve greater efficiencies, increase the amount of federal investment in production, services, and operating costs of housing, and promote energy efficiency in housing produced.

(C) Incentivize the use and coordination of nontraditional funding sources including philanthropic funds, local realignment funds, nonhousing tax increment, federal Patient Protection and Affordable Care Act, and other resources.

(D) Incentivize innovative approaches that produce cost savings to local and state services by reducing the instability of housing for frequent, high-cost users of hospitals, jails, detoxification facilities, psychiatric hospitals, and emergency shelters.

(b) Before submitting the Building Homes and Jobs Investment Strategy to the Legislature, the department shall hold at least four public workshops in different regions of the state to further inform the development of the investment strategy.

(c) The department shall form an advisory body of experts and stakeholders to help develop the Building Homes and Jobs Investment Strategy, including, but not limited to, representatives from the banking and financial sector, real estate sector, real estate and housing developers, and homeless service providers.

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(d) Expenditure requests contained in the Governor's proposed budget shall be consistent with the Building Homes and Jobs Investment Strategy developed and submitted pursuant to this part. Moneys in the Building Homes and Jobs Act Fund shall be appropriated through the annual Budget Act.

(e) The Building Homes and Jobs Investment Strategy and updates required by this section shall be submitted pursuant to Section 9795 of the Government Code.

Article 2. Audits and Reporting

50475. The California State Auditor's Office shall conduct periodic audits to ensure that the annual allocation to individual programs is awarded by the department in a timely fashion consistent with the requirements of this chapter. The first audit shall be conducted no later than 24 months from the effective date of this section.

50476. (a) In its annual report to the Legislature pursuant to Section 50408, the department shall report how funds that were made available pursuant to this chapter and allocated in the prior year were expended, including efforts to promote a geographically balanced distribution of funds. The report shall also assess the impact of the investment on job creation and the economy. With respect to any awards made specifically to house or support persons who are homeless or at-risk of homelessness, the report shall include an analysis of the effectiveness of the funding in allowing these households to retain permanent housing. The department shall make the report available to the public on its Internet Web site.

(b) (1) In the report, the department shall make a determination of whether any of the moneys derived from fees collected pursuant to Section 27388.1 of the Government Code are being allocated by the state for any purpose not authorized by Section 50470 and shall share the information with the county recorders.

(2) If the department determines that any moneys derived from fees collected pursuant to Section 27388.1 of the Government Code are being allocated by the state for a purpose not authorized by Section 50470, the county recorders shall, upon notice of the determination, immediately cease collection of the fees imposed by Section 27388.1 of the Government Code, and shall resume collection of those fees only upon notice that the moneys derived from fees collected pursuant to Section 27388.1 of the Government Code are being allocated by the state only for a purpose authorized by Section 50470.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide affordable housing opportunities at the earliest possible time, it is necessary for this act to take effect immediately.

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CITY COUNCIL MEETING

DATE: April 14, 2015

TO: City Council

FROM: Oliver Mujica, Contract Senior Management Analyst

SUBJECT: Consideration of City Council Resolution No. 2015-31 Opposing Assembly Bill 1220 (Harper – R) Regarding Transient Occupancy Taxes and Residential Short-Term Rental Units

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt City Council Resolution No. 2015-31 (Attachment 1) to oppose Assembly Bill 1220 (Harper – R) (Attachment 2) regarding transient occupancy taxes and residential short-term rental units.

JUSTIFICATION:

Existing law authorizes the legislative body of a city or county to levy a tax on the privilege of occupying a room or other living space in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for a period of more than 30 days, as provided. The California Constitution also provides that a charter city may levy local taxes to raise revenues for local purposes, subject to restrictions imposed by that city's charter or preemption in matters of statewide concern. This bill would prohibit a legislative body of a local agency, defined to mean any city, county, city and county, including any chartered city, county, or city and county, from levying a tax on the privilege of occupying a residential short-term rental unit, as defined.

BACKGROUND:

Assembly Bill 1220 would eliminate the City's authority to collect revenue on transient occupancy of short term residential units, thereby undermining local control, local budgets and regulatory authority. Contrary to the intent language in the bill that states that such measures would create "fairness," such a proposal creates major inequities. These residential units are in direct competition with hotels, motels and other accommodations where guests do pay the local transient occupancy tax, so all such uses should be subject to the same tax. The revenues generated support local streets, roads, fire, police, trash pick-up, park maintenance and other local public services which directly affect local quality of life.

Moreover, such short-term rentals of residential houses, rooms, and apartments present numerous challenges to affected neighborhoods and adjacent property owners. They may create additional noise, traffic, parking, privacy and public safety issues, subvert local rent-control laws, and decrease available housing stock.

FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action.

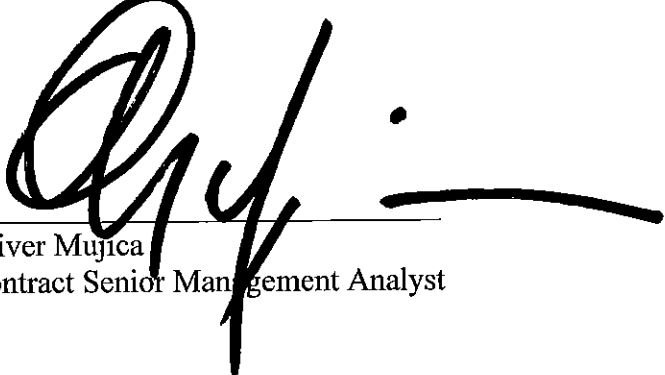
CONCLUSION:

Staff recommends that the City Council adopt Resolution No. 2015-31 opposing Assembly Bill 1220 (Harper – R) regarding transient occupancy taxes and residential short-term rental units.

APPROVED BY:


James E. Smith
Interim City Manager

PREPARED BY:


Oliver Mujica
Contract Senior Management Analyst

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

ATTACHMENTS:

1. City Council Resolution No. 2015-31
2. Assembly Bill 1220 – Legislative Counsel's Digest

ATTACHMENT 1
City Council Resolution No. 2015-31

RESOLUTION NO. 2015-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA OPPOSING ASSEMBLY BILL 1220 REGARDING TRANSIENT OCCUPANCY TAXES AND RESIDENTIAL SHORT-TERM RENTAL UNITS

WHEREAS, existing law authorizes the legislative body of a city or county to levy a tax on the privilege of occupying a room or other living space in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for a period of more than 30 days, as provided. The California Constitution also provides that a charter city may levy local taxes to raise revenues for local purposes, subject to restrictions imposed by that city's charter or preemption in matters of statewide concern. This bill would prohibit a legislative body of a local agency, defined to mean any city, county, city and county, including any chartered city, county, or city and county, from levying a tax on the privilege of occupying a residential short-term rental unit, as defined; and

WHEREAS, Assembly Bill 1220 would eliminate the City's authority to collect revenue on transient occupancy of short term residential units, thereby undermining local control, local budgets and regulatory authority. Contrary to the intent language in the bill that states that such measures would create "fairness," such a proposal creates major inequities. These residential units are in direct competition with hotels, motels and other accommodations where guests do pay the local transient occupancy tax, so all such uses should be subject to the same tax. The revenues generated support local streets, roads, fire, police, trash pick-up, park maintenance and other local public services which directly affect local quality of life; and

WHEREAS, moreover, such short-term rentals of residential houses, rooms, and apartments present numerous challenges to affected neighborhoods and adjacent property owners. They may create additional noise, traffic, parking, privacy and public safety issues, subvert local rent-control laws, and decrease available housing stock.

NOW THEREFORE, the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: City Council Action.

The City Council opposes Assembly Bill 1220 (Harper - R) regarding homelessness.

SECTION 2: City Council Direction.

The City Council directs the Interim City Manager to transmit a copy of this Resolution opposing Assembly Bill 1220 (Harper - R) to the City's legislative lobbyist (Joe A. Gonsalves & Son) for submittal to the State of California Legislature.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-31 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
Assembly Bill 1220 – Legislative Counsel’s Digest

BILL NUMBER: AB 1220 INTRODUCED
BILL TEXT

INTRODUCED BY Assembly Member Harper

FEBRUARY 27, 2015

An act to add Section 7282.1 to the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1220, as introduced, Harper. Transient occupancy taxes: residential short-term rentals units.

Existing law authorizes the legislative body of a city or county to levy a tax on the privilege of occupying a room or other living space in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for a period of more than 30 days, as provided. The California Constitution also provides that a charter city may levy local taxes to raise revenues for local purposes, subject to restrictions imposed by that city's charter or preemption in matters of statewide concern.

This bill would prohibit a legislative body of a local agency, defined to mean any city, county, city and county, including any chartered city, county, or city and county, from levying a tax on the privilege of occupying a residential short-term rental unit, as defined.

This bill would make legislative findings and declarations regarding the statewide concern of excluding the occupancy of a residential short-term rental unit from local transient occupancy taxes to ensure statewide uniformity and fairness in how those taxes are applied.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares that ordinary people who want to earn additional income through home-sharing arrangements should not be burdened with the collection of, and compliance with, local transient occupancy taxes. Excluding the occupancy of a residential short-term rental unit from local transient occupancy taxes will ensure statewide uniformity and fairness in how those taxes are applied, and therefore is a matter of statewide concern, not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution.

SEC. 2. Section 7282.1 is added to the Revenue and Taxation Code, to read:

7282.1. (a) Notwithstanding any other law, no legislative body of a local agency may levy a tax on the privilege of occupying a residential short-term rental unit.

(b) For purposes of this section:

(1) "Local agency" means any city, county, city and county, including any chartered city, county, or city and county.

(2) "Residential short-term rental unit" means a residential

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dwelling unit, including single-family residence, apartment, residential condominium unit, or other residential real estate improvement, in which members of the public, for consideration, obtain sleeping accommodations for less than 90 days.

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**CITY COUNCIL MEETING
PUBLIC HEARING**

DATE: April 14, 2015

TO: City Council

FROM: Brian Guillot, Acting Community Development Director

SUBJECT: Consideration of Resolution No. 2015-21 Approving the General Plan Annual Progress Report for Calendar Year 2014

RECOMMENDATION:

The Planning Commission recommends that the City Council:

1. Conduct a public hearing on the General Plan Annual Progress Report for Calendar Year 2014; and
2. Adopt Resolution No. 2015-21 (Attachment 1) to approve:
 - a. General Plan Annual Progress Report for Calendar Year 2014 (Attachment 2).

JUSTIFICATION:

California Government Code §65400 mandates that cities and counties in California submit an annual progress report on the status of the General Plan and progress in its implementation, including the progress in implementing the housing element, to their decision makers (City Council or Board of Supervisors), the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD). The annual report must be filed with OPR and HCD by April 1st of each year; however, there is a 60-day grace period provided to cities and counties from April 1st, should there be a delay in the submittal of the annual report.

The California Supreme Court has called the General Plan the "*constitution for future development*." The General Plan expresses the community's development goals and embodies public policy relative to the distribution of future land uses, both public and private. The purpose of the General Plan is to guide development and to improve the quality of life of the City's residents as land development continues to occur.

The purpose of the General Plan Annual Progress report is to provide enough information to identify the necessary "course adjustments" or modifications to the General Plan and means to improve local implementation. This progress report will be sent to OPR and HCD as soon as it is reviewed and approved by the City Council.

The State uses the information submitted by the City to identify statewide trends in the land use decision making process and how local planning and development activities relate to statewide planning goals and policies.

State law requires that the General Plan include seven (7) mandated elements: land use, housing, traffic circulation, safety, parks and recreation, conservation, and noise. Each of these elements must have goals, policies, and objectives that would contribute to the overall quality of life for Banning residents. Non-mandated elements can be included in the General Plan. However, once the element is adopted, the goals, policies, and objectives in the non-mandated elements have equal status. For example, the land use policies are not any superior to the open space element or economic development element. Each of the element goals, policies, and objectives shall be internally consistent in text, maps, and diagrams in that they cannot conflict with each other.

On March 4, 2015, the Planning Commission conducted a duly advertised public hearing at a regularly scheduled meeting and adopted Resolution No. 2015-05 (Attachment 4) forwarding a recommendation to the City Council to approve the General Plan Annual Progress Report for Calendar Year 2014.

BACKGROUND:

On January 31, 2006, the City Council adopted Resolution No. 2006-12 approving the Comprehensive General Plan Update. While there are seven (7) mandated element, the City of Banning's General Plan contains the following twenty-one (21) elements: Air Quality, Archaeological and Cultural Resources, Biological Resources, Circulation, Economic Development, Emergency Preparedness, Energy and Mineral Resources, Flooding and Hydrology, Geotechnical, Hazardous and Toxic Materials, Housing, Land Use, Noise, Open Space and Conservation, Parks and Recreation, Police and Fire Protection, Public Buildings and Facilities, Schools and Libraries, Water Resources, Water and Waste Water and Utilities, and Wildland Fire Hazard. Over the course of the past nine (9) years, the City has continued to take proactive steps in implementing the goals, policies and action programs of the General Plan. While the City has been implementing the General Plan, the primary reasons why some of the action programs have not been completed or initiated is due to budget constraints, available staff resources, and work program priority for each of the City departments.

The General Plan Annual Progress Report is organized alphabetically by element. Each section contains the adopted goals and policies including a summary table that reflects the action program, responsible City department or agency, adopted schedule and implementation status. The information contained within the General Plan Annual Progress Report was obtained (through a series of inter-department meetings) from the following City departments: Community Development, Public Works, Electric Utility, Water/Waste Water Utility, Community Services, Fire Services and Police.

For easy reference, the action programs that have been completed and/or are active and ongoing are highlighted in **bold type**, while the programs that have not been completed/initiated are highlighted in *Italics*.

As part of the General Plan Annual Progress Report, staff has included a copy of the Goals and Policies contained within the City's 2013-2021 Housing Element (Attachment 3) which was approved by the City Council on January 28, 2014 with the adoption of Resolution No. 2014-05.

In addition to the attached General Plan Annual Progress Report, a form summarizing the annual building and construction activity will be transmitted to OPR and HCD.

It should be noted that the purpose of this process is to review the General Plan Annual Progress Report from the standpoint of providing information to OPR and HCD as to how the City's General Plan programs have been implemented, rather than to solicit direction as to what should programs should be changed or eliminated.

PUBLIC COMMUNICATION

The proposed General Plan Annual Progress Report was advertised in the Record Gazette newspaper on April 3, 2015 (Attachment 5). As of the date of this report, staff has not received any verbal or written comments for or against the proposal.

FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action.

CONCLUSION:

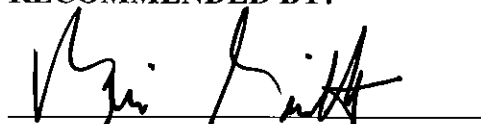
The Planning Commission recommends that the City Council adopt Resolution No. 2015-21 approving:

1. General Plan Annual Progress Report for Calendar Year 2014.

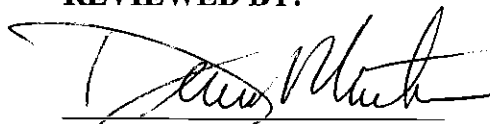
APPROVED BY:


James E. Smith
Interim City Manager


RECOMMENDED BY:


Brian Guillot
Acting Community Development Director

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

PREPARED BY:


Oliver Mujica
Contract Planner

ATTACHMENTS:

1. City Council Resolution No. 2015-21
2. General Plan Annual Progress Report for Calendar Year 2014
3. 2013-2021 Housing Element (Goals and Policies)
4. Planning Commission Resolution No. 2015-05
5. Public Hearing Notice

ATTACHMENT 1
City Council Resolution No. 2015-21

RESOLUTION NO. 2015-21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING THE GENERAL PLAN ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2014

WHEREAS, the California state law requires that each city and county adopt a general plan to guide development in their city and land outside its boundaries that has relation to its city planning (Govt. Code §65300); and

WHEREAS, the California State law requires that the General Plan include seven (7) mandated elements: land use, housing, traffic circulation, safety, parks and recreation, conservation, and noise; and

WHEREAS, the City undertook a comprehensive update to the General Plan and Zoning Ordinance which were adopted by the City Council on January 31, 2006 by Resolution No. 2006-12; and

WHEREAS, the City of Banning General Plan has 21 elements (seven [7] of which are mandated by the State); and

WHEREAS, Government Code §65400 mandates that cities and counties in California submit an annual report on the status of the General Plan and progress in its implementation to their decision makers (City Council or Board of Supervisors), the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) by April 1st of each year; and

WHEREAS, the purpose of the General Plan annual report is to provide enough information to identify the necessary "course adjustments" or modifications to the General Plan and means to improve local implementation; and

WHEREAS, the City is also required to report progress in implementing its housing element and the Regional Housing Needs Assessment as part of the annual report; and

WHEREAS, the economic recession has hampered development in the community, including housing construction because financial institutions have tighter regulations and are not lending any construction loans; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld the validity of the Assembly Bill (AB) 1X 26 and invalidated AB 1X 27 which resulted in dissolution of redevelopment agencies in California including the City of Banning Community Redevelopment Agency which completely cut-off sources of funding for construction of infrastructure, elimination of blight, and construction and maintenance of affordable housing; and

WHEREAS, the City continues to take proactive steps in implementing the goals, policies and action programs of the General Plan; and

WHEREAS, over the course of the past nine (9) years, the City has continued to take proactive steps in implementing the goals, policies and action programs of the General Plan. While the City has been implementing the General Plan, the primary reasons why some of the action programs have not been completed or initiated is due to budget constraints, available staff resources, and work program priority for each of the City departments; and

WHEREAS, the General Plan Annual Progress Report for Calendar Year 2014 contains the reporting forms on progress for implementing the Housing Element and details the implementation action programs and status; and

WHEREAS, on March 4, 2015, during a duly advertised public hearing, the Planning Commission adopted Resolution No. 2015-05 recommending to the City Council the approval of the General Plan Annual Progress Report for Calendar Year 2014; and

WHEREAS, on the 3rd day of April 2015, the City gave public notice as required by advertising in the Record Gazette newspaper of the holding of a public hearing at which the General Plan Annual Progress Report for Calendar Year 2014 would be considered; and

WHEREAS, on the 14th day of April 2015, the City Council held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to the proposed General Plan Annual Progress Report for Calendar Year 2014; and

WHEREAS, at this public hearing on the 14th day of April 2015, the City Council considered and heard public comments on the proposed General Plan Annual Progress Report for Calendar Year 2014; and

WHEREAS, the City Council has carefully considered all pertinent documents and the staff report offered in this case as presented at the public hearing held on the 14th day of April 2015.

NOW THEREFORE, the Planning Commission of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: Compliance with Government Code Section 65400.

The City Council determined that this General Plan Annual Progress Report for Calendar Year 2014 was prepared for compliance with Government Code Section 65400.

SECTION 2: City Council Action.

The City Council approved the General Plan Annual Progress Report for Calendar Year 2014 attached as Exhibit "A" and directed staff to file the report with the State Office of Planning and Research and the State Department of Housing and Community Development.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-21 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
General Plan Annual Progress Report
for Calendar Year 2014

General Plan Annual Progress Report For Calendar Year 2014



**Proud History
Prosperous Tomorrow**

**City of Banning
99 E. Ramsey Street
Banning, CA 92220
(951) 922-3100**

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Introduction

Government Code Section 65400(b) requires planning agencies to provide an annual report to their legislative body, the Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) on the status of their General Plan and their progress in its implementation. The report must detail the progress in meeting the jurisdiction's share of regional housing needs and addresses efforts by the local agency to removing governmental constraints to the maintenance, improvement, and development of housing.

The purpose for the Annual Progress Report is to assess how the General Plan is being implemented in accordance with adopted goals, policies and implementation measures; identify any necessary adjustments or modifications to the General Plan as a means to improve local implementation; provide a clear correlation between land use decisions that have been made during the 12-month reporting period and the goals, policies and implementation measures contained in the General Plan; and, to provide information regarding local agency progress in meeting its share of regional housing needs.

The current Banning General Plan was adopted by the Banning City Council on January 31, 2006. The following discussion will provide a summary of the progress in achieving the Goals, Policies and Implementation Programs for each of the 21 General Plan elements. Each General Plan Element contains implementation programs that identify each department(s) responsible for implementation of the programs and outlines the timing/schedule to complete the programs. The elements have been alphabetized for easier reference. The programs that have been completed and/or active and ongoing are **highlighted in bold** and the programs that have not been completed are *highlighted in italics*.

Air Quality Element (11 programs)

GOAL 1

To preserve and enhance local and regional air quality for the protection of the health and welfare of the community.

Policy 1

The City shall be proactive in regulating local pollutant emitters and shall cooperate with the Southern California Association of Governments and the South Coast Air Quality Management District to assure compliance with air quality standards.

Policy 2

The City shall continue to coordinate and cooperate with local, regional and federal efforts to monitor, manage and reduce the levels of major pollutants affecting the City and region, with particular emphasis on PM₁₀ and ozone emissions, as well as other emissions associated with diesel-fueled equipment and motor vehicles.

Program 2.A

On an ongoing basis, the City shall continue to participate in efforts to monitor and control PM₁₀ emissions from construction and other sources, and all other air pollutants of regional concern. The City shall coordinate with SCAQMD to provide all reporting data for the SCAQMD annual report.

Responsible Agency: Community Development Department (Planning Division and Building & Safety Division, Public Works Department (Engineering Division) and SCAQMD

Schedule: Continuous; Ongoing

Implementation Status – Ongoing through land development review and environmental documentation process that is required and standard conditions of approval monitored by the Public Works Department. The City consults with the SCAQMD with regard to air quality impacts from land development projects. The City Public Works inspector also monitors grading activities and enforces dust control.

Policy 3

City land use planning efforts shall assure that sensitive receptors are separated from polluting point sources.

Program 3.A

The General Plan Land Use Map and Element shall be developed and maintained to locate air pollution point sources, such as manufacturing operations and highways, at an appropriate distance from sensitive receptors, including hospitals, schools, hotels/motels and residential neighborhoods.

Responsible Agency: Planning Division, SCAQMD

Schedule: Continuous; Ongoing

Implementation Status – This is implemented through the Zoning Ordinance where zoning districts are established to ensure that conflict between land uses - residential, commercial, industrial, and public facilities are minimized. As part of land development review process, City staff consults with the SCAQMD through the environmental review process as required by the California Environmental Quality Act (CEQA) to ensure that land development projects do not have the potential to impact sensitive receptors.

Policy 4

Development proposals brought before the City shall be reviewed for their potential to adversely impact local and regional air quality and shall be required to mitigate any significant impacts.

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| Program 4.A |
| Projects that may generate significant levels of air pollution shall be required to conduct detailed impact analyses and incorporate mitigation measures into their designs using the most advanced technological methods feasible. All proposed mitigation measures shall be reviewed and approved by the City prior to the issuance of grading or demolition permits. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status - Implemented through the California Environmental Quality Act (CEQA) and land development review process. Environmental documents are prepared for each of the land development projects that are not exempt under CEQA and mitigation measures are made apart of the Conditions of Approval. Additionally, mitigation measures are implemented and monitored during construction of the project. |
| Program 4.B |
| Provide consistent and effective code enforcement of construction and grading activities and off-road vehicle use to assure that the impacts of blowing sand and fugitive dust emissions are minimized. |
| Responsible Agency: Building Department, Code Compliance, SCAQMD |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through standard approval process and also monitoring during construction. |
| Program 4.C |
| The City shall encourage immediately, and investigate legislation regarding the reduction of TDM requirements to a level of 50 employees or more. |
| Responsible Agency: Public Works Department/Planning Division |
| Schedule: Pending |
| Implementation Status - Not Implemented due to budget cuts and staff reduction. |

Policy 5

The City shall promote the use of clean and/or renewable alternative energy sources for transportation, heating and cooling.

| |
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| Program 5.A |
| Vehicles that use alternative fuel sources, such as compressed natural gas and electricity, shall be purchased and maintained for use in the City's vehicle fleet when new vehicles are purchased. |
| Responsible Agency: City Manager's Office |
| Schedule: Continuous; Ongoing |
| Implementation Status – New city vehicles that are purchased use compressed natural gas and the implementation is ongoing. |
| Program 5.B |
| The City's Compressed Natural Gas fueling station shall continue to be open to public use. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Active and Ongoing. The CNG Fuel Station is currently open and available to the public 24 hours a day. |

Policy 6

The City shall support the development of facilities and projects that facilitate and enhance the use of alternative modes of transportation, including pedestrian-oriented retail and activity centers, dedicated bicycle paths and lanes, and community-wide multi-use trails.

| |
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| Program 6.A |
| The City shall pursue a balance of employment and housing opportunities that encourage pedestrian and other non-motorized transportation and minimize vehicle miles traveled. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as new development is proposed. The Butterfield Specific Plan (Pardee) will incorporate commercial development with active walking/jogging trails, bike paths, and neighborhood electric vehicles. The Village at Paseo San Geronio is a Downtown redevelopment project that encourages people to walk and enjoy the outdoor environment. |
| Program 6.B |
| The City shall promote the expanded availability of mass transit services, coordinating with all agencies to link residential and commercial business and employment centers with the City's residential neighborhoods and nearby communities. |
| Responsible Agency: Community Services Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – The City coordinates with other regional transit agencies such as the Riverside Transit Agency and attends regional transit meetings. Expansion will occur when population increases demand for expanded service. The City Manager is pursuing opportunities for a regional rail/transit station. |

Program 6.C

The City shall promote and support the development of ridesharing, carpooling, flexible work scheduling, telecommuting and Park and Ride programs among public and private employers.

Responsible Agency: Planning Division, Public Works Department, Community Services Department, Transit Agencies, Major Employers

Schedule: Continuous; Ongoing

Implementation Status - Ongoing as the City currently has a four day work week (4/10 work schedule). This program is codified in Chapter 8.60 of the Municipal Code.

Program 6.D

The City shall require shade trees with non-damaging root systems to be planted in all medians on all streets, to cool the asphalt and reduce the Reactive Organic Compounds (ROC) and Volatile Organic Compounds (VOC) generated by asphalt streets and parking lots. A list of permitted trees with non-damaging root systems shall be developed.

Responsible Agency: Planning Division, Public Works Department

Schedule: Continuous; Ongoing

Implementation Status - Ordinance in place, active and ongoing. Public Works reviews street tree plans for acceptable species; Public Works maintains trees in medians and replants when required. Planning requires one tree for every seven (7) parking spaces in the parking lot.

Archaeological and Cultural Resources Element (12 programs)

GOAL 1

Documentation, maintenance, preservation, conservation and enhancement of archaeological and historic sites, artifacts, traditions and other elements of the City's cultural heritage.

Policy 1

The City shall exercise its responsibility to identify, document and evaluate archaeological, historical and cultural resources that may be affected by proposed development projects and other activities.

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| Program 1.A |
| All new development proposals, except single family dwelling on existing lots of record, shall submit a records search for historic and cultural resources as part of the planning process. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status -- Ongoing and is implemented through the California Environmental Quality Act (CEQA) process during land development review. |
| Program 1.B |
| Development or land use proposals which have the potential to disturb or destroy sensitive cultural resources shall be evaluated by a qualified professional and, if necessary, comprehensive Phase I studies and appropriate mitigation measures shall be incorporated into project approvals. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status -- Standard conditions for grading. |
| Program 1.C |
| The City shall implement the requirements of state law relating to cultural resources, including Government Code 65352.3, and any subsequent amendments or additions. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status --City consults with tribal representatives on all land development projects. |

Policy 2

The City shall expand and enhance its historic preservation efforts.

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| Program 2.A |
| Prepare a historic preservation plan, which outlines the goals and objectives of the City's preservation programs and serves as an official historic context statement for the evaluation of cultural resources within the City boundaries. |
| Responsible Agency: Planning Division |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |
| Program 2.B |
| The City shall consider participating in the Certified Local Government program so that it may benefit from historic preservation expertise, technical assistance, special grants, information exchange, and statewide preservation programs coordinated by the State Office of Historic Preservation. The evaluation of participation in the program shall be part of the historic preservation plan. |
| Responsible Agency: Planning Division, Historical Society, City Council |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |
| Program 2.C |
| Encourage property owners and residents to nominate qualified properties to the City's inventory system and/or any federal and state registers. |
| Responsible Agency: Planning Division, Morongo Band of Cahuilla Indians |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |
| Program 2.D |
| Should the Saint Boniface School site be proposed for development, extensive analysis of the site shall be conducted, and mitigation proposed, to document its historic significance. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Tract map approved but a project is not yet developed. |

Policy 3

Establish and maintain a confidential inventory of archaeological and historical resources within the City, including those identified by the Eastern Information Center (EIC) at the University of California, Riverside and in focused cultural resources studies.

Policy 4

Sensitive archaeological and historic resources shall be protected from vandalism and illegal collection, to the greatest extent possible.

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| Program 4.A |
| Mapping and similar information, which identifies specific locations of sensitive cultural resources, shall be maintained in a confidential manner, and access to such information shall be provided only to those with appropriate professional or organizational ties. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Records of sensitive Cultural Resources are maintained by curator at the University of California Riverside. |

Policy 5

Encourage public participation in and appreciation of the City's cultural heritage.

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| Program 5.A |
| Implement a systematic program to enhance public awareness of the City's heritage, generate broad support for its preservation, and enhance community pride. |
| Responsible Agency: Planning Division, Historical Society, City Council, Morongo Band of Mission Indians |
| Schedule: Continuous; Ongoing |
| Implementation Status – The Centennial Celebration Committee held various guest speakers on the history of Banning throughout 2013 which enhance public awareness of the city's heritage. |
| Program 5.B |
| Support the efforts of local cultural associations to acquire historical materials and artifacts, and to educate the public about the City's and region's cultural heritage. |
| Responsible Agency: Planning Division, Historical Society, Morongo Band of Mission Indians |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |

Policy 6

Support the listing of eligible structures or sites as potential historic landmarks and their inclusion in the National Register of Historic Places.

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| Program 6.A |
| Develop procedures for the designation of local landmarks and historic districts. |
| Responsible Agency: Planning Division, Historical Society, Morongo Band of Mission Indians |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |

Policy 7

The City shall consider offering economic or other incentives, such as direct subsidies or application/permitting fee reductions or waivers, to property owners to encourage the maintenance and enhancement of significant cultural buildings and sites.

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| Program 7.A |
| Develop an application process for City-sponsored incentives to maintain and enhance significant buildings and sites, and provide property owners with information and guidance on eligibility requirements. |
| Responsible Agency: Planning Division |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |

Biological Resources Element (7 programs)

GOAL 1

A pattern of community development that supports a functional, productive, harmonious and balanced relationship between the built and natural environment.

Policy 1

The City shall continue to participate in the preservation of habitat for endangered, threatened and sensitive species.

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| Program 1.A |
| Through the Western Riverside MSHCP, maintain an accurate and regularly updated map of sensitive plant and animal species and habitat in Banning and its planning area. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Implemented as required by the Multi-Species Habitat Conservation Plan (MHSCP). |
| Program 1.B |
| The City shall participate in the Western Riverside County Multiple Species Habitat Conservation Plan. |
| Responsible Agency: Planning Division, Riverside County |
| Schedule: Continuous; Ongoing |
| Implementation Status – Implemented as required by the MSHCP. |
| Program 1.C |
| City staff shall continue to request biological resource surveys for new development. |
| Responsible Agency: Planning Division, Riverside County |
| Schedule: Continuous; Ongoing |
| Implementation Status - Implemented as required by the MHSCP and through the CEQA review process. |

Policy 2

As part of the development review process, the City shall evaluate projects based on their impact on existing habitat and wildlife, and for the land's value as viable open space.

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| Program 2.A |
| The City shall encourage developers to recover native and drought tolerant plant materials, and incorporate them into project landscaping, to provide or enhance habitat for local species. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing part of land development review process. |
| Program 2.B |
| The City shall make available at City Hall a listing of planting materials that emphasizes native vegetation, but may also include non-native, plants that are compatible with the local environment. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – The City's Landscape Guidelines contain the list and are available to the public. |

Policy 3

The City shall encourage and cooperate with other agencies in establishing multiple use corridors that take advantage of drainage channels and utility easements as wildlife corridors, public access and links between open space areas and the built environment.

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| Program 3.A |
| The City shall consult and coordinate with the Riverside County Flood Control District to encourage the establishment of a system of multiple use corridors for movement of people and wildlife between open space areas. |
| Responsible Agency: Planning Division, Riverside County Flood Control District |
| Schedule: Continuous; Ongoing |
| Implementation Status – Future trail plans that are proposed to be constructed adjacent to flood control facilities will be coordinated with the Riverside County Flood Control District. |

Policy 4

Drainage channels, utility corridors and pipeline easements shall be preserved in natural open space to the greatest extent possible.

Policy 5

The City shall promote the protection of biodiversity and encourage an appreciation of the natural environment and biological resources.

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| Program 5.A |
| The City shall coordinate with the Banning and Beaumont Unified School Districts, the County and other agencies as identified, to provide educational programs that offer an understanding of the region's natural environment and make the public aware of biological resource issues. |
| Responsible Agency: Planning Division, Banning and Beaumont Unified School Districts, Riverside County, and others as identified |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding and staffing.</i> |

Circulation Element (38 programs)

GOAL 1

A safe and efficient transportation system.

Policy 1

The City's Recommended General Plan Street System shall be strictly implemented.

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| Program 1.A |
| Street rights of way shall be 134 feet for Urban Arterial Highways, 110 feet for Arterial Highways, 100 feet for Major Highways, 88 feet for Secondary Highways, 78 feet for Divided Collectors, 66 feet for Collectors, and 60 feet for Local Streets. Local street standards can be amended as described in Policy 2. |
| Responsible Agency: Community Development Department, Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Implemented through the City's development process. |
| Program 1.B |
| The City's Public Works roadway standards shall be amended to match the standards contained in this General Plan. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – The roadway standard plans were updated and approved by City Council on December 11, 2012. |
| Program 1.C |
| Minimum lane width for all City streets shall be designed at 12 feet. |
| Responsible Agency: Planning Division, Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing standard requirement for all development projects. |

Policy 2

Local streets shall be scaled to encourage neighborhood interaction, pedestrian safety and reduced speeds.

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| Program 2.A |
| The design of new local streets can vary from the City's standard of 60 foot right-of-way, 40 foot paved width, under the following conditions: <ol style="list-style-type: none">1. The minimum travel lane width shall be 12 feet.2. Parking shall be provided on at least one side of any public street. Parking lanes shall be a minimum of 8 feet in width.3. Parking may be eliminated on private streets, if provisions are made in Conditions, Covenants and Restrictions (CC&R's) for enforcement by the Homeowners' Association.4. Landscaped traffic circles, chokers, and center islands are encouraged, but must meet the requirements of the Fire Department.5. The minimum parkway width shall be 10 feet.6. Linear sidewalks are discouraged. Meandering sidewalks, which provide landscaping and street trees adjacent to the curb, shall be included in local street design. The design of local streets varying from the City's standard, shall be included in the Tentative Tract Map application, and shall be reviewed by the Planning Commission and approved by the City Council. |
| Responsible Agency: Community Development Department, Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing review as part of development process. |
| Program 2.B |
| Existing local streets will be inventoried, and a master plan of potential improvements designed to improve their aesthetic and safety, including landscaped medians, sidewalks and traffic calming devices, shall be developed, cost engineered, and implemented. |
| Responsible Agencies: Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing, Capital Improvement Program (CIP) adopted and being implemented as funding is available. In 2013 the City had all the City streets inventoried and inspected for specific conditions which resulted in a condition rating for each street which will be utilized to efficiently maintain the City's street network. |

Policy 3

The City shall establish and maintain a 5-Year Capital Improvement Program for streets.

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| Program 3.A |
| The Public Works Department shall establish a Capital Improvement Program for 5 years, and update it annually. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – The 5 Year Capital Improvement Program is updated and approved annually. |

Policy 4

Proactively participate in regional transportation planning.

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| Program 4.A |
| Maintain active relationships with the City of Beaumont, the County of Riverside, the Western Riverside County Council of Governments, the California Department of Transportation and the Morongo Band of Mission Indians to share information and promote comprehensive transportation planning in the region. |
| Responsible Agency: Public Works Department, City Manager's Office, City Council, City of Beaumont, County of Riverside, WRCOG, CalTrans, Tribe |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |
| Program 4.B |
| Aggressively pursue Banning projects in the Transportation Uniform Mitigation Fee (TUMF) program, particularly the addition of projects to the TUMF project list, including grade separated road crossings. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. TUMF funds were secured and currently utilized to partially fund the Sunset Grade Separation project. |
| Program 4.C |
| Aggressively pursue the design and development of interchanges at Cottonwood Road (North - South), including all sources of funding, and the coordination of I-10 widening with their installation. |
| Responsible Agency: Public Works Department, City Manager's Office, City Council, CalTrans, Railroad |
| Schedule: Continuous; Ongoing |
| Implementation Status – Discussions have commenced in regards to Cottonwood; however not much progress has occurred. |

Policy 5

Consider amendments to the Highland Home/Highland Springs/18th Street/Brookside street configurations based on public safety, design feasibility and area needs.

Policy 6

The City shall maintain peak hour Level of Service C or better on all local intersections, except those on Ramsey Street and at I-10 interchanges, where Level of Service D or better shall be maintained.

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| Program 6.A |
| Periodically review current traffic volumes and the actual pattern of development to coordinate, program and, as necessary, revise road improvements. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing & Active. In 2013 a General Plan Amendment was approved by City Council which changed the citywide policy for Level of Service (LOS) from C to D. |

Policy 7

New development proposals shall pay their fair share for the improvement of streets within and surrounding their projects on which they have an impact, including roadways, bridges, grade separations and traffic signals.

Policy 8

Traffic calming devices shall be integrated into all City streets to the greatest extent possible and all new streets shall be designed to achieve desired speeds.

Policy 9

Street trees within the City right of way shall be preserved, unless a danger to the public health and safety or if the tree is diseased.

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| Program 9.A |
| Sidewalks in areas with street trees shall be designed to "wrap around" the tree if they are added to an existing neighborhood. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 10

Sidewalks shall be provided on all roadways 66 feet wide or wider. In Rural Residential land use designation pathways shall be provided.

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| Program 10.A |
| The Public Works Department shall prepare an inventory of discontinuous sidewalks on all qualifying roadways, and fund individual projects through the Capital Improvement Program annually. |
| Responsible Agency: Public Works Department, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – In progress and is implemented annually through CIP. New inventory of sidewalks and curb and gutters were made a part of the project mentioned in section 2.B. |
| Program 10.B |
| All new development proposals located adjacent to qualifying roadways shall be required to install curb, gutter and sidewalk concurrent with construction. |
| Responsible Agency: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through land development review. |
| Program 10.C |
| The City shall develop procedures to address neighborhood sidewalk needs as they are requested by that neighborhood. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as needed. In November 2014, the Public Works Department had sidewalk and handicap ramps installed on Roberge Avenue, as petitioned for by the local residents. |
| Program 10.D |
| Work with the School District to develop safe routes to school. |
| Responsible Agency: Public Works Department |
| Schedule: Pending |
| Implementation Status - Not implemented due to lack of funding. |

Policy 11

Sidewalks or other pedestrian walkways shall be required on all streets within all new subdivisions.

Policy 12

In the absence of a vehicular grade separation, the City shall aggressively pursue a grade separated pedestrian access across San Geronio, to assure that high school students do not have to cross the railroad tracks on their way to and from school.

Policy 13

Pedestrian access in the Downtown Commercial designation shall be preserved and enhanced.

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| Program 13.A |
| All development and redevelopment proposals for the Downtown area shall include enhanced sidewalk, pedestrian walkway, lighting and landscaping designs and assure connections to existing and planned sidewalks. |
| Responsible Agency: Public Works Department, Planning Division, Electric Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – New development is being reviewed on a case-by-case basis to include enhanced sidewalks, walkways, lighting, and landscaping designs and to ensure that there are connections between existing and new development. |

Policy 14

The City shall aggressively pursue the construction of all-weather crossings over General Plan roadways.

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| Program 14.A |
| The Public Works Department shall prioritize the need for bridges listed in this Element, develop preliminary cost estimates, identify and pursue sources of funding, including developer funding, for each facility. |
| Responsible Agency: Public Works Department, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing Capital Improvement Project (CIP) and through private development funding. Sunset Avenue grade separation is currently a priority project. |
| Program 14.B |
| All new development proposals shall pay their fair share of bridge construction needed to serve their project. |
| Responsible Agency: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status - Implemented through the land development review process. |

Policy 15

The City shall develop a Golf Cart Plan compliant with state requirements.

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| Program 15.A |
| The City shall develop a golf cart plan and associated ordinances and other required implementation programs. |
| Responsible Agency: Public Works Department, City Council |
| Schedule: Pending |
| Implementation Status – A citywide golf cart plan is not implemented due to lack of funding. However, future golf courses that are to be developed as part of development will require a golf cart plan that connects homes to commercial development within the project or beyond based on future opportunities. |

Policy 16

Golf cart paths and facilities shall be funded, to the greatest extent possible, by new development.

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| Program 16.A |
| The routing and facilities required in the Golf Cart Plan shall be incorporated into the Development Impact Fee when the Plan is adopted. |
| Responsible Agency: Public Works Department |
| Schedule: Pending |
| Implementation Status – <i>Not implemented since there is no Citywide golf cart plan.</i> |
| Program 16.B |
| Golf cart facilities shall be incorporated into new project plans located on golf cart routes. |
| Responsible Agency: Planning Division, Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Implemented case-by-case based on future development. The proposed Butterfield Specific Plan (Pardee Homes) includes golf cart routes connecting homes to the commercial area in the development. |

Policy 17

Encourage the expansion of an integrated Pass transit system.

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| Program 17.A |
| The City will explore the potential for either bus or rail connection to the Metrolink transit system. |
| Responsible Agency: City Manager's Office, Community Services Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing and is actively pursued at the Riverside County Transportation Commission level. |

Policy 18

The City shall review its transit service to major regional attractions, and intra-City recreational locations in future planning efforts, based on need.

Policy 19

Bus pullouts shall be designed into all new projects on arterial roadways, to allow buses to leave the flow of traffic and reduce congestion.

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| Program 19.A |
| Bus pullouts will be retrofitted on built-out streets, wherever possible. |
| Responsible Agency: Public Works Department, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. A bus pullout area and bus shelter was constructed as part of a Public Works street improvements project along Ramsey Street fronting the proposed Village @ Paseo San Gorgonio project. |

Policy 20

Promote the location of a passenger rail station for long distance and commuter rail service.

Policy 21

Update the Airport Master Plan every five years to meet the needs of the general aviation, business and tourism segments of the community.

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| Program 21.A |
| Land use designation decisions within the area of influence of the airport shall be specifically reviewed to assure compatibility. |
| Responsible Agency: Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through land development review process. |
| Program 21.B |
| Work with the Chamber of Commerce, the Morongo Band of Mission Indians, and other interested parties to provide services which meet the needs of passenger and freight transport. |
| Responsible Agency: Airport Management, Economic Development staff, Chamber of Commerce, Morongo Band of Mission Indians, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing, implemented through the Airport Committee. |

Policy 22

Maintain an accurate mapping of all utility corridors.

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| Program 22.A |
| The Building Department shall inventory and map transmission utility easements on the Land Use Map (including electric, fiber optics, natural gas and petroleum). |
| Responsible Agency: Building Department, Planning Division |
| Schedule: Pending |
| Implementation Status – The State of California requires these maps to be maintained through the Service Alert System. There has been no comprehensive inventory conducted by the City. The Electric Utility Department maintains its own inventory of electric utility lines. |

Policy 23

The City shall purchase and/or replace its fleet of vehicles with alternate fuel vehicles when available to the greatest extent possible, and shall encourage other agencies to do the same.

Policy 24

Public alleys throughout the City shall be maintained to be useful and safe at all times.

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| Program 24.A |
| The City shall create a downtown alley master plan and where appropriate pave, light and otherwise improve alleys. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing |
| Program 24.B |
| The Public Works Department shall inventory all public alleys, determine which are necessary, and vacate those that are not. |
| Responsible Agency: Public Works Department, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing and active. Alleys were vacated as part of the Village @ Paseo San Gorgonio project. |

Policy 25

The City shall develop and implement plans for a coordinated and connected bicycle lane network in the community that allows for safe use of bicycles on City streets.

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| Program 25.A |
| The City shall inventory all streets for potential Class I, Class II and Class III bikeways, and shall program their installation in its Capital Improvement Program. |
| Responsible Agency: Planning Division; Engineering Division; Public Works Department; Planning Commission; City Council |
| Schedule: Ongoing |
| Implementation Status – Ongoing as funding permits. |
| Program 25.B |
| Class I bikeways and sidewalks should be installed on both sides of Wilson Street, Ramsey Street, and Lincoln Street, and other major streets where sufficient right-of-way is available. |
| Responsible Agency: Engineering Division; Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing, as funding permits. |
| Program 25.C |
| Class II bikeways and sidewalks should be designated on all existing arterial streets that have sufficient width to safely accommodate bicycle travel lanes. |
| Responsible Agency: Planning Division; Engineering Division; Public Works Department |
| Schedule: Pending |
| Implementation Status – <i>Not yet completed.</i> |
| Program 25.D |
| The City should designate Class III bikeways only where Class I and Class II facilities are not feasible. |
| Responsible Agency: Planning Division; Public Works Department |
| Schedule: Pending |
| Implementation Status – <i>Not yet completed.</i> |

Policy 26

The City should continue to work with the Morongo Band of Mission Indians and neighboring cities and communities to create a regional bicycle and trail network.

Policy 27

The City shall provide for a comprehensive, interconnected recreational trails system suitable for bicycles, equestrians and/or pedestrians.

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| Program 27.A |
| Evaluate the practicality of utilizing flood control channels for multi-use trails, where flooding and safety issues can be accommodated, and negotiate inter-agency agreements for this purpose. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through land development review process. |
| Program 27.B |
| Evaluate the practicality of developing a multi-use trails system along the Banning Bench adjacent to and extending into San Bernardino National Forest lands, where environmental and safety issues can be accommodated, and negotiate inter-agency agreements with the U.S. Forest Service for this purpose. |
| Responsible Agency: Planning Division, U.S. Forest Service/San Bernardino National Forest |
| Schedule: Pending |
| Implementation Status – Not yet completed. |
| Program 27.C |
| Establish a multi-purpose trail between Dysart Park and Smith Creek Park, suitable for equestrian, bicycle and pedestrian use. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee |
| Schedule: Pending |
| Implementation Status – Not yet completed. |

Policy 28

Motorized vehicles shall be prohibited on City trails.

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| Program 28.A |
| The City shall develop a non-motorized trail system and associated ordinances and other required implementation programs. |
| Responsible Agency: Public Works Department, Planning Commission, City Council |
| Schedule: Pending |
| Implementation Status – Not completed. |
| Program 28.B |
| The non-motorized trail system shall be funded, to the greatest extent possible, by new development. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through land development review process. Butterfield Specific Plan (Pardee Homes) will include non-motorized trail system within the community and for future connection to its surrounding areas. |

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| Program 28.C |
| The routing and facilities required in the non-motorized trail system Plan shall be incorporated into the Development Impact Fee when the Plan is adopted. |
| Responsible Agency: Public Works Department |
| Schedule: Pending |
| Implementation Status – <i>Not yet completed.</i> |

Economic Development Element (20 programs)

GOAL 1

A balanced, broadly-based economy that provides a full range of economic and employment opportunities, including sales tax and property tax generation while maintaining high standards of development and environmental protection.

Policy 1

General Plan land use designations and allocations will facilitate a broad range of residential, commercial, industrial and institutional development opportunities.

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| Program 1.A |
| The city shall annually monitor the remaining capacity of all General Plan land use categories to assure that a variety of economic development opportunities are available. |
| Responsible Agency: Community Development Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |
| Program 1.B |
| All proposals for new development or redevelopment shall be evaluated to assure that these uses complement, support and are compatible with the City's core economic assets. |
| Responsible Agency: Community Development Department, Finance Department, Public Works Department, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 2

The City shall take a proactive role in the retention of existing businesses and the recruitment of new businesses, particularly those that generate and broaden employment opportunities, generate sales tax and property tax, increase discretionary incomes, and contribute to City General Fund revenues.

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| Program 2.A |
| Work closely with Mount San Jacinto College throughout their planning process to assist in its efficient and timely development, implement educational programs geared to job creation and retention, and to coordinate synergistic development opportunities. |
| Responsible Agency: Community Development Department, Mount San Jacinto College |
| Schedule: Continuous; Ongoing |
| Implementation Status – Phase I of the Mt. San Jacinto Community College development was completed in December 2010. Additional phases are being discussed by the College. |
| Program 2.B |
| Aggressively pursue retail commercial developments which reduce the current retail sales leakage. |
| Responsible Agency: Community Development Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Active and ongoing contacts with national and non-national retailers, developers, private investors, and potential tenants through social media marketing, press release, target marketing, letters, e-mails, phone calls, and meetings. Attend ICSC national and regional tradeshows to market and brand the City. |

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| Program 2.C |
| Continue to maximize the role of the Chamber of Commerce, City web site and other mechanisms that promote and enhance the City's business climate. |
| Responsible Agency: Community Development Department, Chamber of Commerce |
| Schedule: Continuous; Ongoing |
| Implementation Status - Active and ongoing. |

Policy 3

Encourage and promote infill development in orderly and logical development patterns that decrease the costs, and increase the efficiency of new utilities, infrastructure, and public services.

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| Program 3.A |
| The City shall maintain a package of economic incentive programs that benefit developers of infill projects. |
| Responsible Agency: Community Development Department, Electric Utility Department, Finance Department |
| Schedule: Continuous; Ongoing |
| Implementation Status -- The City Council adopted the Electric Utility Incentive Program for existing business expansion and business attraction. The Electric Utility Incentive Program was enhanced in 2012 to lower the minimum requirement threshold in an effort to reach a broader business base. The City provides a one-stop shop program where developers can meet with City staff at no cost in advance of their formal application to the City. The City also provides a single point of contact from start to the completion of a construction project. |
| Program 3.B |
| The City shall contribute to the financing of tertiary treatment facilities as an economic development tool. |
| Responsible Agency: Community Development Department, Public Works Department |
| Schedule: Pending |
| Implementation Status - <i>Not yet completed.</i> |
| Program 3.C |
| Use the Downtown Charrette as a guideline for the Downtown Commercial area, for the development of high quality, pedestrian oriented retail locations. |
| Responsible Agency: Community Development Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

Policy 4

Attract a greater number of commercial retail businesses to the Downtown Core area to develop a safe, vital and consumer-friendly downtown shopping area.

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| Program 4.A |
| Provisions for the Downtown Commercial Zoning District shall encourage specialty retail uses, live-work uses, and other uses which support and expand the pedestrian and tourist-related shopping experience. |
| Responsible Agency: Planning Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

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| Program 4.B |
| The City shall coordinate with public, private and business organizations to explore grant funding to provide funds for rehabilitation and increased code enforcement in the Downtown Core area. |
| Responsible Agency: Community Development Department, Chamber of Commerce, City Council |
| Schedule: Ongoing |
| Implementation Status – The Community Redevelopment Agency enters into a number of Owner Participation Agreements with members of the business community who desire to upgrade the façade of their buildings. Redevelopment funds for this program were eliminated by the State in 2012. Code Enforcement efforts are ongoing in the Downtown and throughout the City. |

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| Program 4.C |
| The City shall work with local non-profits, downtown property owners, and other citizen groups with an interest in development of the Downtown core area, to identify grant monies, private development interests and business synergies to build on existing revitalization activities in this area. |
| Responsible Agency: Community Development Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – The Community Development Department actively meets with potential developers, investors, and community stakeholders to promote development and investment opportunities throughout the entire City. |

Policy 5

Explore opportunities with private entities to fund Smith Creek Park as a viable recreation area.

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| Program 5.A |
| Update the Smith Creek Park master plan and actively market this development opportunity among private entities that could fund development and provide for future maintenance of the park and improvements. |
| Responsible Agency: Community Services Department, Community Development Department, City Council, development community |
| Schedule: Pending |
| Implementation Status – <i>Not implemented.</i> |

Policy 6

Encourage and facilitate highway-serving commercial development at appropriate Interstate-10 interchanges within the City limits.

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| Program 6.A |
| Proactively work with CalTrans to improve on- and off-ramp landscaping and improvements to provide more attractive gateways to the City. |
| Responsible Agency: Community Development Department, Public Works Department, CalTrans |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing |
| Program 6.B |
| Preserve highway commercial land use designations at interchange locations, and encourage the location of high quality freeway-serving businesses. |
| Responsible Agency: Community Development Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |
| Implementation Status - Implemented through Zoning and land development review process. |
| Program 6.C |
| Code compliance on gateway streets and properties adjacent to Interstate 10 shall be strictly enforced. |
| Responsible Agency: Code Enforcement |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

Policy 7

Explore joint funding opportunities for the improvement of existing at-grade rail crossings, and investigate necessary infrastructure and funding to extend rail access to lands designated for industrial development.

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| Program 7.A |
| Consult with representatives of the Railroad, state and federal legislators, and appropriate state agencies to apply for available funding for these improvements. |
| Responsible Agency: Public Works Department, Railroad, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing |

Policy 8

In order to maintain existing economic activities and attract new commercial and industrial development, the City shall assure the provision of adequate utilities, infrastructure, and other capital facilities.

Policy 9

All development interests, including residential, commercial and industrial project proponents, shall be responsible for their fair share of on-site and off-site improvements required to support their development proposals. Such improvements may include, but are not limited to, street construction and signalization, grade separation, utility extension, drainage facilities, and parks.

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| Program 9.A |
| The City shall consider requests for assistance from project developers for the development of infrastructure and compare them to the economic benefit of the proposed project. |
| Responsible Agency: Public Works Department, Community Development Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - As part of land development, the projects are required to provide infrastructure to serve the development. |
| Program 9.B |
| Proactively work with the Riverside County Transportation Commission in putting Banning projects on the highest priority within the Transportation Uniform Mitigation Fee (TUMF) program. |
| Responsible Agency: City Manager's Office, City Engineer, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. Attend and participate at monthly meetings with Riverside County Transportation Commission. |

Policy 10

Continue to encourage and cultivate cooperative relationships with the Morongo Band of Mission Indians and Bureau of Indian Affairs, particularly regarding development opportunities, joint venture or otherwise, of Indian lands within and adjacent to the planning and development and enhancement of community facilities that provide joint benefit, and development projects that produce sales tax/property tax/job generation, to the Tribe and the City.

Program 10.A

Continue to pursue development opportunities that benefit the long-term financial sustainability of the City. Pursue larger facilities to attract national tenants that will enhance the City's financial position via sales tax generation, property tax generation, and who offer employment opportunities. Consult with representative of the Railroad, state and federal legislators, and appropriate state agencies to apply for available funding for these improvements.

Responsible Agency: Community Development Department, Public Works Department , Railroad, City Council, City Administrative Office.

Schedule: Continuous; Ongoing

Implementation Status: Active and On-going

Policy 11

Promote development activities and programs that establish the City as a destination venue and encourages tourism.

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| Program 11.A |
| Encourage and promote development activities, special events and activities which strengthen the City's image and attractiveness to residents, visitors, and businesses. Create development and program opportunities that promote educational potential for youth, highlight the history and culture of the City/region, and that offers visitors a unique experience. |
| Responsible Agency: City Council, Chamber of Commerce, Morongo Band of Mission Indians, Inland Empire Tourism Council, Banning and Beaumont Unified School Districts. |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. Special Events are conducted by the Banning Cultural Alliance such as Phineas Festival, Art Hop, and Play House Bowl and many other downtown activities. The Banning Centennial Committee also has a variety of programs and events scheduled for 2013. |
| Program 11.B |
| The City shall conduct market research on tourism approaches, target the tourism markets of interest, and create tourism plan goals and an implementation strategy. |
| Responsible Agency: Community Development Department, Chamber of Commerce, Local Non-Profits |
| Schedule: Ongoing |
| Implementation Status - Ongoing efforts to accomplish tourism plan. |

Emergency Preparedness Element (8 programs)

GOAL 1

A detailed, integrated and comprehensive emergency preparedness plan for the City, ensuring a high level of readiness and responsiveness to man-made and natural disasters of any scope, and which maximizes response capabilities of the City, County, State and Federal governments.

Policy 1

The City shall maintain and update its Multi-Hazard Functional Planning Guidance document to ensure maximum operational functionality and to incorporate federal mandates by required deadlines.

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| Program 1A |
| The City shall maintain close communication and coordination with Riverside County to expedite adaptation of and compliance with the federal NIMS program. |
| Responsible Agency: City Manager, Disaster Preparedness Coordinator, Riverside County Emergency Services Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - The Emergency Services Coordinator/Fire Marshal has completed "NIMSCAST," the national online National Incident Management System (NIMS) compliance evaluation program developed by Federal Emergency Management Agency (FEMA). Continual updates will be done on "NIMSCAST" to ensure current information about the City's compliance is recorded. The latest update was in November 2011. The Emergency Services Coordinator/Fire Marshal monitors the City's Compliance with State Emergency Management System (SEMS) and NIMS and provides training or training opportunities to ensure SEMS and NIMS compliance. The organizational chart was updated in November/December 2014. |

Policy 2

The City shall maintain and update the Banning Emergency Plan to keep it updated with staffing and technical capabilities of the City and cooperating agencies.

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| Program 2.A |
| Periodically schedule and direct the review and revision of the Banning Emergency Plan. |
| Responsible Agency: City Manager, Disaster Preparedness Coordinator, Riverside County Emergency Services, Other City Departments, Sun Lakes EPAP |
| Schedule: Every two years. |
| Implementation Status - The City's Emergency Operations Plan was updated and approved by the City Council in August 2007. The plan requires review and updates, as needed, every two years. The latest update was in November 2014. |

Policy 3

The City shall identify and establish emergency evacuation and supply routes and plans to preserve or reestablish the use of Highland Springs Avenue, San Geronio Avenue, Wilson Street, Ramsey Street, Interstate-10 and other essential transportation routes.

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| Program 3.A |
| Through PASSCOM or other appropriate regional organization, the City shall coordinate with adjoining cities, Riverside County, the Morongo Band of Mission Indians and CalTrans to facilitate the designation of emergency evacuation and supply routes, and for the development of a multi-agency emergency response plan that provides expeditious and timely repair to major streets and highways damaged by earthquakes, flooding or other disasters. |
| Responsible Agency: City Manager, Disaster Preparedness Coordinator, Public Works Department, Cities of Beaumont and Calimesa, Riverside County Emergency Services, CalTrans, Morongo Band of Mission Indians |
| Schedule: Continuous; Ongoing |
| Implementation Status - The Emergency Services Coordinator/Fire Marshal is working with the Emergency Services Coordinator of the Morongo Band of Mission Indians to establish a Mutual Aid Agreement between the Tribe and the City for mutual assistance during disasters. Work continues to designate and develop an alternate east/west route through the Pass Area should I-10 become impassible. Agreement in principle between County of Riverside, Banning City, and Morongo Band of Mission Indians for a route south of I-10. Currently no funds available to proceed. |

Policy 4

The City shall identify and establish emergency appropriate locations for emergency supply stockpiles.

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| Program 4.A |
| Through County-provided CERT training or other appropriate community venues, the City shall recruit decentralized locations where stockpiles of food, water and emergency medical supplies may be stored and maintained. |
| Responsible Agency: City Manager, Disaster Preparedness Coordinator, Public Works Department, Riverside County Emergency Services |
| Schedule: Continuous; Ongoing |
| Implementation Status - Nothing accomplished as of December 20, 2007 regarding stockpiling food and water except for supplies for use by Emergency Operations Center (EOC) personnel during a disaster. For medical emergencies the Fire Department has purchased a trailer and equipped it to handle "Mass Casualty" incidents. The trailer is stocked with medical and rescue supplies. The County of Riverside provided money for a conex with fresh contents to be placed on the Banning bench, but the City has not had the funds to provide that within the City. Work continues with local communities to stockpile as a community and also be personally prepared. The City accepted an Emergency Preparedness trailer with 100 cots from the county Office of Emergency Services (OES). |

Policy 5

The City shall cooperate and coordinate with Riverside County Emergency Services, local utility purveyors and other agencies and utilities in the preparation of public information materials to assist residents, visitors and business owners in responding to local disasters and emergencies.

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| Program 5.A |
| The City shall coordinate and cooperate with County Emergency Services, Banning Water District, Eastern Municipal Water District, Beaumont/Cherry Valley Water District, Southern California Edison, the Gas Company, and other agencies and utilities in the development and dissemination of information and instructions on appropriate actions in the event of a local disaster or emergency. |
| Responsible Agency: City Council, City Manager, Disaster Preparedness Coordinator, Riverside County Emergency Services, SCE, the Gas Company, Banning Water District , EMWD, and Beaumont/Cherry Valley Water District. |
| Schedule: Continuous; Ongoing |
| Implementation Status - The Fire Department Emergency Services Bureau continually communicates with County OES and local agencies to dispense pertinent disaster preparedness Information through public events and organization meetings. |
| Program 5.B |
| Coordinate with the County to facilitate with appropriate public and quasi-public agencies and private organizations to assure that CERT training incorporates a public information program to advise the community on how to prepare for and cope in a local disaster or emergency. |
| Responsible Agency: City Council, City Manager, Disaster Preparedness Coordinator, Riverside County Emergency Services, Banning Unified School District, Sun Lakes EPAP, private schools, nursing homes, and various local business organizations |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing Implementation. |
| Program 5.C |
| Encourage and train community volunteers to assist police and fire personnel during and after a major emergency. |
| Responsible Agency: City Manager, Disaster Preparedness Coordinator, Riverside County Emergency Services, Sun Lakes EPAP |
| Schedule: Continuous; Ongoing |
| Implementation Status - The Fire Department has an active volunteer program. Emergency Services Coordinator/Fire Marshal, along with one Council member and a citizen volunteer, have provided numerous training programs related to neighborhoods preparing for disasters. PASSCOMM (Pass Communities), County OES, and local groups have provided local training and preparedness. |

Policy 6

The City shall thoroughly consider and assess vulnerability to natural and manmade disasters or emergencies when reviewing proposals for the siting and development of critical and essential public/quasi-public facilities.

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| Program 6.A |
| In order to assure the maximum possible protection from environmental and manmade hazards, including earthquakes and flooding, the City shall consider their vulnerability to natural and manmade disasters and emergencies when reviewing proposals for critical and essential facilities, as well as sensitive land uses. |
| Responsible Agency: Planning Department, Public Works Department, Fire Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - This is being accomplished by the cooperative efforts between Fire and Public Works to mitigate flooding and mudslides after fires. The City's Grading Standards and Storm Water Code assist in deterring increases in flood levels by new development. |

Energy and Mineral Resources Element (9 programs)

GOAL 1

Efficient, sustainable and environmentally appropriate use and management of energy and mineral resources, assuring their long-term availability and affordability.

Policy 1

Promote energy conservation throughout all areas of the community and sectors of the local economy, including the planning and construction of urban uses and in City and regional transportation systems.

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| Program 1.A |
| The City shall strictly and consistently enforce all state mandated energy-conserving development and building codes/regulations, and shall investigate and report on the appropriateness of developing more stringent local energy performance standards. |
| Responsible Agencies: Building Department, Planning Division, Public Utilities |
| Schedule: Continuous; Ongoing |
| Implementation Status – Active and ongoing part of development process. |
| Program 1.B |
| The City shall continue to participate in transportation planning efforts and shall encourage the expanded use of public transit, vehicles fueled by compressed natural gas and hydrogen, buses with bike racks and other improvements that enhance overall operations and energy conservation. |
| Responsible Agency: City Manager's Office, Community Services Department, Public Utilities Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing and Active. |
| Program 1.C |
| The City shall strive for efficient community land use and transportation planning and design, and shall assure the provision of convenient neighborhood shopping, medical and other services located to minimize travel and facilitate the use of alternative means of transportation. |
| Responsible Agency: Public Works Department, Planning Division, Community Services Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Through Development Review Process; bikeways, golf cart paths & pedestrian trails have been planned for new projects. |
| Program 1.D |
| The City shall encourage the use of, and programs for, electric vehicles, hybrids, bicycles and pedestrian facilities. |
| Responsible Agency: Public Utilities, Department, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Active and ongoing. The City Electric Utility is currently in the bid process for a new public charging station at 2140 W. Ramsey Street (McDonald's). |

Policy 2

Promote the integration of alternative energy systems, including but not limited to solar thermal, photovoltaic's and other clean energy systems, directly into building design and construction.

Program 2.A

The City shall make available to residents, businesses, and the building industry information on commercially available conservation technologies, solar thermal and photovoltaic energy systems, fuel cell and other alternative energy technology. Building regulations and guidelines that provide for the safe and efficient installation of these systems shall also be provided.

Responsible Agency: Building Department, Community Development Department, Electric Department

Schedule: Continuous; Ongoing

Implementation Status - Active and ongoing. Interconnection programs are still available for customers wishing to install "behind the meter" generation. However rebate funds have been exhausted.

Policy 3

Proactively support long-term strategies, as well as state and federal legislation and regulations that assure affordable and reliable production and delivery of electrical power to the community.

Policy 4

Support public and private efforts to develop and operate alternative systems of wind, solar and other electrical production, which take advantage of local renewable resources.

Program 4.A

Support and facilitate the integration of co-generation and other on-site energy production and management systems into larger industrial, commercial and institutional operations in the City to enhance operational efficiencies, reliability, and to provide additional opportunities for local power production.

Responsible Agency: Electric Department; Planning Division; Building Department

Schedule: Continuous; Ongoing

Implementation Status - Active and Ongoing.

Policy 5

Assure a balance between the availability of mineral resources and the compatibility of land uses in areas where mineral resources are mined.

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| Program 5.A |
| The City shall monitor and regulate the safe and environmentally responsible extraction and recycling of significant mineral resources located within the planning area. |
| Responsible Agency: Community Development Department, Public Utilities Department |
| Schedule: Continuous; Ongoing. |
| Implementation Status – This is done through the annual inspection report since the City has no funding to hire a geologist who is solely responsible for the daily/weekly monitoring of the mines activities. |
| Program 5.B |
| The City shall establish a formal relationship with the County Geologist or other qualified agency to monitor mineral resource operations under SMARA. |
| Responsible Agency: Planning Division, Riverside County Geologist. |
| Schedule: Continuous; Ongoing |
| Implementation Status – This is done through a contract with Aragon Geotechnical, Inc. who performs annual inspection for compliance with the State Mining and Reclamation Act (SMARA). |
| Program 5.C |
| The City shall strictly enforce the provisions of the existing mining permit within City limits. |
| Responsible Agency: Code Compliance, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – The monitoring is being done based on complaints from residents and through the Annual Inspection. |

Flooding and Hydrology Element (12 programs)

GOAL 1

A comprehensive system of flood control facilities and services effectively protecting lives and property.

Policy 1

Proactively plan and coordinate with other responsible agencies to upgrade the City's local and regional drainage system.

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| Program 1.A |
| Continued implementation of the recommendations of the 1994 RCFC Master Drainage Plan study. |
| Responsible Agency: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. The Riverside County Flood Control District is currently constructing a large storm drain project (Gilman Home Channel) and is currently designing two others, as listed in the Master Drainage Plan. |
| Program 1.B |
| Capital Improvement Plans for drainage management and control shall be developed, updated and maintained and shall be based upon the Master Drainage Plan project descriptions. |
| Responsible Agencies: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |
| Program 1.C |
| Monitor and update the Master Plan of Drainage every five years to reflect changes in local and regional drainage and flood conditions. |
| Responsible Agencies: Public Works Department, Planning Division, Riverside County Flood Control District |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. The County Flood District has prepared a master plan and is responsible for updates. |
| Program 1.D |
| Require all new development to complete on site drainage analysis and improvements, at their expense, as part of project development. |
| Responsible Agencies: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing, part of development process. |

Policy 2

Major drainage facilities, including debris basins and flood control channels, shall be designed to maximize their use as multi-purpose recreational or open space sites, consistent with the functional requirements of these facilities.

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| Program 2.A |
| Coordinate and cooperate with RCFC in achieving multi-use agreements within flood control channels and designing safe, attractive recreational facilities that maintain the functional requirements of the drainage facilities. |
| Responsible Agencies: Public Works Department, Planning Division, RCFC |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing; through SP's and other projects adjacent to Flood Control. |
| Program 2.B |
| Work with RCFC to design drainage and flood control facilities that minimize negative aesthetic impacts and retain natural groundcover and vegetation to the greatest extent possible. |
| Responsible Agencies: Public Works Department, Planning Division, RCFC, US Army Corps of Engineers |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing; through entitlement process when designs are submitted for approval. |

Policy 3

The City Engineer shall continue to actively participate in regional flood control and drainage improvement efforts and to develop and implement mutually beneficial drainage plans.

Policy 4

The City shall cooperate in securing FEMA map amendments, recognizing the importance of redesignation of the 100-year flood plains within the City boundaries and sphere-of-influence as improvements are completed.

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| Program 4.A |
| In conjunction with the RCFC, the City shall coordinate and cooperate in the filing of appropriate FEMA application materials to incrementally secure amendments to the Flood Insurance Rate Maps for the City, consistent with existing and proposed improvements. |
| Responsible Agencies: Public Works Department, Planning Division, RCFC |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

Policy 5

Pursue all credible sources of funding for local and regional drainage improvements needed for adequate flood control protection.

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| Program 5.A |
| Consider the establishment of Area Drainage Plans or Assessment Districts for purposes of funding necessary drainage improvements in particular geographic areas of the City. |
| Responsible Agencies: Public Works Department, Planning Division, Developers |
| Schedule: Pending |
| Implementation Status -- <i>Not yet completed.</i> |
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| Program 5.B |
| Explore County funding, state funding under the Cobey-Alquist Flood Plain Management Act, other State programs, and federal funding options for local and area-wide flood control projects. |
| Responsible Agencies: Public Works Department, Planning Division, State; County |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 6

All new development shall be required to incorporate adequate flood mitigation measures, such as grading that prevents adverse drainage impacts to adjacent properties, on-site retention of runoff, and the adequate siting of structures located within flood plains.

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| Program 6.A |
| Stormwater retention shall be enforced through the development review process and routine site inspection. |
| Responsible Agencies: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing; through grading approval process. |

Policy 7

Assure that adequate, safe, all-weather crossing over drainage facilities and flood control channels are provided where necessary, and are maintained for passage during major storm events.

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| Program 7.A |
| Bridging of roadways within new development projects shall be the responsibility of the developer on whose project the bridge occurs, and shall be included as a condition of approval. |
| Responsible Agency: Planning Division, Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing; through land development approval process. |
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| Program 7.B |
| All new development proposals shall pay their fair share of bridge construction needed to serve their project. |
| Responsible Agency: Public Works Department, Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing; through land development approval process |

Geotechnical Element (7 programs)

GOAL 1

Increased protection and safety of human life, land, and property from the effects of seismic and geotechnical hazards.

Policy 1

The City shall establish and maintain an information database containing maps and other information which describe seismic and other geotechnical hazards occurring within the City boundaries, sphere-of-influence and planning area.

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| Program 1.A |
| Consult and coordinate with surrounding communities, the California Division of Mines and Geology, Riverside County, other applicable state and federal agencies, and professional engineering geologists to establish, improve and routinely update the database. |
| Responsible Agency: Planning Division, California Division of Mines and Geology, Riverside County, Consulting Geologists |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 2

In accordance with state law, all development proposals within designated Alquist-Priolo Earthquake Fault Zones shall be accompanied by appropriate geotechnical analysis.

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| Program 2.A |
| Establish a cooperative agreement with the County Geologist, State Geologist, contract state-certified geologist, or contract geological engineer to review and determine the adequacy of geotechnical and fault hazard studies prepared within the City. |
| Responsible Agency: City Engineer/Consulting Engineering Geologist |
| Schedule: Continuous; Ongoing |
| Implementation Status – Completed. In addition, each land development project is required to provide soils and geotechnical report as part of the project. |

Policy 3

Development in areas identified as being susceptible to slope instability shall be avoided unless adequately engineered to eliminate geotechnical hazards.

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| Program 3.A |
| The City shall make available copies of the General Plan Slope Instability Susceptibility Map and discourage development within areas so designated, or require detailed geotechnical analysis and mitigation measures that reduce potential hazards to insignificant levels. |
| Responsible Agency: Planning Division, City Engineer/Consulting Engineering Geologist |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing, implemented through new grading ordinance. |

Policy 4

To minimize the potential impacts of subsidence due to extraction of groundwater, the City shall actively support and participate in local and regional efforts at groundwater conservation and recharge.

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| Program 4.A |
| Consult and coordinate with the City of Banning Public Utilities – Water Department, U.S. Geological Survey, and other appropriate agencies to routinely monitor groundwater levels and surface elevations in the City. |
| Responsible Agency: City of Banning Public Utilities – Water Department, U.S. Geological Survey |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |
| Program 4.B |
| The City shall encourage the preparation of, support and participate in, the study of the temporary surplus of the Beaumont Water Basin and its impact on subsidence. |
| Responsible Agency: Water Department, Beaumont/Cherry Valley Water District, San Geronio Pass Water Agency |
| Schedule: Ongoing |
| Implementation Status – Ongoing. |

Policy 5

The City shall coordinate and cooperate with public and quasi-public agencies to assure the continued functionality of major utility systems in the event of a major earthquake.

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| Program 5.A |
| Maintain working relationships and strategies between the Public Works Department (wastewater and electric), utilities, and other appropriate agencies to strengthen or relocate utility facilities, and take other appropriate measures to safeguard major utility distribution systems. |
| Responsible Agency: Planning Division, Public Works Department, City Engineer, Public and Quasi-Public Utilities |
| Schedule: Continuous; Ongoing |
| Implementation Status –Ongoing, through pre applications and development meetings. |

Policy 6

New septic tank leach fields, seepage pits, drainage facilities, and heavily irrigated areas shall be located away from structural foundations and supports to minimize the potential for localized collapse of soils.

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| Program 6.A |
| The City shall require that development applications include plans indicating the location of leach fields, seepage pits, drainage facilities, and water-dependent landscaping so that City staff may evaluate the potential for ground saturation. |
| Responsible Agency: Planning Division, Building Department, City Engineer |
| Schedule: Continuous; Ongoing |
| Implementation Status – Through grading review, part of development review process. |

Hazardous and Toxic Materials Element (10 programs)

GOAL 1

Maintain and promote measures to protect life and property from hazards resulting from human activities and development.

Policy 1

The City shall continue to encourage research on potential and known hazards to public health and safety and make this information available to the general public, commercial interests, and governmental organizations.

Policy 2

The City shall continue to conduct and participate in studies with other agencies to identify existing and potential hazards to public health and safety.

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| Program 2.A |
| Maintain, coordinate, and update the location of hazardous spills as a result of accident or intentional action, and community evacuation plans. |
| Responsible Agencies: Fire Department, Planning Division, County Health Department |
| Schedule: Continuous; Ongoing |
| Implementation Status Ongoing. |
| Program 2.B |
| The Fire Department shall maintain a citywide Emergency Response Program, which provides for emergency services in the event of a hazardous spill or airborne release. |
| Responsible Agencies: Fire Department, City Manager's Office, County Health Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – SIMS & NEMS ongoing training. |
| Program 2.C |
| Coordinate with responsible agencies to assure enforcement of state and federal regulations for the testing and monitoring of underground fuel storage tanks for leakage. |
| Responsible Agencies: Fire Department, state and federal EPA, County Health Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – City is no longer a Certified Unified Program Agency (CUPA) and County inspects all hazardous businesses within the City for compliance. |

Policy 3

The City shall thoroughly evaluate development proposals for lands directly adjacent to sites known to be contaminated with hazardous or toxic materials, traversed by natural gas transmission lines or fuel lines, or sites that use potentially hazardous or toxic materials.

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| Program 3.A |
| Consult with the County of Riverside Department of Health on a quarterly basis to identify existing and new hazardous waste sites within the General Plan study area. |
| Responsible Agencies: Planning Division, Fire Department, County Health Department |
| Schedule: Continuous; Ongoing |
| Implementation Status Ongoing. |
| Program 3.B |
| A Conditional Use Permit shall be required for all new development that generates, transports, uses or stores significant amounts of hazardous materials. |
| Responsible Agencies: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 4

Require and facilitate the adequate and timely cleanup of contaminated sites identified within the City of Banning and its sphere-of-influence.

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| Program 4.A |
| Coordinate with responsible county, state and federal agencies to activate cleanup procedures, and monitor the status of cleanup efforts on an ongoing basis. |
| Responsible Agencies: Planning Division, Fire Department, State and federal EPA, County Health Department, California Regional Water Quality Control Board |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing |

Policy 5

The City shall designate appropriate access routes to facilitate the transport of hazardous and toxic materials.

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| Program 5.A |
| Coordinate with the Fire Department, Police Department, neighboring jurisdictions, and other appropriate agencies to identify segments of highway or local roads that shall be restricted from transporting hazardous and toxic materials in order to preserve public safety. |
| Responsible Agencies: Planning Division, Fire Department, Police Department |
| Schedule: 2015-2016 |
| Implementation - <i>Not yet completed.</i> |
| Program 5.B |
| Enforce roadway access restrictions and consider the implementation of fines or penalties for violations. |
| Responsible Agencies: Fire Department, Police Department |
| Schedule: 2015-2016 |
| Implementation Status - <i>Not yet completed</i> |

Policy 6

Continue to promote programs that encourage or educate the public in the proper handling and disposal of household hazardous waste or dangerous materials.

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| Program 6.A |
| Establish a Household Hazardous Waste program through the City's solid waste contractor. |
| Responsible Agencies: City Manager's office, solid waste contractor |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

Policy 7

The City shall actively oppose plans to establish hazardous or toxic waste dumps, landfills, or industrial processes that may potentially adversely affect the City and its Sphere-of-Influence.

Policy 8

Maintain an inventory and information database, including mapping, of all major natural gas transmission lines and liquid fuel lines within the City limits and Sphere of Influence.

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| Program 8.A |
| The City shall insure that location of all major natural gas transmission lines and liquid fuel lines that run through the City are clearly identified, that right-of-way and maintenance easements are maintained, and that all existing and proposed development are located a safe distance from these lines. |
| Responsible Agencies: Building and Safety, Planning Division, Fire Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Housing Element (13 Programs)

On January 28, 2014, the City Council adopted Resolution No. 2014-05 approving the 2013-2021 Housing Element, which has been transmitted to State of California Housing and Community Development Department (HCD) for final review and certification. The Annual Housing Element Report for calendar year 2014 will also be transmitted to HCD as part of the General Plan Annual Progress Report submittal.

Land Use Element (17 programs)

GOAL 1

A balanced, well planned community including businesses which provides a functional pattern of land uses and enhances the quality of life for all Banning residents.

Policy 1

The City maintain a land use map which assures a balance of residential, commercial, industrial open space and public lands.

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| Program 1.A |
| The city shall annually monitor the remaining capacity of all General Plan land use categories and recommend changes to the City Council as needed. |
| Responsible Agency: Planning Division, Planning Commission |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |
| Program 1.B |
| The City's Zoning Ordinance shall directly correspond to General Plan land use designations, and shall be kept consistent with the General Plan. |
| Responsible Agency: Planning Division, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 2

The Planning, Public Works and Economic Development staffs shall be closely coordinated, to assure efficient and cost effective processing of applications.

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| Program 2.A |
| The City shall develop a Fast Track application process for projects which enhance the City's economic development. Procedures and timelines shall be provided to qualifying project applicants in writing. |
| Responsible Agency: Planning Division, Public Works, City Manager's Office |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing and complies with Permit Streamlining Act. |

Policy 3

Development in all land use categories shall be of the highest quality.

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| Program 3.A |
| The Zoning Ordinance shall include design standards and guidelines which assist the development community in developing high quality projects. |
| Responsible Agency: Planning Division, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Completed. The current Zoning Ordinance provides design standards and guidelines for residential and commercial development. |

Policy 4

Specific Plans shall be required for projects proposing one or more of the following:

- a. More than one residential land use designation;
- b. A combination of residential, recreational, commercial and/or industrial land use designation; or
- c. Extension of infrastructure (water, sewer and roadways) into an area where these do not exist.

Policy 5

All land use proposals shall be consistent with the goals, policies and programs of this General Plan, and with the Zoning Ordinance.

Policy 6

The City shall implement a program for Art in Public Places.

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| Program 6.A |
| An Art in Public Places Ordinance shall be prepared and incorporated into the Municipal Code. |
| Responsible Agency: Community Services Department, Planning Division, Planning Commission, City Council. |
| Schedule: Continuous; Ongoing |
| Implementation Status – Art in Public Places is currently required as part of new development in Downtown Commercial zoning district. Due to lack of funding and staffing the detail of what the Art in Public Places entails is still to be developed. |

Residential Goals, Policies and Programs:

GOAL 1

Preserve and enhance the City's neighborhoods.

GOAL 2

A broad range of housing types to fill the needs of the City's current and future residents.

Policy 1

The land use map shall provide a range of housing densities while considering land use compatibility with non-residential land uses.

Policy 2

Projects adjacent to existing neighborhoods shall be carefully reviewed to assure that neighborhood character is protected.

Policy 3

Density transfers resulting in a 50% increase in density shall be permitted in the Residential/Agriculture-Hillside and Rural Residential-Hillside land use designations.

Policy 4

The City's Zoning Ordinance shall include design standards and guidelines which encourage high quality residential development.

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| Program 4.A |
| Design standards and guidelines shall be included in all residential zoning categories. |
| Responsible Agency: Planning Division, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Design standards and guidelines are contained in current zoning ordinance. |

Policy 5

The City shall complete Specific Neighborhood Plans when requested by the neighborhood.

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| Program 5.A |
| Develop and implement an outreach program and outline of parameters for Neighborhood Plans. |
| Responsible Agency: Planning Division, Planning Commission, City Council |
| Schedule: Pending |
| Implementation Status – <i>Not implemented due to lack of funding.</i> |

Policy 6

The Zoning Ordinance shall include principles, standards and guidelines which allow for creative and flexible design of residential projects, including clustered housing, narrowed local streets, trails, parks and plazas.

Policy 7

The Zoning Ordinance shall include principles, standards and guidelines which provide for high quality, high density mixed use residential development, in the Downtown Commercial zoning designation.

Policy 8

The City will participate in a Community Plan for the Banning Bench with Riverside County and the Banning Bench Community of Interest. Specific development proposals will continue to be processed during its preparation.

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| Program 8.A |
| Negotiate with the Banning Bench Community of Interest as part of the Master Plan for either inclusion in the City's Sphere of Influence or annexation. |
| Responsible Agency: City Council, Community of Interest |
| Schedule: Pending |
| Implementation Status – <i>Not implemented.</i> |

Commercial Goals, Policies and Programs:

GOAL 1 - Commercial

Complementary commercial uses which meet the needs of the City's residents, increase the City's revenues, and provide a range of employment opportunities.

GOAL 2 - Industrial

A balanced mix of non-polluting industrial land uses which provide local jobs for the City's residents.

Policy 1

The land use map shall include sufficient commercial lands to provide a broad range of products and services to the City and region, while carefully considering compatibility with adjacent residential lands.

Policy 2

In coordination with the Economic Development Element, the City shall maintain market information, including information on the City's identified service needs, potential sites, Fast Track System and provide information on those sites to the development community.

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| Program 2.A |
| Develop and maintain an inventory of potential commercial sites, including lands which may require consolidation, and demographic information for use by the Economic Development staff in attracting new businesses to the City. |
| Responsible Agency: Planning Division, City Manager's Office |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 3

The Zoning Ordinance shall include principles, design standards and guidelines which encourage the development of high quality commercial projects.

Policy 4

The Zoning Ordinance shall include principles, design standards and guidelines, based on the Downtown Design Charrette, which provide for high quality, pedestrian oriented retail development in the Downtown Commercial zoning designation.

Policy 5

The City shall coordinate with the Banning Unified, the Beaumont Unified School Districts and the Mount San Jacinto Community College to provide vocational education to support commercial and industrial businesses in the City and surrounding areas.

Policy 6

The City shall develop and implement a community identification program, including monument signage, directional signs, etc. which provide attractive entry statements for the City, and which direct visitors to local points of interest.

Policy 7

The land use map shall include sufficient industrial lands for manufacturing, warehousing and distribution, while carefully considering compatibility with adjacent lands.

Policy 8

Industrial lands shall be located on major roadways with good access to Interstate 10, to assure that potential traffic impacts associated with tractor-trailers are minimized.

Policy 9

The Zoning Ordinance shall include principles, design standards and guidelines which encourage the development of high quality industrial projects.

Policy 10

Industrial campuses and master planned projects are encouraged.

Policy 11

The City shall coordinate with developers and the Railroad to secure railroad spurs.

Policy 12

The City shall adequately regulate sand and gravel operations to assure that their impacts to surrounding development is minimized.

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| Program 13.A |
| The City shall establish a formal relationship with the County Geologist or other qualified agency to monitor mineral resource operations under the State Mining and Reclamation Act (SMARA). |
| Responsible Agency: Planning Division, Riverside County Geologist |
| Schedule: Continuous; Ongoing |
| Implementation Status – The County no longer monitors or performs annual inspections for the mines in Banning for compliance with SMARA. The City contracted with Aragon Geotechnical, Inc. to perform annual inspection. The annual inspection report identifies the mine's compliance and non-compliance items. Non-compliance items must be fixed by the mine. |

Public Facilities Goals, Policies and Programs:

GOAL 1

Sufficient and appropriately located public facilities to serve the needs of the City's residents, businesses and visitors.

Policy 1

The City shall take a leadership role with all providers of public services in the community to assure they provide adequate and quality levels of service based on future demands.

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| Program 1.A |
| The City shall take a leadership role with the various public and private providers responsible for schools, fire, health and other providers. |
| Responsible Agency: Planning Division, City Manager's Office, City Council, Fire Department, Banning and Beaumont Unified School Districts, County of Riverside, San Geronio Memorial Hospital |
| Schedule: Continuous; Ongoing |
| Implementation Status - The Fire Department master plan for expansion based on community growth was approved by the City Council and is continually re-evaluated. The Fire Department has been working with the Finance Department to develop a plan for Fire and Police Community Funding districts in new developments. |

Policy 2

The City shall review projects, particularly those which propose master planned communities, to assure that public facilities are provided to meet the needs of the project and the surrounding area.

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| Program 2.A |
| The City shall, where appropriate, regulate the location of public facilities through conditions of approval. |
| Responsible Agency: Planning Division, Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through development review and conditions of approval. |

Open Space Goals, policies and Programs:

GOAL 1

The conservation and management of open space areas to provide recreational opportunities and protect important resources in perpetuity.

Policy 1

Lands preserved through conservation easements, acquired by private or public agencies, or dedicated for open space shall be designated for the appropriate Open Space land use category on the land use map as they are preserved.

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| Program 1 A |
| Review development proposals adjacent to designated open space lands and assure that land uses are compatible, and buffers provided when necessary. |
| Responsible Agency: Planning Division, Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as part of land development review process. |

Policy 2

The City shall proactively coordinate with private and public agencies so that lands available for conservation are dedicated appropriately to assure their management in perpetuity.

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| Program 2.A |
| The City shall coordinate with land owners and private and public agencies to the greatest extent possible to assure that lands proposed for open space either through donation or purchase are conveyed to the appropriate management agency. |
| Responsible Agency: Planning Division, City Manager's Office, County of Riverside, State and Federal Agencies, Land Conservation Agencies |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as part of development review process. |

Policy 3

The City of Banning shall protect the peaks and ridgelines within the City, and encourage coordination with adjacent jurisdictions to protect the peaks and ridgelines within the City's area of influence, to protect the historic visual quality of the hillside areas and natural features of the Pass area.

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| Program 3.A |
| The City shall investigate and implement actions and regulations that facilitate hillside development that is compatible with the natural characteristics of the terrain while protecting the significant view sheds, and natural hillside features such as topography, natural drainage, vegetation, wildlife habitats, movement corridors etc. |
| Responsible Agency: City Council, City Manager's Office, Planning Division, Public Works Department, City of Beaumont, County of Riverside, Morongo Band of Mission Indians |
| Schedule: Continuous; Ongoing |
| Implementation Status – Grading ordinance adopted. Implementation is ongoing. |

Noise Element (10 programs)

GOAL 1

A noise environment that complements the community's residential character and its land uses.

Policy 1

The City shall protect noise sensitive land uses, including residential neighborhoods, schools, hospitals, libraries, churches, resorts and community open space, from potentially significant sources of community noise.

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| Program 1.A |
| The City shall require building setbacks, the installation of wall and window insulation, soundwalls, earthen berms, and/or other mitigation measures in areas exceeding the City's noise limit standards for private development projects as they occur. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through land development review process. |
| Program 1.B |
| The City shall maintain and enforce its Noise Control Ordinances that establish community-wide noise standards and identify measures designed to resolve noise complaints. |
| Responsible Agency: Planning Division, Code Enforcement, Police Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing through land development review process. |
| Program 1.C |
| The City shall use the development review process to assure the use of buffers between sensitive receptors and incompatible land uses. |
| Responsible Agency: Planning Division, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing through land development review process. |
| Program 1.D |
| The City shall require that commercial compactors, loading zones, and large trash bins be located at a sufficient distance from residential properties to reduce noise impacts to its acceptable standard. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing through land development review process. |
| Program 1.E |
| The City shall purchase, maintain and operate its own noise monitoring equipment. |
| Responsible Agency: Code Enforcement |
| Schedule: Continuous; Ongoing |
| Implementation Status – Equipment is older prior to 2006 and needs to be updated. There is no funding for this item. |

Policy 2

The relationship between land use designations in the Land Use Element and changes in the circulation pattern of the City, as well as individual developments, shall be monitored and mitigated.

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| Program 2.A |
| The City shall develop guidelines and minimal criteria requirements for noise analyses for proposed development projects. Studies shall evaluate project impacts and the effectiveness of proposed mitigation measures. |
| Responsible Agency: Planning Division, Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing through land development review process and through the building code standards. |
| Program 2.B |
| The City shall periodically review and amend the Land Use Map to assure reasonable land use/noise level compatibility. |
| Responsible Agency: Planning Division |
| Schedule: Annually |
| Implementation Status – Ongoing and is implemented as part of land development review process. |

Policy 3

Private sector project proposals shall include measures that assure that noise exposures levels comply with State of California noise insulation standards as defined in Title 25 (California Noise Insulation Standards) and/or Banning Ordinances 1138 and 1234, whichever is more restrictive.

Policy 4

The City shall maintain a General Plan Circulation Map and assure low levels of traffic within neighborhoods by assigning truck routes to major roadways only.

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| Program 4.A |
| The City shall review designated primary truck routes and ensure they are clearly marked throughout the community. Except for traffic providing location-specific services and deliveries, construction trucks and delivery trucks shall be limited to designate truck routes, including: Ramsey Street, and those portions of Lincoln Street, Highland Springs Avenue, Hathaway Street, Sunset Avenue, Eighth Street, San Geronio Avenue and Hargrave Street so designated. |
| Responsible Agency: Public Works Department, City Engineer |
| Schedule: Annually |
| Implementation Status – Ongoing |
| Program 4.B |
| The City shall discourage development projects that result in through-traffic in residential neighborhoods. |
| Responsible Agency: Planning Division, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing through land development review process. |

Policy 5

The City shall ensure that flight paths and airport improvements adhere to all local, state and federal noise regulations.

Policy 6

All development proposals within the noise impact area of the Interstate and the railroad shall mitigate both noise levels and vibration to acceptable levels through the preparation of focused studies and analysis in the development review and environmental review process.

Policy 7

The City shall coordinate with adjoining jurisdictions to assure noise-compatible land uses across jurisdictional boundaries.

Policy 8

The City shall impose and integrate special design features into proposed development that minimize impacts associated with the operation of air conditioning and heating equipment, on-site traffic, and use of parking, loading and trash storage facilities.

Policy 9

The City shall support development that results in grade separated railroad tracks.

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| Program 9.A |
| The City shall assure that new development and project expansions pay their fair share toward grade separations based on their impacts. |
| Responsible Agency: Planning Division, City Engineer |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing through land development review process. |

Open Space and Conservation Element (7 programs)

GOAL 1

Open space and conservation lands that are preserved and managed in perpetuity for the protection of environmental resources or hazards, and the provision of enhanced recreational opportunities and scenic qualities in the City.

GOAL 2

A balance between the City's built and open space environment and local and regional protection and preservation of its unique environment.

Policy 1

Identify and assess lands in the City, its sphere-of-influence and planning area, that are suitable for preservation as public or private, passive or active open space.

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| Program 1.A |
| The City shall maintain and use Open Space land use designations on the General Plan Land Use Map. |
| Responsible Agency: Planning Division, Community Services Department. |
| Schedule: Continuous; Ongoing |
| Implementation Status –Ongoing, private open space & public parks have been set aside through the Specific Plan process that requires minimum public land set aside. |
| Program 1.B |
| Environmental hazard zones, including earthquake fault lines, floodways and floodplains, steep or unstable slopes, shall be designated as open space on the land use map. |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status –These have been identified in the General Plan and no development is permitted in these areas of concern. |
| Program 1.C |
| Lands on which cultural resources are identified may be preserved as Open Space |
| Responsible Agency: Planning Division |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as part of land development review and Specific Plan process. |
| Program 1.D |
| Inventory the costs of land acquisition, maintenance and other administrative functions, and encourage the transfer of public open space and conservation properties to existing land trusts for local property management. |
| Responsible Agency: Planning Division, City Council. |
| Schedule: Pending |
| Implementation Status – Not implemented due to lack of funding and staffing. |

Policy 2

The City shall protect natural hillsides above the toe of slope in perpetuity as undeveloped open space, and shall provide specific parameters under which development can occur within the Rural Residential – Hillside and Ranch/Agriculture Residential – Hillside land use designations. For purposes of this General Plan, the toe of slope is defined as the dividing line between rock formations where there is a noticeable break in the angle of slope from steep to shallow.

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| Program 2.A |
| The Zoning Ordinance shall be amended to include detailed provisions for the preservation of natural hillsides above the toe of slope. These provisions shall include, but not be limited to, density transfers from hillside areas to developable areas within the same parcel, building prohibitions for lands with grades exceeding 25%, permitted uses and building standards for developable areas in these hillsides, and grading parameters in these hillsides. |
| Responsible Agency: Planning Division, City Engineer, Planning Commission, City Council. |
| Schedule: Continuous; Ongoing |
| Implementation Status – Active and ongoing to comply with the Grading Ordinance that was adopted by the City Council on July 14, 2009. |
| Program 2.B |
| The City shall seek recreational usage of desirable hillside lands currently owned by public agencies, such as the Bureau of Land Management, the United States Forest Service or the County of Riverside; and shall secure open space lands from private entities by negotiating public access provisions and/or establishing a density transfer program. |
| Responsible Agency: City Manager's Office, Planning Division, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Open Space lands from private entities are secured through a Specific Plan process and development Agreement from private entities. |

Policy 3

Ridgelines shall be preserved as permanent open space.

Policy 4

The City shall preserve all watercourses and washes necessary for regional flood control, ground water recharge areas and drainage for open space and recreational purposes.

Policy 5

The City shall preserve permanent open space edges or greenbelts that define the physical limits of the City and provide physical separation between adjoining neighborhoods.

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| Program 5.A |
| The Land Use Map and Zoning Ordinance shall regulate development at the boundaries of the planning area to assure the preservation of a well-defined, functional or visual edge. |
| Responsible Agency: Planning Division. |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as part of land development review process. |

Policy 6

Where practical, new development shall integrate pipeline, above- and under-ground utility corridors and other easements (including electric, cable and telephone distribution lines) into a functional open space network.

Policy 7

Drought tolerant landscaping materials and design features shall be incorporated into parks, roadway medians, common area landscaping, public facilities and other appropriate open space lands to retain and preserve the natural environment.

Parks and Recreation Element (26 programs)

GOAL 1

A high quality public park system with adequate land and facilities to provide recreational facilities and activities for the City's residents.

GOAL 2

A comprehensive bikeway, trail and walking path system that connects homes to work places, commercial venues and recreational facilities, and which enhances the safety and enjoyment of cyclists, equestrians and pedestrians.

Policy 1

Update the Master Parks and Recreation Plan so as to assure adequate parklands and facilities that meet the immediate and future needs of the community, and is complementary to the natural environment.

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| Program 1.A |
| Update the City's parks master plan to address the proposed and anticipated parks and recreational facilities to be developed within the City. |
| Responsible Agency: Community Services Department, Public Works Department, Parks and Recreation Advisory Committee, Planning Commission |
| Schedule: Continuous; Ongoing |
| Implementation Status – Park Master Plan was adopted by the City Council on February 22, 2011. |
| Program 1.B |
| The parks master plan shall maintain a standard of 5 acres of parkland per 1,000 residents. |
| Responsible Agency: Community Services Department, Parks and Recreation Advisory Committee |
| Schedule: Continuous; Ongoing |
| Implementation Status – Standard established in the General Plan and the Parks Master Plan and is implemented as part of land development review process. |
| Program 1.C |
| Include dog parks, tennis courts and golf facilities in Parks Master Planning updates. |
| Responsible Agency: Community Services Department, Parks and Recreation Advisory Committee |
| Schedule: Continuous; Ongoing |
| Implementation Status – Addressed in the Parks Master Plan. |

Policy 2

The City will distribute parks and recreation facilities in a manner that is convenient to City neighborhoods and balanced within population concentrations.

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| Program 2.A |
| The location and design of neighborhood parks shall consider neighborhood suggestions and input regarding facility needs, vehicular and pedestrian access, noise and lighting impacts, and public safety. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee. |
| Schedule: Ongoing. |
| Implementation Status – Active policy, ongoing as developments occur. |
| Program 2.B |
| City staff shall identify and prioritize park development projects based upon need, land availability, neighborhood suggestions and funding, and shall encourage the planting of trees as in parks and open spaces. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee |
| Schedule: Ongoing. |
| Implementation Status- Ongoing. Park projects are reviewed as part of land development review process. |
| Program 2.C |
| Investigate and identify the broad range of sources of financing and operating revenue, including Development Impact Fees, Mello Roos special districts, public/private ventures, state and federal grant opportunities, developer fees and inter-agency joint use agreements to supplement revenues collected for parks and recreation purposes. |
| Responsible Agency: City Manager's Office; Parks and Recreation Division; Community Services Department; Banning and Beaumont Unified School Districts |
| Schedule: Ongoing |
| Implementation Status – Under discussion internally. |
| Program 2.D |
| Investigate and identify sources of development financing and revenue, including charitable organizations, state and federal grant opportunities to supplement revenues collected for development of parks and recreation facilities and programs. |
| Responsible Agency: City Manager's Office; Parks and Recreation Division; Community Services Department |
| Schedule: Ongoing |
| Implementation Status – Ongoing. |
| Program 2.E |
| The City will consider the implementation of a Quimby Ordinance for the purchase of park lands for new developments as they occur. |
| Responsible Agency: Parks and Recreation Division; Community Services Department, City Council |
| Schedule: Ongoing |
| Implementation Status – Park land dedication is implemented as part of new development through Specific Plan and Development Agreement. |

Policy 3

Require developers of new residential projects to provide on-site recreational and/or open space facilities in addition to City-wide park requirements.

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| Program 3.A |
| Encourage the planting of trees in parks and open spaces. |
| Responsible Agency: Community Services Department |
| Schedule: Ongoing |
| Implementation Status – Ongoing. |
| Program 3.B |
| Recreation facilities within projects will be maintained by the residents within the project either through a homeowners' association, assessment district or community facilities district. |
| Responsible Agency: Community Services Department |
| Schedule: Ongoing |
| Implementation Status – Ongoing. |

Policy 4

Encourage the development of recreational programs and activities that serve all population segments, including children, the elderly and the disabled.

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| Program 4.A |
| Develop a community education program for the City's parks and recreation facilities which focuses on the sense of community which parks and recreation facilities can foster. |
| Responsible Agency: Parks and Recreation Division; Community Services Department |
| Schedule: Annually |
| Implementation Status – Ongoing. |
| Program 4.B |
| Develop advertising and publicity programs for recreational programs and events to encourage participation. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee |
| Schedule: Annually |
| Implementation Status – Ongoing. |
| Program 4.C |
| Develop and distribute educational materials relating to the planting and maintenance of drought tolerant landscaping on private property. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing and active and is part of the City's Landscape Design Guidelines. |

Policy 5

The City shall consider alternative methods of providing park and recreational amenities to meet future population demands.

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| Program 5.A |
| Support the development of private recreational ventures that will serve the general population. |
| Responsible Agency: Planning Department; Community Services Department; Economic Development Department |
| Schedule: Ongoing |
| Implementation Status – Addressed in the Parks Master Plan. |
| Program 5.B |
| Develop a program by which the City can accept parkland gifts and dedications that would be beneficial to the community. |
| Responsible Agency: City Attorney; Planning Department; City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Addressed in the Parks Master Plan and on a case-by-case basis. |
| Program 5.C |
| Develop a program that establishes public participation in tree or landscaping planting efforts to commemorate special civic occasions. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee |
| Schedule: Continuous; Ongoing |
| Implementation Status –Ongoing and on a case-by-case basis; Sun Lakes public tree planting. |

Policy 6

The City shall develop and implement plans for a coordinated and connected bicycle lane network in the community that allows for safe use of bicycles on City streets.

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| Program 6.A |
| The City shall inventory all streets for potential Class I, Class II and Class III bikeways, and shall program their installation in its Capital Improvement Program. |
| Responsible Agency: Planning Department; Engineering Division; Public Works Department; Planning Commission; City Council |
| Schedule: 2015-2016. |
| Implementation Status - <i>Not completed and addressed in the Parks Master Plan.</i> |
| Program 6.B |
| Class I bikeways and sidewalks should be installed on both sides of Wilson Street, Ramsey Street, and Lincoln Street, and other major streets where sufficient right-of-way is available. |
| Responsible Agency: Engineering Division; Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – <i>Not completed and addressed in the Parks Master Plan.</i> |
| Program 6.C |
| Class II bikeways and sidewalks should be designated on all existing arterial streets that have sufficient width to safely accommodate bicycle travel lanes. |
| Responsible Agency: Planning Department; Engineering Division; Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – <i>Not completed and addressed in the Parks Master Plan.</i> |
| Program 6.D |
| The City should designate Class III bikeways only where Class I and Class II facilities are not feasible. |
| Responsible Agency: Planning Department; Public Works Department |
| Schedule: Continuous. |
| Implementation Status – <i>Not completed and addressed in the Parks Master Plan.</i> |

Policy 7

The City should continue to work with the Morongo Band of Mission Indians and neighboring cities and communities to create a regional bicycle and trail network.

Policy 8

The City shall provide for a comprehensive, interconnected recreational trails system suitable for bicycles, equestrians and/or pedestrians.

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| Program 8.A |
| Evaluate the practicality of utilizing flood control channels for multi-use trails, where flooding and safety issues can be accommodated, and negotiate inter-agency agreements for this purpose. |
| Responsible Agency: Planning Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing, requirement. |
| Program 8.B |
| Evaluate the practicality of developing a multi-use trails system along the Banning Bench adjacent to and extending into San Bernardino National Forest lands, where environmental and safety issues can be accommodated, and negotiate inter-agency agreements with the U.S. Forest Service for this purpose. |
| Responsible Agency: Planning Department, U.S. Forest Service/San Bernardino National Forest |
| Schedule: Continuous; Ongoing |
| Implementation Status - Included in the adopted Parks Master Plan. |
| Program 8.C |
| Establish a multi-purpose trail between Dysart Park and Smith Creek Park, suitable for equestrian, bicycle and pedestrian use. |
| Responsible Agency: Community Services Department; Public Works Department; Parks and Recreation Advisory Committee |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 9

Motorized vehicles shall be prohibited on City trails.

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| Program 9.A |
| The City shall develop a non-motorized trail system and associated ordinances and other required implementation programs. |
| Responsible Agency: Public Works Department, Planning Commission, City Council |
| Schedule: Continuous; Ongoing |
| Implementation Status – Included in the adopted Parks Master Plan. |
| Program 9.B |
| The non-motorized trail system shall be funded, to the greatest extent possible, by new development. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing as part of land development review process. |
| Program 9.C |
| The routing and facilities required in the non-motorized trail system Plan shall be incorporated into the Development Impact Fee when the Plan is adopted. |
| Responsible Agency: Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Not yet completed. |

Police and Fire Protection Element (5 programs)

GOAL 1

The highest possible quality and level of service for fire and police protection to preserve and protect the health, welfare and property of residents, business owners, visitors and property owners.

Policy 1

The City shall work closely with the Fire and Police departments to assure that adequate facilities are constructed and service is provided as development and growth occur to maintain and enhance levels of service and insurance ratings.

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| Program 1.A |
| On an annual basis, consult and coordinate long-term planning with the Police and Fire departments regarding the optimal location of future police and fire stations, equipment, paramedic/ambulance service, and to ensure that levels of staffing are adequate. |
| Responsible Agency: City Manager, Police Department, Fire Department |
| Schedule: Ongoing |
| Implementation Status - Ongoing. The new police station has been built and occupied. The Fire Department has developed a long-range master plan that outlines the number and placement of fire stations. The master plan was approved by the City Council. The Fire Department uses the master plan to identify fire station requirements when proposed developments are presented. Recent City budgetary concerns have required that the Fire Department consider lowering the number of Stations originally approved in the master plan thereby lowering what it feels is the appropriate level service for Banning residents and explores regional coordination efforts with other cities and the county. Working with Pardee on fire station location within their project to make it more regionalized with Beaumont, Banning and the County for location and cost controls. One best fiscal option for this project is to re-occupy the existing fire station on Wilson Street so personnel and equipment can be added without building a new fire station for the this project. |

Policy 2

The City shall review all proposals for new or significant remodeling projects for potential impacts concerning public safety.

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| Program 2.A |
| The City shall continue to monitor levels of development in the planning area to assess the need for new fire stations. |
| Responsible Agency: Planning Department, Fire Department |
| Schedule: Ongoing |
| Implementation Status - The Fire Department has developed a long-range master plan that outlines the number and placement of fire stations. The master plan was approved by the City Council. The Fire Department uses the master plan to identify fire station requirements when proposed developments are presented. Recent City budgetary concerns have required that the Fire Department consider lowering the number of stations originally approved in the master plan thereby lowering what it feels is the appropriate level service for Banning residents or explores regional coordination efforts with other cities and the county. |
| Program 2.B |
| All development applications shall be routed to the Police and Fire Departments for comment as part of the application review process. |
| Responsible Agency: Planning Department, Fire Department, Police Department |
| Schedule: Ongoing |
| Implementation Status - All development proposals are routed to the Police Department and Fire Department for comments. |

Policy 3

The City shall strictly enforce fire standards and regulations in the course of reviewing development and building plans and conducting building inspections of large multiple family projects, community buildings, commercial structures and motel structures.

Policy 4

All proposed development projects shall demonstrate the availability of adequate fire flows prior to approval.

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| Program 4.A |
| Coordinate with the City of Banning Utility Department – Water Division and the Banning Heights Mutual Water Company to ensure availability of adequate water supplies and pressures for fire flows for all existing and proposed development. |
| Responsible Agency: Planning Department, Fire Department, City of Banning Utility Department – Water Division, Banning Heights Mutual Water Company, and Building Department. |
| Schedule: Ongoing |
| Implementation Status - All projects are conditioned to meet appropriate fire flow requirements. The Water Department must verify that the required flow can be met. |
| Program 4.B |
| Proposed projects in hilly areas with potential access problems, and/or lack of sufficient water and/or water pressure, may require special on-site fire protection measures. Such measures shall be specified during project review. |
| Responsible Agency: Planning Department, Fire Department |
| Schedule: Ongoing |
| Implementation Status – The City Fire Code requires that any building located more than 10 minutes response time from the closest fire station shall have automatic fire sprinkler system installed throughout the building. The Fire Department requires that developers have in place adequate water systems to support fire protection needs. Effective January 1, 2011, an automatic residential fire sprinkler system shall be installed in all new one-and-two family dwellings in accordance with the 2010 California Residential Code (Title 25, Part 2.5) |

Policy 5

Crime prevention design techniques, including the use of “defensible space,” high security hardware, optimal site planning and building orientation, and other design approaches to enhance security shall be incorporated in new and substantially remodeled development. (All development proposals routed to Police Department for comment.)

Policy 6

The City shall continue to support and promote community-based crime prevention programs as an important augmentation to the provision of professional police protection services. (Ongoing through Neighborhood Watch Program and Banning Police Activities League BPAL)

Policy 7

The City shall periodically review the level, quality, innovation and cost-effectiveness of police and fire protection services, including contract services.

Policy 8

The Police and the Fire Departments shall closely coordinate and cooperate with the City and County emergency preparedness teams and shall assure the most effective emergency response practical. (Ongoing training and coordination with all parties involved.)

Policy 9

The Fire Department shall maintain a 5-minute response time.

Policy 10

The Police Department shall maintain a level of service (LOS) goal of 2.0 sworn officers per 1000 residents. (It is recommended that LOS goal be changed to 1.5.)

Policy 11

The Fire Department Ambulance Services shall maintain a 5-minute response time.

Policy 12

The City shall investigate the requirements for an International Organization for Standardization (ISO) rating specifically for the City.

Policy 13

The City shall continue to pursue grant positions for the Police Department.

Policy 14

The City shall pursue all funding mechanisms to fund the need for police and fire services generated by new development.

Public Buildings and Facilities Element (5 programs)

GOAL 1

The provision of a full range of dependable, cost-effective, and conveniently located public buildings, services and facilities that meet the functional, social and economic needs of the entire community.

Policy 1

The Land Use Element shall consider the long-term availability of sites for future public and quasi-public buildings, infrastructure, and other facilities.

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| Program 1.A |
| The City shall review its official Land Use Map and development patterns every five years to assure the availability of adequate sites for future public and quasi-public buildings, infrastructure, and other facilities. The City shall confer and coordinate with utilities and other public and quasi-public agencies regarding their long-term needs. |
| Responsible Agency: Community Development Department, Public Works Department, Electric Department, Banning Heights Mutual Water Company, SCE, SCG, Verizon, Time Warner |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. Recommendations of city-approved master plans of facilities such as parks, recreation, sewer, and water will be incorporated into future development as part of land development review process. |

Policy 2

Continue to identify and evaluate viable, long-term funding mechanisms that provide for the construction, maintenance and operation of existing and future public buildings and facilities, including assuring that new development funds its fair share of these facilities.

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| Program 2.A |
| The City shall explore the possibility of establishing a New Construction tax for the purpose of establishing an ongoing funding source for adequate provision of public buildings and utilities associated with new development. |
| Responsible Agency: City Council, Finance Department, Public Works Department, Building Department. |
| Schedule: Continuous; Ongoing |
| Implementation Status – <i>Not yet completed.</i> |
| Program 2.B |
| The City shall pursue and encourage joint-use facilities with other local agencies. |
| Responsible Agency: Community Services Department, Banning and Beaumont Unified School Districts |
| Schedule: Continuous; Ongoing |
| Implementation Status – Joint use with Banning Unified School District. |

Policy 3

Coordinate with public utility providers and other public/quasi-public agencies to assure that utility buildings and facilities are compatible with the surrounding landscape.

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| Program 3.A |
| The City shall establish and maintain close working relationships with utility purveyors and other public and quasi-public agencies serving the City to assure the least intrusive integration of related buildings and facilities into the community. |
| Responsible Agency: Community Development Department, Public Works Department, Banning Heights Mutual Water Company, SCE, SCG, Verizon, Time Warner |
| Schedule: Immediate; Continuous |
| Implementation Status - Ongoing. |
| Program 3.B |
| All new maintenance and utility facilities (and their signage) shall be integrated into the surrounding environment using landscape treatments, architectural elements, and/or other appropriate design mechanisms. Whether as a regulatory or advisory function, design plans shall be reviewed by the Community Development Department. |
| Responsible Agency: Community Development Department, Public Works Department, Banning Heights Mutual Water Company, SCE, SCG, Verizon, Time Warner |
| Schedule: Immediate; Continuous |
| Implementation Status – Active as it is implemented. |

Policy 4

All public buildings and facilities shall comply with the same development standards as private development.

Policy 5

Encourage the undergrounding of all utility lines and the undergrounding or screening of transformers/facilities.

Policy 6

Critical structures and facilities (including the civic center, hospitals, fire stations, police stations, schools and major communications facilities) shall be restricted from geologically and hydrologically hazardous areas.

Policy 7

The Zoning Ordinance shall be reviewed to facilitate the location of public buildings and offices in a centralized location near the Civic Center.

Schools and Libraries Element (7 programs)

GOAL 1

The provision of quality school and library facilities in the City that is accessible, safe and conveniently located within the community.

Policy 1

Assist, cooperate and coordinate with the Banning and Beaumont Unified School Districts and state agencies in identifying, acquiring and developing school sites needed to meet future growth demands. Encourage the selection of potential school sites that are centrally located in areas of existing or future residential development.

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| Program 1.A |
| The City shall review and advise the Banning and Beaumont Unified School Districts on their master plans, development proposals and environmental documentation, and shall otherwise coordinate and cooperate with the Districts to assure the provision of safe, conveniently located and effective educational facilities. |
| Responsible Agency: Banning and Beaumont Unified School Districts, Planning Department, City Council |
| Schedule: Ongoing |
| Implementation Status – Working with Banning Unified School District for coordination & MSJC. |

Policy 2

Continue to work with the Banning Unified School District to amend the District's boundary to encompass all lands within its corporate limits and sphere of influence.

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| Program 2.A |
| Maintain effective communication with Banning Unified School District staff and board members to lobby for amendment of the District's boundary. |
| Responsible Agency: Banning Unified School District, Planning Department, City Council, Beaumont Unified School District |
| Schedule: Ongoing |
| Implementation Status – The amendment to the School District's boundary was pursued but not successful. |
| Program 2.B |
| Establish an organized committee comprised of City officials, interested community members and leaders and Banning Unified School District staff and board members to lobby for amendment of the District's boundary. |
| Responsible Agency: City Council, City Manager's Office, Banning Unified School District |
| Schedule: Ongoing |
| Implementation Status – The amendment to the School District's boundary was pursued but not successful. |

Policy 3

Schools and libraries shall be protected from excessive noise and traffic conditions, incompatible land uses, and the threat of on-site disturbance to the greatest extent practicable.

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| Program 3.A |
| The City shall routinely evaluate and update the Land Use Element to assure that school and library sites are compatible with surrounding land uses, arterial roadways and other significant noise generators. |
| Responsible Agency: Planning Department |
| Schedule: Ongoing |
| Implementation Status – Ongoing. |
| Program 3.B |
| The City shall work closely with the District to improve the safety of students traveling to and from school over the railroad tracks, and shall strive to provide separate, safe pedestrian and bicycle access, particularly in the vicinity of the high school. |
| Responsible Agency: Planning Department, Public Works Department, City Council |
| Schedule: Ongoing |
| Implementation Status – Ongoing. |
| Program 3.C |
| To maximize the safety of students, parents, school staff and the general public, the City shall coordinate with the Banning Unified School District to maintain an adequate staff of school resource officers responsible for monitoring and patrolling school campuses during appropriate school hours. |
| Responsible Agency: Banning Unified School District, Police Department, Beaumont Unified School District |
| Schedule: Ongoing |
| Implementation Status - Active and ongoing. |

Policy 4

The City shall cooperate in securing school impact fees from developers, in accordance with state law.

Policy 5

The City shall pro-actively work with the Banning Unified School District to improve the level and quality of education wherever possible.

Policy 6

The City shall encourage and support local higher education institutions that enhance general, career and vocational skills, employment opportunities and personal growth.

Policy 7

The City shall cooperate with Banning Unified School District, the Riverside Office of Education, and Mt. San Jacinto College to facilitate the establishment of a community education committee, which will develop a mission statement and process of committee activities. The committee's essential goal shall be to enhance the provision of quality education to all students in the City.

Policy 8

As appropriate, the City shall pursue agreements with the school districts to assist in the purchase, lease or joint use of land and facilities for school and recreational purposes, and to provide the neighboring community with access to recreational facilities and open space during non-school hours.

Policy 9

The City shall support and facilitate the development of youth programs to provide quality after-school programs and facilities.

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| Program 9.A |
| The City shall establish a committee comprised of education professionals, elected and appointed officials, and County and City staff, and shall explore the possibility of establishing after-school programs targeted towards providing educational, recreational and personal development programs for school-aged children. |
| Responsible Agency: Banning Unified School District, City Council, Riverside County Office of Education, Community Services Department, Beaumont Unified School District |
| Schedule: Ongoing |
| Implementation Status – Active and ongoing coordination. |

Policy 10

The City will encourage the Library Board to confer and coordinate with Mt. San Jacinto College to explore the provision of library services, and cooperative efforts with the Banning Public Library, in conjunction with the proposed MSJC Education Center.

Policy 11

The City shall coordinate with the Banning Public Library to assure that adequate library space, services and resources are provided to meet the educational and literary needs of the community.

Policy 12

Recognizing the importance of the library system for educational and cultural development within the community, the City shall explore the need for and feasibility of expanded library facilities and resources, including the potential for and appropriateness of accessing on-line resources associated with the Riverside County library system.

Water Resources Element (11 programs)

GOAL 1

A balance of development which assures the maintenance of the water supply and its continued high quality.

Policy 1

New development projects proposing 50 units on property whose General Plan Land Use designation would allow 50 units, and/or 10 acres of commercial/industrial/other development, or more, whether through a tract map, Specific Plan or other planning application, shall be required to fund the provision of its entire water supply, either through SWP, recycled water or other means, as a condition of approval.

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| Program 1.A |
| In accordance with the 2003 Determination of Maximum Perennial Yield for the City of Banning, the City shall implement an annual ground water audit. This process involves evaluating groundwater level trends, production rates, ground water quality or other aquifer/well/pump considerations from the previous year (the water audit should be performed six months prior to the start of the water accounting year) and using this information to make recommendations for pumping in the following year. |
| Responsible Agency: Public Utilities Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – The Maximum Perennial Yield was updated on March 29, 2011 as part of the Urban Water Management Plan that was adopted by the City Council on June 28, 2011. |
| Program 1.B |
| The City shall develop construction plans and cost estimates for the construction of recycled water facilities for both Phase I and II, and make them available to the development community. |
| Responsible Agency: Public Utilities Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Plans are complete and are awaiting funding. |
| Program 1.C |
| The City shall coordinate with the San Geronio Pass Water Agency and other appropriate agencies to assure that the City's SWP water can be delivered. |
| Responsible Agency: Planning Department, Public Utilities Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Active and ongoing and the City is receiving 1200 acre feet per year. |

Policy 2

The City shall require the use of drought-tolerant, low water consuming landscaping as a means of reducing water demand for new development.

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| Program 2.A |
| Continue to implement the City's Water Efficient Landscape Ordinance by requiring the use of native and drought-tolerant planting materials and efficient irrigation systems. |
| Responsible Agency: Public Utilities Department, Planning Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ordinance adopted and being implemented. |
| Program 2.B |
| The City shall coordinate and cooperate with the San Geronio Pass Water Agency, Banning Heights Mutual Water Company and the Beaumont-Cherry Valley Water District to expand and strengthen educational/public relations programs regarding the importance of water conservation and water-efficient landscaping. |
| Responsible Agency: Public Works Department, Planning Department, Banning Heights Mutual Water Company, Beaumont-Cherry Valley Water District |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 3

The City shall require the use of recycled wastewater for new development, or where it is unavailable, the infrastructure for recycled water when it becomes available, as a means of reducing demand for groundwater resources.

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| Program 3.A |
| Coordinate with the Banning Heights Mutual Water Company regarding the future expansion of recycled wastewater treatment facilities to serve existing and new development projects in the City. |
| Responsible Agency: Planning Department, Public Works Department, Banning Heights Mutual Water Company |
| Schedule: Continuous; Ongoing |
| Implementation Status – No projects identified – will be available for future coordination; expansion is coordinated and conditioned for appropriate projects. |
| Program 3.B |
| Aggressively pursue all sources of funding to allow for the installation of a comprehensive recycled water distribution system throughout the City. |
| Responsible Agency: Public Works Department, City Manager's Office |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |
| Program 3.C |
| The City shall study the potential of providing incentives to developers and property owners for the installation of on-site recycled water reclamation systems. Recycled water systems include the reuse of water from sources such as sink drains, dishwashers and washing machines for irrigation purposes. |
| Responsible Agency: Public Utilities Department, City Manager's Office |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Policy 4

Require that all new development be connected to the sewage treatment system, or install dry sewers until such time as that connection is possible.

Policy 5

The City shall provide guidelines for the development of on-site storm water retention facilities consistent with local and regional drainage plans and community design standards.

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| Program 5.A |
| Enforce regulations and guidelines for the development and maintenance of project-specific on-site retention/detention basins which implement the NPDES program, enhance groundwater recharge, complement regional flood control facilities, and address applicable community design policies. |
| Responsible Agency: Public Utilities Department, Planning Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing and required as conditions for all projects. |

Policy 6

Coordinate with the San Geronio Pass Water Agency, Banning Heights Mutual Water Company and the Beaumont-Cherry Valley Water District, the California Regional Water Quality Control Board and other appropriate agencies to share information on potential groundwater contaminating sources.

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| Program 6.A |
| Develop and maintain a system to share records and technical information with the San Geronio Pass Water Agency, Banning Heights Mutual Water Company and the Beaumont-Cherry Valley Water District, CRWQCB and other appropriate agencies regarding all sites that have the potential to contaminate groundwater resources serving the City. |
| Responsible Agency: Public Works Department, the San Geronio Pass Water Agency, Banning Heights Mutual Water Company and the Beaumont-Cherry Valley Water District, California Regional Water Quality Control Board |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing and active. |

Policy 7

The City shall ensure that no development proceeds that has potential to create groundwater hazards from point and non-point sources, and shall confer with other appropriate agencies, as necessary, to assure adequate review and mitigation.

Policy 8

Encourage water conservation in existing development.

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| Program 8.A |
| Establish incentive programs for conversion of existing buildings to water conserving fixtures and landscaping. |
| Responsible Agency: Public Utilities – Water Department |
| Schedule: Continuous; Ongoing |
| Implementation Status – Ongoing. |

Water and Waste Water and Utilities Element (10 programs)

GOAL 1

A comprehensive range of water, Wastewater and utility services and facilities that adequately, cost-effectively and safely meet the immediate and long-term needs of the City.

Policy 1

The City shall coordinate between the City Utility Department-Water Division, Banning Heights Mutual Water Company, Beaumont/Cherry Valley Water Agency, San Geronio Pass Water Agency, California Regional Water Quality Control Board and Riverside County Environmental Health to protect and preserve local and regional water resources against overexploitation and contamination.

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| Program 1.A |
| Support the efforts of the City Utility Department-Water Division, San Geronio Pass Water Agency, Banning Heights Mutual Water Company and Beaumont/Cherry Valley Water Agency to develop alternative resources for groundwater recharge, and to expand and construct facilities for the treatment and distribution of reclaimed and/or recycled water. |
| Responsible Agency: Utility Department-Water Division, Banning Heights Mutual Water Company, Public Works Department, San Geronio Pass Water Agency |
| Schedule: Ongoing |
| Implementation Status – Ongoing and active. The Public Works Department plans to have the last two segments of the irrigation water line installed in 2015/2016. |
| Program 1.B |
| The City, it's Utility Department-Water Division, San Geronio Pass Water Agency, and Banning Heights Mutual Water Company shall continue and extend their efforts to increase domestic water conservation by expanding efforts to promote the use of water efficient landscaping in all development, and the installation of efficient water-using technologies in new and substantially remodeled structures. |
| Responsible Agency: Utility Department-Water Division, San Geronio Pass Water Agency, Banning Heights Mutual Water Company, Public Works Department |
| Schedule: Ongoing |
| Implementation Status - Ongoing and active. |
| Program 1.C |
| The City, it's Utility Department-Water Division and Banning Heights Mutual Water Company shall evaluate and, as appropriate, implement actions and regulations that facilitate residential and business retrofits of landscaping/irrigation and water-using appliances/processes that significantly increase water use efficiencies. |
| Responsible Agencies: Utility Department-Water Division, Banning Heights Mutual Water Company, Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |
| Program 1.D |
| The City shall provide water customers with incentives for the conservation of water. |
| Responsible Agency: Utility Department-Water Division |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing and active. |

Policy 2

Sewer connection shall be required at the time a lot is developed when service is available.

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| Program 2.A |
| To the greatest extent practical, the City and its Utility Department-Sewer Division shall require new development to extend and connect to sewer lines rather than permitting the installation of on-lot septic tanks. In the event on-lot septic systems are required, development shall be required to install “dry sewers” and pay connection fee in anticipation of future sewer main extensions. |
| Responsible Agencies: Utility Department-Sewer Division, Public Works Department, Riverside County Environmental Health Department |
| Schedule: Ongoing |
| Implementation Status - Ongoing and active. |

Policy 3

In the event a sewer line exists in the right-of-way where a for-sale residential unit is served by a septic system, the septic system shall be properly abandoned prior to a sale and/or close of escrow, and the unit shall be connected to the sewer system.

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| Program 3.A |
| The Building and Public Works Departments shall establish procedures for identifying home sales, and shall publicize the requirement for connection of sewers with the mortgage companies and escrow companies of the area. |
| Responsible Agency: Building Department, Public Works Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

Policy 4

The City shall make every effort to assure and assist in facilitating the timely and cost-effective extension and expansion of services that support community development and improved quality of life.

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| Program 4.A |
| The City shall coordinate its Capital Improvement Program with those of local utility and service providers to assure cost-effective and adequate capacity of services and facilities for future growth and development. |
| Responsible Agencies: Public Works Department, Utility Department, Banning Heights Mutual Water Company, other utilities and service providers |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |
| Program 4.B |
| The City shall coordinate with appropriate public and quasi-public agencies and utilities in conducting ongoing assessments of infrastructure capacity and evaluating expansion and improvements needed to carry out responsible growth management. |
| Responsible Agencies: Public Works Department, Utility Department, Banning Heights Mutual Water Company, other utilities and service providers |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing. |

Policy 5

To ensure the timely expansion of facilities in a manner that minimizes environmental impacts and disturbance of existing improvements, the City shall confer and coordinate with service and utility providers in planning, designing and siting of supporting and distribution facilities.

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| Program 5.A |
| The City shall encourage the consolidation of underground utility lines and other subsurface transmission facilities to limit the impacts of these facilities on the disruption of traffic and roadways. |
| Responsible Agencies: Public Works Department, Utility Department, Banning Heights Mutual Water Company, SCE, SCG, other utilities and service providers |
| Schedule: Ongoing |
| Implementation Status - Ongoing and active. |

Policy 6

The City shall proactively support the widespread integration of energy resource conserving technologies throughout the community.

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| Program 6.A |
| The City shall investigate and, as appropriate, implement actions and regulations that facilitate residential and business conservation strategies and the implementation of technology retrofits that significantly increase efficiencies in energy use. |
| Responsible Agencies: Planning and Public Works Departments, Utility Department, Banning Heights Mutual Water Company, SCE, SCG, other utilities and service providers |
| Schedule: Continuous; Ongoing |
| Implementation Status - Ongoing and active. |

Policy 7

The City shall continue to confer and coordinate with its solid waste service franchisee to maintain and, if possible, exceed the provision of AB 939 by expanding recycling programs that divert valuable resources from the waste stream and returning these materials to productive use.

Policy 8

The City shall support, and to the greatest extent practical, shall encourage commercial and industrial businesses to reduce and limit the amount of packaging and potential waste associated with product sale and production.

Policy 9

Utility lines on scenic roadways, major streets and in the downtown shall have primary consideration for undergrounding.

Policy 10

Major utility facilities, including power and other transmission towers, cellular communication towers and other viewshed intrusions shall be designed and sited to ensure minimal environmental and viewsheds impacts and environmental hazards.

Policy 11

The City shall encourage the planning, development and installation of state-of-the art telecommunications and other broadband communications systems as essential infrastructure.

Policy 12

The City shall encourage in others and itself the use of alternative fuel vehicles.

Policy 13

The City shall investigate lower cable rates for ungated neighborhoods.

Policy 14

The City shall encourage alternative energy use for individual property owners and consider developing an incentive program.

Wildland Fire Hazard Element (15 programs)

GOAL 1

Protect human life, land, and property from the effects of wildland fire hazards.

Policy 1

The City shall establish and maintain an information database containing maps and other information which describe fire hazard severity zones, fire threat zone, and other wildfire hazards occurring within the City boundaries, sphere-of-influence and planning area.

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| Program 1.A |
| Consult and coordinate with surrounding communities, the State Board of Forestry and Fire Protection, California Department of Forestry and Fire Protection, Riverside County Fire Department, other applicable state and federal agencies to establish, improve and routinely update the database |
| Responsible Agency: Planning Department, Banning Fire Department, Beaumont Fire Department, State Board of Forestry and Fire Protection, California Department of Forestry and Fire Protection, Riverside County Fire Department, Morongo Band of Mission Indians. |
| Schedule: Continuous; Ongoing |
| Implementation Status - A new severity zone map has been developed by the California Department of Forestry and Fire Protection (CalFire) and was adopted by the City Council on 10/28/08. The revised map went into effect July 1, 2008. Revisions to the Map will be ongoing as development occurs but at a minimum of every 5 years. |
| Program 1.B |
| The City shall make available copies of the Fire Severity Map and discourage development within areas so designated, or require detailed mitigation measures that reduce potential hazards to insignificant levels. |
| Schedule: Immediately; Ongoing |
| Implementation Status - The current map, produced by the State, is currently available to view at the fire department at City Hall. The City Council approved fire severity map will also be a public document. The City adopted the State Code in early 2011 for building standards within the fire hazard areas. The current handout will be revised to reflect the new code. With the new CFC and residential sprinkler codes this issue has been updated in 2011 along with the Fire Hazard Severity map being available on line at ftp://frap.fire.ca.gov/projects/hazard/fhz.php |
| Program 1.C |
| Prepare an informational handout to be distributed to developers, property owners, and other appropriate parties, which describes the need for and design of fire safe developments. |
| Responsible Agency: Planning, City Engineer, Fire Department |
| Schedule: Continuous; Ongoing |
| Implementation Status - The Fire Department has developed a one-page handout briefly describing the requirements. The handout will be revised to match the new building code requirements. |

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| Program 1.D |
| Establish and maintain a program by which all potentially hazardous structures, which pose a threat due to inadequate fire hazard construction are identified, inventoried, and retrofitted with fire retardant materials. Program shall include informational handouts describing appropriate methods of retrofitting and possible sources of funding to facilitate the rehabilitation of such structures. |
| Responsible Agency: Building and Safety Department, City Engineer, Fire Department |
| Schedule: 2015-2016 |
| Implementation Status – <i>Nothing done at this time.</i> |

Policy 2

Ongoing coordination between the Banning Fire Department, Beaumont Fire Department, the Riverside County Fire Department, the California Department of Forestry, the Morongo Band of Mission Indians and the US Forest Service in fire prevention programs.

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| Program 2.A |
| Cooperate with all neighboring agencies in order to identify opportunities for fuel breaks in very high hazard severity zones and to ensure that fire breaks are provided where necessary and appropriate. |
| Responsible Agency: Fire Marshal, City of Beaumont, County of Riverside, Morongo Band |
| Schedule: Continuous; Ongoing |
| Implementation Status – Approximately 2½ years ago, the Fire Marshal met with representatives from CalFire/Riverside County Fire and San Bernardino County Fire, and the U.S. Forest Service to discuss fuel modification projects in the wildland areas north of Banning from Yucaipa to the Morongo Reservation. For budget cycle 2004-2006 the City Fire Marshal proposed a 4 year fuel break construction project in Banning Canyon. The Council approved financing for the project. When funding was requested to continue for the final 2 years of the project, it was denied. Fuel break Projects to the northwest of Banning are being done by CalFire but have little effect toward the protection of the watershed in Banning Canyon. The Fire Department is working with the county fire hazard reduction coordinator for projects within the pass area. The current truck trail system is being improved to maintain access and provide a break in the fuel. |
| Program 2.B |
| Development proposals shall be transmitted to the Police Department and the City Fire Marshal, and input shall be incorporated into project design or conditions of approval, as appropriate. |
| Responsible Agency: Building and Safety Department, Planning Department, Police Department, Fire Department |
| Schedule: Ongoing |
| Implementation Status – All development proposals are routed to the Fire Department for comments. |
| Program 2.C |
| The Police and Fire Departments shall closely coordinate and cooperate with the City and County emergency preparedness teams and shall assure the most effective disaster response practical. |
| Responsible Agency: City Manager's office, Fire Department, Police Department, County of Riverside, PASSCOM |
| Schedule: Immediately; Ongoing |
| Implementation Status – The Fire Department's Disaster Preparedness Bureau has completed the City's Emergency Operations Plan. The Department has an ongoing training program for City Employees and City residents. Coordination with local disaster preparedness organizations and County OES is ongoing. The Fire Department evaluates all projects to ensure adequate egress in emergency situations. The City's Emergency Operations Plan (EOP) was updated November 2011. |

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| Program 2.D |
| Contact and establish working relationships and strategies with Banning Heights Mutual Water Company, High Valley Water District, public utilities, and other appropriate agencies to strengthen or relocate utility facilities, and take other appropriate measures to safeguard major utility distribution systems to the greatest extent practical. |
| Responsible Agency: Planning Department, Public Works Department, City Engineer, Public and Quasi-Public Utilities |
| Schedule: Continuous; Ongoing |
| Implementation Status – Active and ongoing. |
| Program 2.E |
| Encourage and cooperate with CalTrans and the railroad to reduce hazardous fuel loads (vegetation) near bridges, roadways, rail lines and state highways, which may be subject to closure during major wildland fire events. |
| Responsible Agency: Public Works Department, Fire Department, City Engineer, CalTrans, railroad |
| Schedule: Continuous |
| Implementation Status – Active and ongoing. |
| Program 2.F |
| The public will be educated regarding disaster prevention and emergency responses including evacuation procedures. |
| Responsible Agency: Police and Fire Departments, School Districts, PassCom |
| Schedule: Immediately; Ongoing |
| Implementation Status – Active and ongoing. |

Policy 3

Continue to identify wildfire hazard areas, and to enforce special standards for construction in wildland fire hazard areas.

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| Program 3.A |
| New and substantially remodeled structures or developments shall incorporate wildfire prevention design techniques, such as the use of “defensible space,” fire retardant sidings, optimal site planning and building orientation, landscaping orientation, and other design approaches to reduce wildfire hazards. |
| Responsible Agency: Building and Safety Department, Planning Department, Police Department, Fire Department |
| Schedule: Ongoing |
| Implementation Status – Active and ongoing with land development review. |
| Program 3.B |
| Require that adequate emergency vehicle access and evacuation routes be available with approval of any new development. |
| Responsible Agency: Building and Safety Department, Planning Department, Police Department, Fire Department |
| Schedule: Ongoing |
| Implementation Status– Active and ongoing. |
| Program 3.C |
| The City shall adopt standard requirements for all development proposals in High Fire Hazard Areas, |

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| including requirements for the preparation of Fire Protection Plans prior to the approval of Tentative Tract Maps, Tentative Parcel Maps, or other land use permits. |
| Responsible Agency: Fire Marshal |
| Schedule: 2015-2016 |
| Implementation Status – Active and ongoing. |

Policy 4

The City shall make every attempt to assure that adequate water supplies and pressures are available during a fire, earthquake or both.

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| Program 4.A |
| Coordinate with Banning Heights Mutual Water Company, High Valley Water District and other agencies responsible for supplying water to the region to assure sufficient water supplies and pressures are available to provide adequate fire flows for all existing and proposed development. |
| Responsible Agency: Public Works Department, Building and Safety Department, Planning Department, Fire Department, Banning Heights Mutual Water Company, High Valley Water District |
| Schedule: Ongoing |
| Implementation Status– Active and ongoing. As part of the development process, larger developments are required to prepare Water Supply Assessment studies and to analyze required fire flow demands and pressures for the development project. |
| Program 4.B |
| Special on-site fire protection measures may be required on well vegetated, hilly areas with slopes of 10 percent or greater, with possible access problems, and/or a lack of sufficient water and/or water pressure. Such measures shall be specified during project review. |
| Responsible Agency: Building and Safety Department, Planning Department, Fire Department, Banning Heights Mutual Water Company, High Valley Water District |
| Schedule: Ongoing |
| Implementation Status – Active and ongoing with development project. |

ATTACHMENT 3
2013-2021 Housing Element (Goals and Policies)

2013 - 2021 HOUSING ELEMENT

CITY OF BANNING

DECEMBER 9, 2014

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A. Introduction

The Housing Element is the City's primary policy guide for the maintenance, improvement and development of housing within the City of Banning. The Element provides an indication of the need for housing in the community in terms of affordability, availability, adequacy, and accessibility. It provides a strategy to address housing needs and identifies a series of specific housing program actions to meet community needs. A detailed Housing Needs Assessment, Constraints Analysis, and Resources Summary was prepared as part of the Housing Element update and serves as the technical background document to the Housing Element. Together, the two documents comprise the complete Housing Element.

PURPOSE OF THE HOUSING ELEMENT

The Housing Element is the City's official response to the need to provide housing for all economic segments of the community, as well as a legal requirement that housing policy be included as a part of the planning process. The Housing Element provides City officials, residents and other stakeholders the opportunity to plan for the existing and future housing needs in the community. This Housing Element has been prepared in compliance with the 2013-2021 planning cycle for cities in the Southern California Association of Governments (SCAG) region, and identifies strategies and programs that focus on: 1) conserving and improving existing affordable housing; 2) providing adequate housing sites; 3) assisting in the development of affordable housing; 4) removing governmental and other constraints to housing development; 5) promoting equal housing opportunities; and promoting energy conservation.

SCOPE AND CONTENT OF THE HOUSING ELEMENT

The Housing Element consists of two documents: 1) the Housing Policy Plan, which contains goals, policies, programs and quantified objectives; and 2) the Housing Element Technical Report, which contains the Needs Assessment, Constraints, and Resources chapters. Appendix A of the Technical Report provides an Evaluation of the previous Housing Element and Appendix B includes the detailed Residential Land Inventory for evaluating the City's ability to accommodate its assigned share of regional growth needs for this planning period.

The State Legislature recognizes the role of local general plans, and particularly the Housing Element, in implementing statewide housing goals to provide decent housing and a suitable living environment for all persons. Furthermore, the Legislature stresses continuing efforts toward providing affordable housing for all income groups.

The major concerns of the Legislature with regards to the preparation of Housing Elements are:

- Recognition by local governments of their responsibility in contributing to the attainment of State housing goals;

- Preparation and implementation of City and County Housing Elements that are coordinated with State and federal efforts to achieve State housing goals;
- Participation by local jurisdictions in implementation efforts to attain State housing goals; and
- Cooperation between local, regional and state agencies to address housing needs.

The State Department of Housing and Community Development (HCD) sets forth specific guidelines regarding the scope and content of housing elements.

A number of local and regional plans and programs relate to the Housing Element. A brief description of these plans and programs follows.

RELATED PLANS AND PROGRAMS

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)

State Housing Element Law requires SCAG to prepare a Regional Housing Needs Assessment (RHNA) every eight years to identify existing and future housing needs. For the projection period of January 1, 2014 through October 31, 2021, the RHNA allocation for Banning is 3,792 units. The RHNA process and how the City intends to address this requirement is discussed further in the Resources section of the Technical Report.

RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS

The Banning General Plan was comprehensively updated in 2006 and is comprised of 21 elements grouped in four major components:

- *Community Development*
- *Environmental Resources*
- *Environmental Hazards*
- *Public Services and Facilities*

The Housing Element is part of the *Community Development* component of the General Plan, which also includes the Land Use, Economic Development, Circulation, and Parks and Recreation Elements.

As required by state law, internal consistency is maintained among the various elements of the General Plan. For example, the framework for residential development established in the Land Use Element is reflected in the land inventory analysis of the Housing Element. The Land Use Element identifies residential land use designations at various densities that will facilitate the provision of a wide range of housing types for all income groups. The Circulation Element supports the Land Use and Housing Elements by identifying roadways, transit, pedestrian, and bicycle facilities that are needed to provide access and mobility for residents. Other elements that address public safety or

infrastructure issues help to ensure that adequate public services and facilities will be available to support residential developments. Whenever one element of the General Plan is amended, the other elements are reviewed and modified, as necessary, to ensure consistency.

Government Code Sec. 65302 requires amendments to the Safety and Conservation elements to include analysis and policies regarding flood hazard and management information upon each revision of the Housing Element. If necessary, amendments to the Housing Element will be processed concurrently in order to maintain consistency between elements.

State law also requires that water and sewer providers grant service priority to new developments with units that are affordable to lower-income households. The Housing Element will be transmitted to these providers upon adoption of the element to ensure that they have up-to-date information regarding the housing needs and objectives in Banning.

Senate Bill 244 of 2011 amended the *Government Code* and *Water Code* to require cities and counties to analyze unincorporated island, fringe and legacy communities and amend the Land Use Element of the General Plan prior to or concurrent with the next update of the Housing Element. This bill also imposes requirements on Local Agency Formation Commissions (LAFCOs) regarding annexations and the analysis of municipal services in disadvantaged unincorporated communities (DUCs). According to Riverside County LAFCO, there are no DUCs within the Banning area.

COMMUNITY PARTICIPATION

Section 65583(c)(5) of the *Government Code* states that "the local government shall make diligent efforts to achieve public participation of all the economic segments of the community in the development of the Housing Element, and the program shall describe this effort."

The City's efforts to encourage public participation along with a summary of the comments received during the update process are presented in **Appendix C** of the Technical Report.

During the required HCD review period, copies of the Draft Housing Element were made available to interested parties on the City's website, at City Hall, the Banning Library and the Community Center. In addition, a public meetings and hearings to review the draft Housing Element were held by the Planning Commission and City Council. Notification was published in the local newspaper in advance of each hearing, and direct notices were mailed to interested individuals.

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Housing Plan

The purpose of the Housing Plan is to formulate a set of Housing Element Action Programs that will guide the City of Banning and all of its housing stakeholders toward the preservation, improvement and development of housing. The City intends to create a municipal climate that encourages a variety of housing types and affordability levels to meet the needs of residents at all income levels.

The programs described below establish specific actions, time frames and objectives consistent with the City's housing goals. Department/agency responsibilities and funding sources are also indicated.

A. GOALS AND POLICIES

CONSERVE AND IMPROVE AFFORDABLE HOUSING

Substandard and deteriorating housing units, in addition to the obvious problems of blight and appearance, can expose occupants to a variety of hazards ranging from electrical fire to toxic substances and materials used in construction. A number of factors affect the life expectancy of a housing unit, such as quality of workmanship, age of structure, location, type of construction, and degree of maintenance. As a city with a large number of older housing units, it is important that on-going maintenance programs are implemented in Banning. In addition to rehabilitation efforts, conservation of the existing stock of affordable housing is also important, as the cost to preserve existing affordable housing is often lower than replacing the units.

Housing Goal 1: Conserve, improve, and rehabilitate existing housing.

- Policy 1.1:** Develop and foster activities to increase the health, safety, and property values of the City's existing housing stock.
- Policy 1.2:** Preserve existing single-family neighborhoods.
- Policy 1.3:** Encourage continued and new investments in established communities.
- Policy 1.4:** Monitor the status of at-risk multifamily rental housing units, work with potential nonprofit purchasers/managers as appropriate, and explore funding sources available to preserve the at-risk units.

ADEQUATE HOUSING SITES FOR NEW HOUSING DEVELOPMENT

Economic forces are driving jobs and housing development eastward in Riverside County, which will result in increased pressure in Banning for new housing opportunities. Although the recent housing market downturn has interrupted this pattern of rapid growth, history suggests that the pause will be temporary and the long-term prospect for the Inland Empire is continued economic expansion.

To keep pace with future growth, the Southern California Association of Governments (SCAG) has identified a need for 3,792 new housing units in Banning during the January 1, 2014 through October 31, 2021 planning period. New housing developments should provide a range of housing types and price levels to allow for the upward mobility of Banning residents, as well as affordable housing opportunities for households of modest means.

Housing Goal 2: *Provide adequate sites for new residential construction to meet the needs of all segments of the community without compromising the character of the City.*

Policy 2.1: Provide adequate sites for a range of new housing construction to meet the Regional Housing Need Assessment (RHNA) for Banning of 3,792 units during the 2014-2021 planning period.

FACILITATE DEVELOPMENT OF AFFORDABLE HOUSING AND HOUSING FOR PERSONS WITH SPECIAL NEEDS

New construction is a major source of housing for prospective homeowners and renters. However, the cost of new construction can be high in comparison to housing preservation programs. In addition, market-rate new construction may not provide housing that is affordable, or adequate, for special needs populations such as the elderly, persons with disabilities, and homeless. Incentive programs such as density bonuses offer a cost-effective means of promoting affordable housing development. Public sector assistance can also promote the construction of affordable housing that meets the needs of all segments of the community. Banning is fortunate in that the cost of land is relatively low in comparison to much of Southern California, which increases the feasibility of affordable housing development.

Housing Goal 3: *Assist in the development of housing that is affordable to all segments of the community.*

Policy 3.1: Support the development of housing affordable to all income groups by utilizing a variety of public and private efforts.

Policy 3.2: Assist the development of housing that targets the needs of special populations, including the elderly, persons with disabilities, and homeless.

Policy 3.3: Promote the development of attractive and safe housing to meet community needs.

REMOVE GOVERNMENTAL CONSTRAINTS TO HOUSING PRODUCTION AND AFFORDABILITY

Under current State law, the Housing Element must address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

Housing Goal 4: *Remove governmental constraints to the provision of housing to the greatest extent feasible and legally permissible.*

Policy 4.1: Promote efficient and creative alternatives to help reduce governmental constraints.

Policy 4.2: Provide incentives and regulatory concessions for affordable and senior housing.

Policy 4.3: Streamline the City's development review and approval process to facilitate housing construction while also ensuring that new development meets all applicable standards.

EQUAL HOUSING OPPORTUNITIES

Housing should be made available to all persons regardless of race, religion, sex, family size, marital status, national origin, color, age, disability, or income. To make adequate provisions for the housing needs of all segments of the community, the City should promote equal and fair housing opportunities for all residents.

Housing Goal 5: *Promote equal opportunity for housing throughout the City of Banning.*

Policy 5.1: Support efforts to eliminate discrimination in the sale or rental of housing with regard to race, religion, disability, gender, family size, marital status, national origin, or income.

Policy 5.2: Continue to further fair housing choices by actively expanding housing opportunities and removing impediments to fair housing.

Policy 5.3: Encourage the development or renovation of residential units that are accessible to disabled persons or are adaptable for conversion to residential use by disabled persons.

Policy 5.4: Accommodate housing for persons with special needs, including emergency shelters and transitional housing, in compliance with applicable State law.

ENERGY CONSERVATION AND SUSTAINABLE RESIDENTIAL DEVELOPMENT

Energy conservation can reduce development cost as well as ongoing utility bills for residents. City housing policies can also promote long-term sustainability through efficient land use and transportation planning to reduce fuel usage and travel cost.

Housing Goal 6: *Promote residential energy conservation and sustainable development.*

Policy 6.1 Support energy conservation and sustainable residential development through construction technology and land use planning.

B. HOUSING PROGRAMS

This section describes the programs that will implement Housing Element goals and policies. The housing programs define the specific actions the City will undertake in order to achieve the goals for the current planning period.

1. Code Enforcement

The City will identify potential code violations, utilize property maintenance inspections and work with property owners to resolve code and property maintenance issues to maintain the quality of housing units in the City. The City has brought Code Enforcement and Building Inspection staff under one department, and engaged in a cross-training effort to more actively and efficiently address code violations and improve communication with owners of properties in need of improvement.

Program Objectives: Decrease the number of unresolved code violations within the City and increase the number of improved properties.

Responsible Agency: Community Development Department.

Funding Source: Community Development Department budget.

Schedule: Continuous throughout the planning period.

2. Housing Rehabilitation Program

The City will continue to pursue grant programs such as the Riverside County Home Improvement Program to provide loans to eligible lower-income families for necessary home repair and rehabilitation work, including room additions to alleviate overcrowding. The City will continue to publicize assistance offered by the County, including flyers available at the City Planning counter and information posted on the City's website. The City will prioritize funding as it becomes available to target projects benefitting extremely-low-income households. To the extent feasible, projects may also be eligible for deferral or waiver of City application and processing fees.

Program Objectives: Reduced number of substandard properties.
Responsible Agency: Community Development Department.
Funding Source: Grant funds.
Schedule: Continuous throughout the planning period.

3. Conservation of Existing and Future Affordable Units

Banning has several assisted affordable housing developments, although none is at risk of conversion to market rate during the current planning period. The City will monitor the status of these projects and take steps to preserve affordability should any become at-risk of conversion in the future.

Program Objectives: Monitor the status of assisted projects.
Responsible Agency: Community Development Department, U.S. Department of Housing and Urban Development (HUD), the California Department of Housing and Community Development (HCD), and the Housing Authority of Riverside County (HARIVCO).
Funding Source: HUD Section 8 vouchers, other funding sources as available.
Schedule: Throughout the planning period.

4. Section 8 Rental Assistance

The Section 8 Rental Assistance Program provides rental subsidies to very-low-income (up to 50 percent of areawide median income – [AMI]) family and elderly households who spend more than 30 percent of their income on rent. The subsidy represents the difference between 30 percent of monthly income and the actual rent. Section 8 assistance is issued to the recipients as vouchers, which permit tenants to choose their own housing and rent units beyond the federally determined fair market rent in an area, provided the tenants pay the extra rent increment.

Program Objectives: Continue to support the HARIVCO's applications for additional Section 8 allocations and efforts to provide vouchers for lower-income residents.
Responsible Agency: Housing Authority of Riverside County.
Funding Source: Federal HUD Section 8 program.
Schedule: Throughout the planning period.

5. Adequate Sites for Residential Development

The General Plan Land Use Element and the Zoning Code establish the regulatory framework for residential development. The Land Use Element provides for a variety of residential types, ranging from lower-density single-family houses to higher-density apartments and condominiums and mixed-use development.

A significant portion of the inventory of sites for higher-density housing is located in large parcels, planned developments or areas where approval of a specific plan may be required. In some cases, large parcels must be subdivided to create suitable building sites prior to construction. When large sites must be divided into smaller parcels or a specific plan is required prior to development, the City facilitates this process through pre-application meetings to clarify procedures, concurrent priority processing of subdivision maps with specific plans or any other required approvals, and incentives such as density bonus and modified development standards when the project includes affordable housing. The City has a successful track record of facilitating development applications, and will continue to work cooperatively with developers to streamline the permit process for large parcels requiring subdivision or approval of a specific plan.

The City will monitor future development approvals and continue to ensure that adequate sites are available throughout the planning period to accommodate the City's share of regional housing need identified in the Regional Housing Needs Assessment, as required by the *no net loss* provisions of Government Code Sec. 65863.

Program Objectives:

- The City will continue to annually update an inventory that details the amount, type, and size of vacant and underutilized parcels sufficient to accommodate the City's remaining need, by income, to assist developers in identifying land suitable for residential development. As part of the City's Annual Progress Report (APR), required pursuant to GC 64000, the City must report on the number of extremely low-, very low-, low-, and moderate-income units constructed annually.
- To ensure sufficient residential capacity for units affordable to lower-income households is maintained within the planning period to accommodate the identified regional need for lower-income households, the City will develop and implement a formal ongoing (project by project) monitoring procedure, pursuant to Government Code Section 65863 by September 2014.
- Should an approval of development (residential, commercial or mixed-use) result in a reduction of capacity below the residential capacity assumed on sites needed to accommodate the remaining need for lower-income households, as assumed in Tables B-2, B-4 and B-5, the City will immediately identify and zone sufficient sites to accommodate the shortfall.
- The City will offer the following incentives for the development of affordable housing including but not limited to priority processing of subdivision maps and specific plans that include affordable housing units, expedited review for the

subdivision of larger sites into buildable lots, financial assistance (based on availability of federal, state, local foundations, and private housing funds) and modification of development requirements, such as reduced parking standards for seniors, assisted care, and special needs housing on a case-by-case basis.

- **Affordable Housing Opportunity (AHO) Overlay Zone**

Within one year of Housing Element adoption, the City will process an amendment to the General Plan Land Use Element and Zoning Ordinance to establish an Affordable Housing Opportunity (AHO) Overlay Zone on HDR-20 sites to allow an increase in base density (excluding density bonus) to 24 dwelling units/acre when a project complies with all of the following:

- a. The developer agrees to provide a minimum of 10% very-low-income units and 10% low-income units (or a proportionate increase in very-low-income units and a decrease in low-income units, e.g. 15% very-low and 5% low).
- b. Affordable units are deed restricted for a period of not less than 55 years, or in perpetuity, if possible.
- c. Multi-family uses within the densities established under the AHO will be allowed by-right, without a conditional use permit or other discretionary permit, provided, however, that multi-family development proposals will be subject to design review.

The City will work with developers, other agencies and the community to address lower-income housing need by offering incentives such as density bonuses, options for clustering units, mix of unit types, second units, use of "in-lieu" housing funds, fast-track processing, and reduced fees, as appropriate for proposed lower-income housing.

Responsible Agency: Community Development Department.

Funding Source: Community Development Department budget.

Schedule: Throughout the planning period; *No Net Loss* monitoring procedure by September 2014; AHO amendment within one year of Housing Element adoption.

6. Facilitate Development of Affordable and Special Needs Housing

In order to facilitate the development of housing for low- and moderate-income households and persons with disabilities (including developmental disabilities), the City will implement the following actions:

- Provide administrative assistance to developers seeking available state and federal funding and/or tax credits for the construction of low- and moderate-income housing.
- Facilitate projects that incorporate affordable units and accessible units by granting modifications to development standards, expedited processing, or financial incentives consistent with state law.
- Affordable housing developers will be contacted each year to solicit interest and apprise them of available assistance programs.
- Targeted assistance will be prioritized for special needs housing and extremely-low-income (ELI) units through density bonuses and/or regulatory incentives, modified development standards and fee deferrals, when feasible.
- Coordinate with the Inland Regional Center regarding the needs and assistance programs targeted for persons with developmental disabilities, and make information available on the City website.
- Clarify development standards in the VHDR zone as necessary to facilitate affordable housing development.
- Continue to monitor residential development to evaluate whether the required design amenities are acting as an unreasonable constraint on development. If the requirements are found to be an unreasonable constraint, a Code amendment will be initiated to modify the design requirements.

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| Program Objectives: | Facilitate affordable housing development commensurate with the RHNA and the production of accessible and supportive housing for persons with disabilities. |
| Responsible Agency: | Community Development Department. |
| Funding Source: | Community Development Department budget. |
| Schedule: | Contact affordable housing developers and the Inland Regional Center annually; assist developers with applications for funding assistance upon request; initiate a Zoning Code amendment in 2014 to clarify development standards in the VHDR zone. |

7. Infill and Mixed-Use Housing Development

Infill housing and mixed-use development helps to promote investment in older neighborhoods while also contributing to meeting the community's housing needs. The City has targeted the Downtown Commercial (DC) area for special incentives for multi-family, SRO and mixed-use development to stimulate revitalization. The downtown area is particularly well-suited to affordable and special needs housing due to the availability of employment, services and transit.

Since many parcels in the downtown are relatively small, the City will encourage consolidation of adjacent parcels to enhance development feasibility by providing a lot consolidation density incentive of 5% when two or more parcels totaling at least 0.5 acre are consolidated, and 10% when two or more parcels totaling at least 1.0 acre are consolidated. This density incentive will be in addition to the density bonus currently allowed. City incentives will also include consolidated permit processing, reduced fees for parcel mergers or lot line adjustments, density bonus and modified development standards.

The DC district zoning regulations will also be amended to increase allowable base densities to 24 units/acre for any project that meets the minimum affordability standards under state Density Bonus law (e.g., 5% very-low- or 10% low-income units). The City will also provide administrative and technical assistance with grant applications for affordable or special needs housing developments in the downtown area.

In recent years the City has facilitated infrastructure upgrades such as water lines and electrical service in the downtown. In order to incentivize development in the downtown area, the City will prioritize future Capital Improvement Program funds for downtown infrastructure improvements, if feasible.

The City will also review development standards for the General Commercial (GC) zone and consider appropriate revisions to facilitate revitalization and mixed-use development in this area. The GC zone is located to the west of downtown along Ramsey Street in the area known as "The Midway" and also along the south side of the I-10 freeway.

Program Objectives: Facilitate development of multi-family and mixed-use development in the downtown and nearby areas, with special emphasis on housing affordable to low- and moderate-income households or persons with special needs.

Responsible Agency: Community Development Department.

Funding Source: Grant funds; CIP Budget.

Schedule: Zoning amendment by June 2014.

Publicize development opportunities by contacting affordable housing developers annually.

10. Mortgage Credit Certificate Program

A Mortgage Credit Certificate (MCC) entitles qualified home buyers to reduce the amount of their federal income tax liability by an amount equal to a portion of the interest paid during the year on a home mortgage. This tax credit allows the buyer to qualify more easily for a loan by increasing the effective income of the buyer. The Riverside County MCC Program provides for a 15% rate which can be applied to the interest paid on the mortgage loan. The borrower can claim a tax credit equal to 15% of the interest paid during the year. Since the borrowers taxes are being reduced by the amount of the credit, this increases the take-home pay by the amount of the credit.

The buyer takes the remaining 85% interest as a deduction. When underwriting the loan, a lender takes this into consideration and the borrower is able to qualify for a larger loan than would otherwise be possible. The City will provide referral information regarding the MCC program on the City website, at City Hall and other public locations.

Program Objectives: Provide information regarding the MCC Program to eligible home buyers.

Responsible Agency: Riverside County Economic Development Agency (EDA) and participating lenders.

Funding Source: Federal tax credits and EDA.

Schedule: Throughout the planning period.

11. Fair Housing Services

Banning is not an "entitlement city" and works cooperatively with the County of Riverside, which provides fair housing services to all unincorporated areas of the county and non-entitlement cities. Fair housing services offered through the County include counseling and information on potential discrimination and landlord/tenant problems; special assistance for ethnic minorities and single-parent households; and bilingual housing literature. Information regarding available services from the County will be provided at City Hall, on the City website, and at other governmental offices within the city. In addition, the City will work cooperatively with the County of Riverside to distribute fair housing information annually.

Program Objectives: Continue to work with the County of Riverside to provide fair housing services to residents of Banning.

Responsible Agency: Riverside County.

Funding Source: Riverside County; Community Development Department budget.

Schedule: Throughout the planning period.

12. Reasonable Accommodation in Housing for Persons with Disabilities

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act require local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations to allow disabled persons an equal opportunity to use and enjoy a dwelling. The Zoning Code establishes administrative procedures for reviewing and approving such requests in conformance with state law. The City will continue to implement this ordinance.

Program Objectives: Continue to process requests for reasonable accommodation in conformance with state law and the Development Code.

Responsible Agency: Community Development Department.
Funding Source: Community Development Department budget.
Schedule: Throughout the planning period.

13. Residential Energy Conservation

With the adoption of AB 32, California's greenhouse gas legislation, energy conservation is a growing concern. In addition to helping to mitigate greenhouse gas emissions, residential energy efficiency can reduce home heating and cooling costs.

- a. Support the use of innovative building techniques and construction materials for residential development, such as energy efficient buildings that utilize solar panels and sustainable building materials that are recyclable.
- b. Encourage maximum utilization of Federal, State, and local government programs, such as the County of Riverside Home Weatherization Program and the Western Riverside Council of Governments (WRCOG) HERO Program, that assist homeowners in providing energy conservation measures.
- c. Maintain and distribute literature on energy conservation, including solar power, additional insulation, and subsidies available from utility companies, and encourage homeowners and landlords to incorporate these features into construction and remodeling projects.
- d. Encourage energy conservation devices including but not limited to lighting, water heater treatments, solar energy systems for all residential projects.

Program Objectives: Work cooperatively with property owners, utility companies and other government agencies to reduce energy use in residential developments.

Responsible Agency: Community Development Department.

Funding Source: Community Development Department budget; grant programs, as available.

Timeline: Throughout the planning period.

C. QUANTIFIED OBJECTIVES

The City's quantified objectives for the development, rehabilitation and conservation of housing during the 2013-2021 planning period are summarized in the following table. The accomplishment of these objectives will depend on general economic conditions and the availability of funding assistance.

| Income Category | New Construction | Rehabilitation | Conservation/ Preservation** |
|-----------------|------------------|----------------|------------------------------|
| Extremely-Low | 436 | * | - |
| Very Low | 436 | * | - |
| Low | 593 | * | - |
| Moderate | 685 | * | - |
| Above Moderate | 1,642 | - | - |
| Totals | 3,792 | * | - |

Notes:

*depending on available funding to replace lost redevelopment revenues

**No assisted units at risk (see Technical Report Table 18)

ATTACHMENT 4
Planning Commission Resolution No. 2015-01

RESOLUTION NO. 2015-05

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BANNING, CALIFORNIA RECOMMENDING TO THE CITY COUNCIL THE APPROVAL OF THE GENERAL PLAN ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2014

WHEREAS, the California state law requires that each city and county adopt a general plan to guide development in their city and land outside its boundaries that has relation to its city planning (Govt. Code §65300); and

WHEREAS, the California State law requires that the General Plan include seven (7) mandated elements: land use, housing, traffic circulation, safety, parks and recreation, conservation, and noise; and

WHEREAS, the City undertook a comprehensive update to the General Plan and Zoning Ordinance which were adopted by the City Council on January 31, 2006 by Resolution No. 2006-12; and

WHEREAS, the City of Banning General Plan has 21 elements (seven [7] of which are mandated by the State); and

WHEREAS, Government Code §65400 mandates that cities and counties in California submit an annual report on the status of the General Plan and progress in its implementation to their decision makers (City Council or Board of Supervisors), the Governor's Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) by April 1st of each year; and

WHEREAS, the purpose of the General Plan annual report is to provide enough information to identify the necessary "course adjustments" or modifications to the General Plan and means to improve local implementation; and

WHEREAS, the City is also required to report progress in implementing its housing element and the Regional Housing Needs Assessment as part of the annual report; and

WHEREAS, the economic recession has hampered development in the community, including housing construction because financial institutions have tighter regulations and are not lending any construction loans; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld the validity of the Assembly Bill (AB) 1X 26 and invalidated AB 1X 27 which resulted in dissolution of redevelopment agencies in California including the City of Banning Community Redevelopment Agency which completely cut-off sources of funding for construction of infrastructure, elimination of blight, and construction and maintenance of affordable housing; and

WHEREAS, the City continues to take proactive steps in implementing the goals, policies and action programs of the General Plan; and

WHEREAS, over the course of the past nine (9) years, the City has continued to take proactive steps in implementing the goals, policies and action programs of the General Plan. While the City has been implementing the General Plan, the primary reasons why some of the action programs have not been completed or initiated is due to budget constraints, available staff resources, and work program priority for each of the City departments; and

WHEREAS, the General Plan Annual Progress Report for Calendar Year 2014 contains the reporting forms on progress for implementing the Housing Element and details the implementation action programs and status; and

WHEREAS, on February 20, 2015, the City gave public notice by advertisement in the Record Gazette newspaper of a public hearing concerning the General Plan Annual Progress Report for Calendar Year 2014; and

WHEREAS, on March 4, 2015, the Planning Commission held the noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to, the project and at which the Planning Commission considered the General Plan Annual Progress Report for Calendar Year 2014.

NOW THEREFORE, the Planning Commission of the City of Banning does hereby find, determine, and resolve as follows:

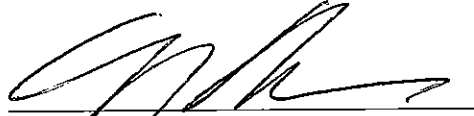
SECTION 1: Compliance with Government Code Section 65400.

The Planning Commission determined that this General Plan Annual Progress Report was prepared for compliance with Government Code Section 65400.

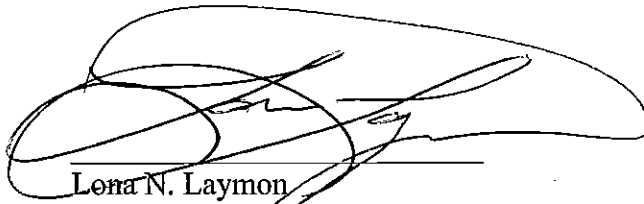
SECTION 2: Recommendation to the City Council.

The Planning Commission has reviewed and recommended approval of the General Plan Annual Progress Report to the City Council; and, to direct staff to file the report with the State of California Office of Planning and Research and the State Department of Housing and Community Development.


PASSED, APPROVED AND ADOPTED this 4th day of March 2015.


Eric Shaw, Vice-Chairman
Banning Planning Commission

APPROVED AS TO FORM
AND LEGAL CONTENT:


Lona N. Laymon
Aleshire & Wynder, LLP
Assistant City Attorney
City of Banning, California

ATTEST:


Sandra Calderon, Recording Secretary
City of Banning, California

CERTIFICATION:

I, Sandra Calderon, Recording Secretary of the Planning Commission of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2015-05, was duly adopted by the Planning Commission of the City of Banning, California, at a regular meeting thereof held on the 4th day of March 2015, by the following vote, to wit:

AYES: *Briant, Ellis, Price, Shaw*

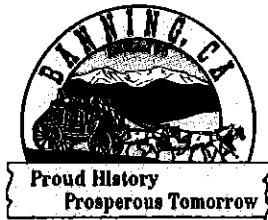
NOES: *- 0 -*

ABSENT: *Siva*

ABSTAIN: *- 0 -*

Sandra Calderon
Sandra Calderon, Recording Secretary
City of Banning, California

ATTACHMENT 5
Public Hearing Notice



NOTICE OF PUBLIC HEARING

PURSUANT TO LAW, NOTICE IS HEREBY GIVEN of a Public Hearing before the City Council of the City of Banning, to be held on Tuesday, April 14, 2015, at 5:00 p.m. in the Council Chambers, City Hall, 99 East Ramsey Street, Banning, California, to consider the following:

RESOLUTION NO. 2015-21: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING THE GENERAL PLAN ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2014

Information regarding this matter can be obtained by contacting the City's Community Development Department at (951) 922-3125, or by visiting City Hall located at 99 East Ramsey Street, Banning.

All parties interested in speaking either in support of or in opposition of this item are invited to attend said hearing, or to send their written comments to the Community Development Department of the City of Banning at P.O. Box 998, Banning, California, 92220.

If you challenge any decision regarding the above proposal in court, you may be limited to raising only those issues you or someone else raised in written correspondence delivered to the Community Development Director at, or prior to, the time the City Council makes its decision on the proposal; or, you or someone else raised at the public hearing or in written correspondence delivered to the hearing body at, or prior to, the hearing (California Government Code, Section 65009).

BY ORDER OF THE ACTING COMMUNITY DEVELOPMENT DIRECTOR OF THE CITY OF BANNING, CALIFORNIA

Brian Guillot
Acting Community Development Director

Dated: March 31, 2015
Publish: April 3, 2015

**CITY COUNCIL MEETING
PUBLIC HEARING**

DATE: April 14, 2015

TO: City Council

FROM: Brian Guillot, Acting Community Development Director

SUBJECT: Consideration of Ordinance No. 1487 Approving the Categorical Exemption and Zone Text Amendment No. 15-97503 to Amend Chapter 17.36 (Sign Regulations) of the Zoning Ordinance (Title 5) of the Banning Municipal Code

RECOMMENDATION:

The Planning Commission recommends that the City Council:

1. Conduct a public hearing on the Categorical Exemption and Zone Text Amendment No. 15-97503; and
2. Introduce Ordinance No. 1487 (Attachment 1) to approve:
 - a. Categorical Exemption and Zone Text Amendment No. 15-97503.

JUSTIFICATION:

On June 24, 2014, the City Council adopted Resolution No. 2014-50 establishing a Sign Advisory Committee to advise the City Council regarding the City of Banning sign regulations that will benefit the business community. Subsequently, after conducting meetings twice a month, on November 19, 2014, the Sign Advisor Committee forwarded their recommendations regarding sign regulations to the Planning Commission (Attachment 3).

On February 4, 2015, during a regularly scheduled meeting, the Planning Commission conducted a Study Session to review and discuss the recommendations of the Sign Advisory Committee and, upon the conclusion of the Study Session, the Planning Commission provided direction to City staff to prepare an Ordinance based upon the recommendations of the Sign Advisory Committee regarding amendments to the sign regulations.

On March 4, 2015, the Planning Commission conducted a duly advertised public hearing at a regularly scheduled meeting and adopted Resolution No. 2015-04 (Attachment 2) forwarding a recommendation to the City Council to approve the General Plan Annual Progress Report for Calendar Year 2014.

BACKGROUND:

The following is a summary of the proposed amendments to the City's signage regulations (a complete copy of Chapter 17.36 [Sign Regulations] is contained in Attachment 4) based upon the direction given by the Planning Commission:

17.36.050 – Exempt Signs. The following signs shall be exempt from the provisions of this chapter:

Section 17.36.050(A) is amended as follows:

- A. Window signs not exceeding ~~one (1)~~ **two (2)** square foot and limited to business identification, hours of operation, address, and/or emergency information. (Neon signs of any size require a permit, if allowed.)

17.36.060 – Prohibited Signs. The following signs are inconsistent with the sign standards set forth in this chapter, and are therefore prohibited:

Section 17.36.060(C) is amended as follows:

- C. All banners, flags, and pennants, ~~except with Temporary Use Permit in the Downtown Commercial zoning district and located within fifty (50) feet of a residential property.~~

Section 17.36.060(E) is deleted in its entirety.

- E. ~~Chalkboards or blackboards.~~

Section 17.36.060(J) is amended as follows:

- J. Portable signs or A-frame signs, **except in the Downtown Commercial zone and shall not pose a hazard to pedestrians; and, shall be stable under all-weather conditions or shall be removed.**

Section 17.36.060(S) is amended as follows:

- S. Signs which singly or in combination with other signs block more than ~~10%~~ **33% for solid lettering (or up to 50% if perforated vinyl window signs)** of the view from any window or door of any structure used or occupied by people for more than an hour of a typical day, in all zoning districts of the City.

Section 17.36.110 – Sign Regulations. Signs permitted in each of the City's land use districts are identified below. In addition to the following regulations, all signs must be in compliance with all other provisions of this chapter pertaining to signs.

Section 17.36.110(B)(2) is amended as follows:

2. Wall signs. Each business in **Downtown Commercial zoning district** shall be permitted wall signs per occupancy footage. The area devoted to such signs shall not exceed one square foot of sign area per one foot of building frontage, and shall not exceed 50 square feet of sign area. **An introductory sign of a maximum of 5 square feet shall be allowed for 25 percent of the sign fee to encourage business in the Downtown Commercial zoning district. Each business in all other commercial and industrial zoning districts shall be permitted wall signs per the area of the wall (length times height of the wall). The area devoted to such signs shall not exceed 20 percent of the wall area.** The ~~50-square-foot~~ sign area maximum for wall signs shall not apply to a freeway-oriented wall sign proposed to be located and designed in such a manner as to be viewed primarily in a direct line of sight from a main traveled roadway of a freeway or a freeway on-ramp/off-ramp and advertising onsite retail or service-oriented businesses. Freeway-oriented wall signs shall be subject to all requirements of section 17.36.110(B)(6), including requiring the approval of a conditional use permit.

ENVIRONMENTAL DETERMINATION:

California Environmental Quality Act (CEQA)

In accordance with the requirements of the California Environmental Quality Act (CEQA), the Planning Commission has analyzed proposed Zone Text Amendment No. 15-97503 and has determined that it is Categorically Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA, as applicable. Therefore, it can be seen with certainty that there is no possibility that Zone Text Amendment No. 15-97503 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Multiple Species Habitat Conservation Plan (MSHCP)

The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects subject to this resolution will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

REQUIRED FINDINGS:

The California Government Code and Section 17.116.050 of the City of Banning Zoning Ordinance require that Zone Text Amendments meet certain findings prior to the approval by the City Council. The following findings are provided in support of the approval of the Zone Text Amendment No. 15-97503.

Finding No. 1: The proposed Zone Text Amendment No. 15-97503 is consistent with the goals and policies of the General Plan.

Findings of Fact: Proposed Zone Text Amendment No. 15-97503 is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the text amendments will result in clarifying the goals, policies and programs of the General Plan. The primary General Plan Economic Development Goal states "*A balanced, broadly-based economy that provides a full range of economic and employment opportunities, while maintaining high standards of development and environmental protection*". The proposed amendments to the signage regulations will foster methods to better promote local businesses, thereby enhancing the economic vitality of the City.

Finding No. 2: The proposed Zone Text Amendment No. 15-97503 is internally consistent with the Zoning Ordinance.

Findings of Fact: Proposed Zone Text Amendment No. 15-97503 is consistent with the existing provisions of the Zoning Ordinance. The proposed amendment will modify and update development standards pertaining to on-premise signs within the limits established by the Zoning Ordinance. Additionally, staff has reviewed and compared the proposed changes and finds no conflicting statements or inconsistencies in the Zoning Ordinance.

Finding No. 3: The Planning Commission has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact: In accordance with the requirements of the California Environmental Quality Act (CEQA), the City Council has analyzed proposed Zone Text Amendment No. 15-97503 and has determined that it is Categorical Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA, as applicable. Therefore, it can be seen with certainty that there is no possibility that Zone Text Amendment No. 15-97503 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

PUBLIC COMMUNICATION

The proposed Categorical Exemption and Zone Text Amendment was advertised in the Record Gazette newspaper on April 3, 2015 (Attachment 6). As of the date of this report, staff has not received any verbal or written comments for or against the proposal.

FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action.

CONCLUSION:

The Planning Commission recommends that the City Council adopt Ordinance No. 1487 approving:

1. Categorical Exemption for Zone Text Amendment No. 15-97501; and
2. Zone Text Amendment No. 15-97503.

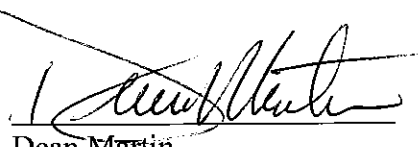
APPROVED BY:


James E. Smith
Interim City Manager

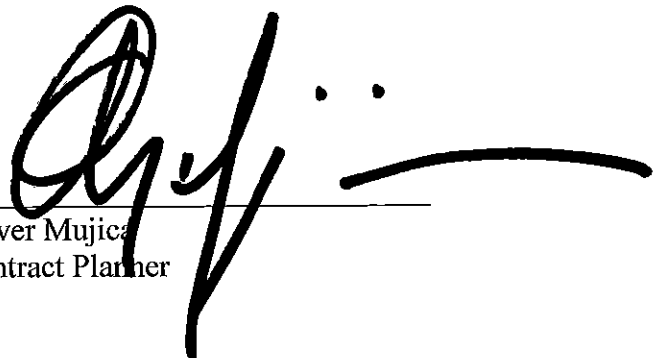
RECOMMENDED BY:


Brian Guillot
Acting Community Development Director

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

PREPARED BY:


Oliver Mujica
Contract Planner

ATTACHMENTS:

1. Ordinance No. 1487
2. Planning Commission Resolution No. 2015-04
3. Sign Committee Recommendations
4. Chapter 17.36 (Sign Regulations)
5. Examples of Signage Area
6. Public Hearing Notice

ATTACHMENT 1
Ordinance No. 1487

ORDINANCE NO. 1487

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING A CATEGORICAL EXEMPTION AND ZONING TEXT AMENDMENT NO. 15-97503 TO AMEND CHAPTER 17.36 (SIGN REGULATIONS) OF THE ZONING ORDINANCE (TILE 17) OF THE BANNING MUNICIPAL CODE

WHEREAS, on June 24, 2014, the City Council adopted Resolution No. 2014-50 establishing a Sign Advisory Committee to advise the City Council regarding the City of Banning sign regulations that will benefit the business community; and

WHEREAS, on November 19, 2014, the Sign Advisor Committee forwarded their recommendations regarding sign regulations to the Planning Commission; and

WHEREAS, on February 4, 2015, during a regularly scheduled meeting, the Planning Commission conducted a Study Session to review and discuss the recommendations of the Sign Advisory Committee and, upon the conclusion of the Study Session, the Planning Commission provided direction to City staff to prepare an Ordinance based upon the recommendations of the Sign Advisory Committee regarding amendments to the sign regulations; and

WHEREAS, the City Council has authority per Chapter 17.116 of the Municipal Code to approve, approve with modifications, or disapprove amendments to the Zoning Ordinance; and

WHEREAS, on March 4, 2015, during a duly advertised public hearing, the Planning Commission adopted Resolution No. 2015-04 recommending to the City Council the adoption of Ordinance No. 1487 approving the Categorical Exemption and Zone Text Amendment No. 15-97503; and

WHEREAS, on the 3rd day of April 2015, the City gave public notice as required under Chapter 17.68 of the Zoning Ordinance by advertising in the Record Gazette newspaper of the holding of a public hearing at which the Categorical Exemption and Zone Text Amendment would be considered; and

WHEREAS, on the 14th day of April 2015, the City Council held the noticed public hearing at which interested persons had an opportunity to testify in support of, or opposition to the proposed amendments, and at which time the City Council considered the Categorical Exemption and Zone Text Amendment No. 15-97503; and

WHEREAS, at this public hearing on the 14th day of April 2015, the City Council considered and heard public comments on the proposed Categorical Exemption and Zone Text Amendment; and

WHEREAS, the City Council has carefully considered all pertinent documents and the staff report offered in this case as presented at the public hearing held on the 14th day of April 2015.

NOW THEREFORE, BE IT HEREBY ORDAINED by the City Council of the City of Banning as follows:

SECTION 1. ENVIRONMENTAL.

California Environmental Quality Act (CEQA)

In accordance with the requirements of the California Environmental Quality Act (CEQA), the Planning Commission has analyzed proposed Zone Text Amendment No. 15-97503 and has determined that it is Categorical Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA, as applicable. Therefore, it can be seen with certainty that there is no possibility that Zone Text Amendment No. 15-97503 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Multiple Species Habitat Conservation Plan (MSHCP)

The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects subject to this resolution will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

SECTION 2. REQUIRED FINDINGS – ZONE TEXT AMENDMENT NO. 15-97503.

The California Government Code and Section 17.116.050 of the City of Banning Zoning Ordinance require that Zone Text Amendments meet certain findings prior to the approval by the City Council. The following findings are provided in support of the approval of the Zone Text Amendment No. 15-97503.

Finding No. 1: The proposed Zone Text Amendment No. 15-97503 is consistent with the goals and policies of the General Plan.

Findings of Fact: Proposed Zone Text Amendment No. 15-97503 is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the text amendments will result in clarifying the goals, policies and programs of the General Plan. The primary General Plan Economic Development Goal states *"A balanced, broadly-based economy that provides a full range of*

economic and employment opportunities, while maintaining high standards of development and environmental protection". The proposed amendments to the signage regulations will foster methods to better promote local businesses, thereby enhancing the economic vitality of the City.

Finding No. 2: The proposed Zone Text Amendment No. 15-97503 is internally consistent with the Zoning Ordinance.

Findings of Fact: Proposed Zone Text Amendment No. 15-97503 is consistent with the existing provisions of the Zoning Ordinance. The proposed amendment will modify and update development standards pertaining to on-premise signs within the limits established by the Zoning Ordinance. Additionally, staff has reviewed and compared the proposed changes and finds no conflicting statements or inconsistencies in the Zoning Ordinance.

Finding No. 3: The City Council has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact: In accordance with the requirements of the California Environmental Quality Act (CEQA), the City Council has analyzed proposed Zone Text Amendment No. 15-97503 and has determined that it is Categorically Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA, as applicable. Therefore, it can be seen with certainty that there is no possibility that Zone Text Amendment No. 15-97503 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

SECTION 3. CITY COUNCIL ACTION.

The City Council hereby takes the following actions:

1. **Adoption of Categorical Exemption.** In accordance with Public Resources Code Section 21006 and CEQA Guidelines Section 15061 the City Council hereby adopts the Categorical Exemption prepared pursuant to CEQA Guidelines Section 15061(b)(3) for Zone Text Amendment No. 15-97503.

2. **Approve Zone Text Amendment No. 15-97503.** Approve Zone Text Amendment No. 15-97503 amending Title 17 (Zoning Ordinance) of the Banning Municipal Code as follows:

Section 17.36.050(A) is amended as follows:

- A. Window signs not exceeding two (2) square foot and limited to business identification, hours of operation, address, and/or emergency information. (Neon signs of any size require a permit, if allowed.)*

Section 17.36.060(C) is amended as follows:

- C. All banners, flags, and pennants in the Downtown Commercial zoning district and located within fifty (50) feet of a residential property.*

Section 17.36.060(E) is deleted in its entirety.

Section 17.36.060(J) is amended as follows:

- J. Portable signs or A-frame signs, except in the Downtown Commercial zone and shall not pose a hazard to pedestrians; and, shall be stable under all-weather conditions or shall be removed.*

Section 17.36.060(S) is amended as follows:

- S. Signs which singly or in combination with other signs block more than 33% for solid lettering (or up to 50% if perforated vinyl window signs) of the view from any window or door of any structure used or occupied by people for more than an hour of a typical day, in all zoning districts of the City.*

Section 17.36.110(B)(2) is amended as follows:

- 2. Wall signs. Each business in Downtown Commercial zoning district shall be permitted wall signs per occupancy footage. The area devoted to such signs shall not exceed one square foot of sign area per one foot of building frontage, and shall not exceed 50 square feet of sign area. An introductory sign of a maximum of 5 square feet shall be allowed for 25 percent of the sign fee to encourage business in the Downtown Commercial zoning district. Each business in all other commercial and industrial zoning districts shall be permitted wall signs per the area of the wall (length times height of the wall). The area devoted to such signs shall not exceed 20 percent of the wall area. The sign area maximum for wall signs shall not apply to a freeway-oriented wall sign proposed to be located and designed in such a manner as to be viewed primarily in a direct line of sight from a main traveled roadway of a freeway or a freeway on-ramp/off-ramp and advertising onsite retail or service-oriented businesses. Freeway-oriented wall signs shall be subject to all requirements*

of section 17.36.110(B)(6), including requiring the approval of a conditional use permit.

SECTION 4. SEVERABILITY.

If any section, subsection, sentence, clause, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council of the City of Banning hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. PUBLICATION; EFFECTIVE DATE.

The City Clerk shall certify to the passage and adoption of this ordinance, and shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) days after its final passage, the City Clerk shall cause it to be published in a newspaper of general circulation and shall post the same at City Hall, 99 E. Ramsey Street, Banning, California.

PASSED, APPROVED, AND ADOPTED this ____ day of _____, 2015.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1487 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the _____ day of _____, 2015, and was duly adopted at a regular meeting of said City Council on the _____ day of _____, 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
Planning Commission Resolution No. 2015-04

RESOLUTION NO. 2015-04

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BANNING, CALIFORNIA RECOMMENDING APPROVAL TO THE CITY COUNCIL OF CATEGORICAL EXEMPTION AND ZONE TEXT AMENDMENT NO. 15-97503 RELATING TO THE AMENDMENTS TO CHAPTER 17.36 (SIGN REGULATIONS) OF THE ZONING ORDINANCE (TITLE 17) OF THE BANNING MUNICIPAL CODE

WHEREAS, on June 24, 2014, the City Council adopted Resolution No. 2014-50 establishing a Sign Advisory Committee to advise the City Council regarding the City of Banning sign regulations that will benefit the business community; and

WHEREAS, after conducting meetings twice a month, on November 19, 2014, the Sign Advisor Committee forwarded their recommendations regarding sign regulations to the Planning Commission; and

WHEREAS, on February 4, 2015, during a regularly scheduled meeting, the Planning Commission conducted a Study Session to review and discuss the recommendations of the Sign Advisory Committee and, upon the conclusion of the Study Session, the Planning Commission provided direction to City staff to prepare an Ordinance based upon the recommendations of the Sign Advisory Committee regarding amendments to the sign regulations; and

WHEREAS, the City has reviewed the proposed Zone Text Amendment for compliance with the California Environmental Quality Act (CEQA) and it is determined that Zone Text Amendment No. 15-97503 is not a 'project' under CEQA Guidelines 15061(b)(3); and

WHEREAS, on February 20, 2015, the City gave public notice by advertisement in the Record Gazette newspaper of a public hearing concerning the project, which included the Categorical Exemption and Zone Text Amendment No. 15-97503; and

WHEREAS, on March 4, 2015, the Planning Commission held the noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to, the project and at which the Planning Commission considered the Categorical Exemption and Zone Text Amendment No. 15-97503.

NOW THEREFORE, the Planning Commission of the City of Banning does hereby resolve, determine, find, and order as follows:

SECTION 1. ENVIRONMENTAL FINDINGS.

The following environmental findings are made and supported by substantial evidence on the record before the Commission, including and incorporating all evidence in the staff report and attendant attachments thereto:

California Environmental Quality Act (CEQA)

In accordance with the requirements of the California Environmental Quality Act (CEQA), the Planning Commission has analyzed proposed Zone Text Amendment No. 15-97503 and has determined that it is Categorical Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA, as applicable. Therefore, it can be seen with certainty that there is no possibility that Zone Text Amendment No. 15-97503 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Multiple Species Habitat Conservation Plan (MSHCP)

The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects subject to this resolution will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

SECTION 2. REQUIRED FINDINGS FOR ZONE TEXT AMENDMENT NO. 15-97503.

The California Government Code and Section 17.116.050 of the City of Banning Zoning Ordinance require that Zone Text Amendments meet certain findings prior to recommendation of approval by the Planning Commission and approval by the City Council. The Planning Commission hereby makes the following findings, as supported by substantial evidence on the record including and incorporating all facts and evidence in the staff report and its attendant attachments, in support of the recommendation for approval of the Zone Text Amendment No. 15-97503:

Finding No. 1: The proposed Zone Text Amendment No. 15-97503 is consistent with the goals and policies of the General Plan.

Findings of Fact: Proposed Zone Text Amendment No. 15-97503 is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the text amendments will result in clarifying the goals, policies and programs of the General Plan. The primary General Plan Economic Development Goal states "*A balanced, broadly-based economy that provides a full range of economic and employment opportunities, while maintaining high standards of development and environmental protection*". The proposed amendments to the signage regulations will foster methods to better promote local businesses, thereby enhancing the economic vitality of the City.

Finding No. 2: The proposed Zone Text Amendment No. 15-97503 is internally consistent with the Zoning Ordinance.

Findings of Fact: Proposed Zone Text Amendment No. 15-97503 is consistent with the existing provisions of the Zoning Ordinance. The proposed amendment will modify and update development standards pertaining to on-premise signs within the limits established by the Zoning Ordinance. Additionally, staff has reviewed and compared the proposed changes and finds no conflicting statements or inconsistencies in the Zoning Ordinance.

Finding No. 3: The Planning Commission has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact: In accordance with the requirements of the California Environmental Quality Act (CEQA), the City Council has analyzed proposed Zone Text Amendment No. 15-97503 and has determined that it is Categorically Exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. *Where, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA.* The amendments to the Zoning Ordinance do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA, as applicable. Therefore, it can be seen with certainty that there is no possibility that Zone Text Amendment No. 15-97503 may have a significant adverse effect on the environment, and thus the adoption of this Ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

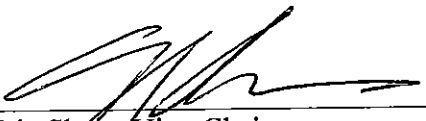
SECTION 3. PLANNING COMMISSION ACTION.

The Planning Commission hereby takes the following action:

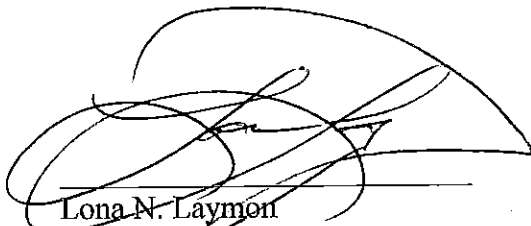
Adoption of Planning Commission Resolution No. 2015-04:

1. Recommending to the City Council the adoption of a Categorical Exemption for Zone Text Amendment No. 15-97503; and
2. Recommending to the City Council the adoption of Zone Text Amendment No. 15-97503.

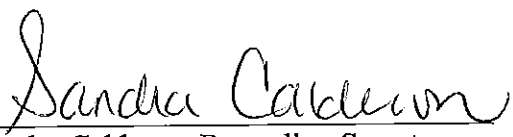
PASSED, APPROVED AND ADOPTED this 4th day of March 2015.


Eric Shaw, Vice-Chairman
Banning Planning Commission

APPROVED AS TO FORM
AND LEGAL CONTENT:


Lona N. Laymon
Aleshire & Wynder, LLP
Assistant City Attorney
City of Banning, California

ATTEST:


Sandra Calderon, Recording Secretary
City of Banning, California

CERTIFICATION:

I, Sandra Calderon, Recording Secretary of the Planning Commission of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2015-04, was duly adopted by the Planning Commission of the City of Banning, California, at a regular meeting thereof held on the 4th day of March 2015, by the following vote, to wit:

AYES: *Brient, Ellis, Price, Shaw*

NOES: *- 0 -*

ABSENT: *Siva*

ABSTAIN: *- 0 -*

Sandra Calderon

Sandra Calderon, Recording Secretary
City of Banning, California

ATTACHMENT 3
Sign Committee Recommendations

CITY OF BANNING

M E M O R A N D U M



DATE: November 19, 2014
TO: Planning Commissioners
FROM: Chairman Oleg Ivaschuk and Sign Advisory Committee
RE: CHAPTER 17.36, SIGN REGULATIONS

The Sign Advisory Committee (SAC) recommends the following:

1. Increase window sign limitations that do not require a permit from one square foot to two square feet in order to identify the business, hours of operation, address, and/or emergency information (Chapter 17.36.050, §A).
2. Allow banners, flags, and pennants throughout the City on Commercial Properties excluding the Downtown Commercial, and shall be at least 50 ft. from a Residential Property (Chapter 17.36.060, §C).
3. Allow chalkboards or blackboards signs in Commercial Zoned Properties (Chapter 17.36.060, §E).
4. Allow changeable copy sign boards with size limitations up to 50 sf. (Chapter 17.36.060, §F).
5. Allow portable and "A" frame signs in the Downtown Commercial area, shall not pose a hazard to pedestrians, and be stable under all-weather conditions or removed (Chapter 17.36.060, §J).
6. Allow larger window Signs that block up to 33% for solid lettering (or up to 50% if perforated vinyl window sign) of the view (Chapter 17.36.060, §S).
7. Signs in the Downtown Commercial area will be made available at a prorated rate (i.e. 5 square feet for \$100.00).
8. Improve the sign application so that it is more user friendly by adding menus.
9. For wall signs, allow 20% of the wall space for any given wall.


Chairman Oleg Ivaschuk
Sign Advisory Committee

Our Mission as a City is to provide citizens a safe, pleasant and prosperous community in which to live, work and play. We will achieve this in a cost effective, citizen friendly and open manner.

ATTACHMENT 4
Chapter 17.36 (Sign Regulations)

Chapter 17.36

SIGN REGULATIONS

Sections:

- 17.36.010 Purpose.
- 17.36.020 Applicability.
- 17.36.030 Definitions.
- 17.36.040 Sign permit required.
- 17.36.050 Exempt signs.
- 17.36.060 Prohibited signs.
- 17.36.070 Temporary signs.
- 17.36.080 Off-site residential subdivision directional signs.
- 17.36.090 Abatement of abandoned or illegal temporary signs.
- 17.36.100 Sign construction and maintenance.
- 17.36.110 Sign regulations.
- 17.36.120 Sign design guidelines.
- 17.36.130 Nonconforming signs.
- 17.36.140 Removal of illegal and nonconforming signs.
- 17.36.150 Reserved.
- 17.36.160 Inventory and abatement—Variances—Penalties.
- 17.36.170 Murals.

17.36.010 Purpose.

The purpose of this chapter is to establish sign regulations that are intended to:

A. Limit and control the location, size, type and number of signs allowed in the City of Banning.

B. To provide for a more orderly display of advertising devices, while implementing community design standards with respect to character, quality of materials, color, illumination and maintenance, which are consistent with the City's General Plan.

C. To bring these advertising devices into harmony with the buildings, with the neighborhood, with the natural environment, and with other signs in the area.

D. To preserve and improve the appearance of the City as a place in which to live and work, and as an attraction to nonresidents who come to visit or trade.

E. To encourage sound signage practices as an aid to business and for the information of the public, while preventing excessive and confusing sign displays.

F. To reduce hazards to motorists, bicyclists and pedestrians.

G. And to promote the public health, safety, viewsheds, aesthetic values, and general welfare of the community by regulating and controlling all matters relating to signs. (Zoning Ord. dated 1/31/06, § 9109.01.)

17.36.020 Applicability.

A. This chapter shall apply to all signage proposed within the community. No signs shall be erected or maintained in any land use district established by this Zoning Ordinance, except those signs specifically enumerated in this chapter. The number and area of signs as outlined in this chapter are intended to be maximum standards.

B. In addition to the standards set forth herein, consideration shall be given to a sign's relationship to the need that it serves, and the overall appearance of the subject property as well as the surrounding community. Compatible design, simplicity, and sign effectiveness are to be used in establishing guidelines for sign approval. (Zoning Ord. dated 1/31/06, § 9109.02.)

17.36.030 Definitions.

Abandoned Sign. Any display remaining in place or not maintained for a period of 120 days or more which no longer advertises or identifies an on-going business, product, or service available on the business premises where the display is located.

Address Sign. The numeric reference of a structure or use to a street, included as part of a wall or monument sign.

A-Frame Sign. A free standing sign usually hinged at the top, or attached in a simi-

lar to the letter "A". Such signs are usually designed to be auxiliary portable commercial signage, hence they are not considered permanent signs.

Anchor Tenant. A shopping center key tenant, usually the largest or one of the largest tenants located within the shopping center, which serves to attract customers to the center through its size, product line, name, and reputation.

Animated Sign. A sign with action or motion, flashing or color changes, requiring electrical energy, electronic or manufactured sources of supply, but not including wind actuated elements such as flags or banners. Said definition shall not include displays such as time and temperature, revolving, changeable copy or public information centers.

Announcement or Bulletin Board Signs. Signs permanent in character designed to accept changeable copy, handbills, posters and matters of a similar nature.

Area of sign. The area of a sign shall be the entire area including any type of perimeter or border which may enclose the outer limits of any writing, representation, emblem, figure or character excluding architectural features or design. The area of the sign having no such perimeter or border shall be computed by enclosing the entire area within parallelograms, triangles or circles of the smallest size sufficient to cover the entire area of the sign and computing the area of these parallelograms, triangles or circles. The area computed shall be the maximum portion or portions which may be viewed from any one direction.

Awning, Canopy, or Marquee Sign. A nonelectric sign that is printed on, painted on, or attached to an awning, canopy, or marquee and is only permitted on the vertical surface or flap.

Banner. A temporary display such as used to announce open houses, grand openings or special announcements. Often made of cloth, bunting, plastic, paper, or similar material.

Bench Sign. Copy painted on any portion of a bus stop or other bench.

Billboard or Off-Site Sign. A sign structure advertising an establishment, merchandise, ser-

vice, or entertainment, which is not sold, produced, manufactured, or furnished at the property on which the sign is located.

Building Face and/or Frontage. The length of the single front building elevation in which the primary entrance to the business is located. If more than one business is located in a single building, then such length shall be limited to that portion which is occupied by each individual business.

Canopy Sign. Shall mean a sign attached to either the underside of the canopy, or marquee, or directly to the canopy itself.

Changeable Copy Sign. A sign designed to allow the changing of copy through manual, mechanical, or electrical means.

Civic Event Sign. A temporary sign, other than a commercial sign, posted to advertise a civic event sponsored by a public agency, school, church, civic-fraternal organization, or similar noncommercial organization.

Commercial Seasonal Sign. An "open" or "closed" window sign, posted on a seasonal basis.

Contractor's Sign/Construction Sign. A temporary sign erected on the parcel on which construction is taking place, limited to the duration of the construction, indicating the names of the architects, engineers, landscape architects, contractors, or similar artisans, and the owner, financial supporters, sponsors, and similar individuals or firms having a major role or interest with respect to the structure or project.

Directional Sign. Signs limited to on-premises directional messages, principally for pedestrian or vehicular traffic, such as "one way", "entrance", or "exit".

Directory Sign. A sign for listing the tenants or occupants and their suite numbers of a building or center.

Double-faced Sign. A single structure designed with the intent of providing copy on both sides.

Eaveline. The bottom of the roof eave or parapet.

Election Sign. A temporary sign related to or directly associated with a national, state, county or local election or referendum.

Flags and pennants. Shall mean devices generally made of flexible materials, usually cloth, paper or plastic, and displayed on strings. They may or may not contain copy. This definition shall not include the flag of the United States or of any state.

Flags of the State and Nation. A flag of the United States or the State of California.

Flashing Sign. A sign that contains an intermittent or sequential flashing light source.

Freestanding Sign. A sign which is supported by one or more uprights, braces, poles, or other similar structural components that is not attached to a building or buildings. Flagpoles are not included in this definition.

Freeway. A highway in respect to which the owners of abutting land have no right or easement of access or in respect to which such owners have only limited or restricted right or easement of access, and which is declared to be such in compliance with the Streets and Highways Code of the State of California.

Future Tenant Identification Sign. A temporary sign which identifies a future use of a site or building.

Grand Opening. A promotional activity not exceeding 30 calendar days used by newly established businesses, within 2 months after occupancy, to inform the public of their location and service available to the community. Grand Opening does not mean an annual or occasional promotion of retail sales or activity by a business.

Ground Sign. A display attached to the ground, within an architecturally planned wall or structure, and not over eight (8) feet in height.

Height of Sign. The greatest vertical distance measured from the existing grade at the mid-point of the sign support(s) that intersect the ground to the highest element of the sign.

Holiday Decoration Sign. Temporary signs, in the nature of decorations, clearly incidental to and customarily associated with holidays.

Identification Sign. A sign attached to the building and displaying only the name, type of business, and/or logo in combination, identifying a particular business establishment.

Illegal Sign. Any of the following: a sign erected without first complying with all ordinances and regulations in effect at the time of its construction and erection or use; a sign that was legally erected, but whose use has ceased, or the structure upon which the display is placed has been abandoned by its owner, not maintained, or not used to identify or advertise an ongoing business for a period of not less than 120 days; a sign that was legally erected which later became nonconforming as a result of the adoption of an ordinance, the amortization period for the display provided by the ordinance rendering the display nonconforming has expired, and conformance has not been accomplished; a sign which is a danger to the public or is unsafe; a sign which is a traffic hazard not created by relocation of streets or highways or by acts of the City or County. Abandoned signs and prohibited signs are also illegal.

Illuminated Sign. A sign with an artificial light source, either internal or external, for the purpose of lighting the sign.

Institutional Sign. A sign identifying the premises of a church, school, hospital rest home, or similar institutional facility.

Kiosk. An off-premise sign of no more than four square feet in size, used for directing people to the sales office or models of a residential subdivision project.

Logo. An established identifying symbol or mark associated with a business or business entity.

Lot or Street frontage. The linear front footage of a parcel of property abutting a dedicated public street.

Logo Sign. An established trademark or symbol identifying the use of a building.

Monument Sign. An independent structure supported from grade to the bottom of the sign with the appearance of having a solid base.

Murals. Painted wall signs which have a majority of the sign area comprised of noncommercial content, which generally have artistic, historic or cultural themes, and which are designed and painted (or supervised) by an artist who possesses demonstrated knowledge and expertise in the de-

sign, materials, and execution of murals or other art. Commercial content of murals shall be subject to all applicable sign limitations of the underlying zone district.

Non-Commercial Sign. A sign which does not promote, identify or sell a business or product.

Nonconforming Sign. A legally established sign which fails to conform to the regulations of this chapter. Otherwise conforming signs whose height exceeds the provisions of this chapter only because a special topographical circumstance results in a material impairment of the visibility of the display or the owner's ability to adequately and effectively continue to communicate with the public through the use of the display if the sign were limited to the height allowed in this chapter shall not be considered nonconforming.

Occupancy Frontage. Each individual tenant space within a building or group of buildings which faces upon a dedicated street or public parking area between such space and street.

Off-Site Sign. Any sign which advertises or informs in any manner businesses, services, goods, persons, or events at some location other than that upon which the sign is located. Off-premise sign, billboard, and outdoor advertising structure are equivalent terms.

Open House Sign. A temporary on-site sign posted to indicate a salesperson is available to represent the property subject to sale, lease, or rent.

Painted Sign. Signs painted on the exterior surface of a building or structure; however, if such signs have raised borders, letters, characters, decorations or lighting appliances, they shall be considered wall signs.

Parcel or lot of real property. A parcel or lot of real property under separate ownership from any other parcel or lot and having street or highway frontage.

Political Sign. A sign other than an election sign directly associated with an ideological, political or similar noncommercial message on a sign.

Portable Sign. A sign that is not permanently attached to the ground or a building.

Projecting Sign. Any sign which is suspended from or supported by a building or wall, and which projects eighteen (18) inches or more outward therefrom.

Promotional Sign. A sign erected on a temporary basis to promote the sale of new products, new management, new hours of operation, a new service, or to promote a special sale.

Public Information Center. Any display which is characterized by changeable copy, letters or symbols.

Real Estate Sign. An on-site sign pertaining to the sale or lease of the premises.

Revolving Sign. Any sign that revolves, either by wind actuation or by electrical means.

Roof Sign. A sign erected, constructed, or placed upon or over a roof of a building, including a mansard roof and which is wholly or partly supported by such buildings.

Shopping Center. A group of four (4) or more businesses which function as an integral unit on a single parcel or group of parcels and utilize common off-street parking and access and is identified as a shopping center.

Sign. Any structure, housing, device, figure, statuary, painting, display, message placard, or other contrivance, or any part thereof, which is designed, constructed, created, engineered, intended, or used to advertise, or to provide data or information in the nature of advertising, for any of the following purpose: to designate, identify, or indicate the name of the business of the owner or occupant of the premises upon which the advertising display is located; or, to advertise the business conducted, services available or rendered, or the goods produced, sold, or available for sale, upon the property where the advertising display is erected. This definition shall include all parts, portions, units and materials composing same, together with illumination, frame, background, structure, support and anchorage therefor.

Sign Area. The entire face of a sign, including the surface and any framing, projections, or molding, but not including the support structure. Individual channel-type letters mounted on a building

shall be measured by the area enclosed by four straight lines outlining each word or grouping of words.

Sign Program. A coordinated program of one or more signs for an individual building or building complexes with multiple tenants.

Temporary Sign. A sign intended to be displayed for a limited period of time.

Time and temperature sign. A sign giving the time and or temperature.

Trademark. A word or name which, with a distinctive type or letter style, is associated with a business or business entity in the conduct of business.

Tract development sign. A sign indicating the location of a housing tract.

Tract directional sign. An off-premises sign indicating direction to a tract development.

Vehicle Sign. A sign which is attached to or painted on a vehicle which is parked on or adjacent to any property, the principal purpose of which is to attract attention to a product sold or an activity or business located on such property.

Wall Sign. A sign painted on or fastened to a wall and which does not project more than 12 inches from the building or structure.

Window Sign. Any sign that is applied or attached to a window or located in such a manner that it can be seen from the exterior of the structure, on a permanent or temporary basis. (Zoning Ord. dated 1/31/06, § 9109.03; Ord. No. 1382, § 3 (part).)

(Ord. No. 1424, § 3.1, 7-13-10)

17.36.040 Sign permit required.

A. General.

1. No sign, or temporary sign, unless exempted by this chapter, shall be constructed, displayed or altered without a sign permit or sign program approved by the City. The Community Development Department shall review all signs unless otherwise stated.

2. Sign permits shall be reviewed and either approved or denied by the Director within 30 days of submittal of a complete application. The deter-

mination of a complete application shall be in conformance with the California Permit Streamlining Act.

3. Determination on sign permit applications are to be guided by the standards and criteria set forth in this article. An application will be approved whenever the proposed sign conforms to all design, size, height and other standards for signs subject to a permit requirement, as such requirements are set forth in this chapter.

4. The Director's determination shall be provided in writing, and shall include an explanation of the reasons for approval or denial. Appeal of the Director's decision shall be in conformance with Chapter 17.68, Hearings and Appeals.

B. Sign Program. A permit for a sign program shall be required for all new commercial, office, and industrial centers consisting of three or more tenant spaces. The program shall be filed with the project application to construct the center, and shall be processed concurrently with the project application. The purpose of the program shall be to integrate signs with building and landscaping design to form a unified architectural statement. This may be achieved by:

1. The use of the same background color, and allowing signs to be of up to 3 different colors per multi-tenant center.

2. The use of the same type of cabinet supports, or method of mounting for signs, and the same type of construction material for components, such as sign copy, cabinets, returns, and supports.

3. The use of the same form of illumination of the signs, with internally lit signs generally being preferred by the City due to the lack of overspill from such lighting.

4. Uniform sign placement specifications, letter height, and logo height for both anchor tenants and minor tenants.

5. Logos may be permitted and are not subject to the color restrictions specified in the program. However, no logo should exceed 25% of the allowable sign area. (Zoning Ord. dated 1/31/06, § 9109.04.)

17.36.050 Exempt signs.

The following signs shall be exempt from the provisions of this chapter:

A. Window signs not exceeding one square foot and limited to business identification, hours of operation, address, and/or emergency information. (Neon signs of any size require a permit, if allowed.)

B. Signs within a structure and not visible from the outside.

C. Memorial signs and plaques installed by a civic organization recognized by the Council, when cut in masonry or bronze tablets.

D. Official and legal notices issued by a court or governmental agency.

E. Official flags of the United States, the State of California, County of Riverside, or the City of Banning.

F. Identification signs on construction sites. Such signs shall be limited to one directory or pictorial display sign identifying all contractors and other parties (including lender, realtor, subcontractors, etc.). Each sign shall not exceed 20 square feet in area and 6 feet in height. Each sign shall be removed prior to issuance of a Certificate of Occupancy.

G. Election Signs. Election signs must comply with the following requirements:

1. Election signs shall be limited in size to the maximum allowed in the zones where located. Any freeway oriented freestanding sign shall be required to secure all applicable permits and comply with these sign regulations including section 17.36.110.

2. No election signs shall be permitted on public property or in the public right-of-way.

3. There are no pre-election restrictions limiting when elections signs may be erected, but the owner of the sign must remove the sign within seven days after the applicable election has ended.

4. For all election signs, the campaign shall be deemed the owner of the sign unless it can establish that it is not the owner of the sign. In the event the campaign establishes it is not the owner

of the sign, the owner of the property on which the sign is placed, shall be deemed the owner of the sign.

5. In the event that any such sign violates the provisions of this chapter, or if it is not removed within the period provided hereunder, it shall be subject to abatement pursuant to the procedures prescribed in section 17.36.090.

6. Except as provided in this subsection, no permit shall be required for election signs.

H. Real estate signs for residential sales shall be one sign not exceeding four square feet in area and five feet in height, provided it is unlit and is removed within 7 days after the close of escrow or the rental or lease has been accomplished. Open House signs, for the purpose of selling a single house or condominium and not exceeding four square feet in area and five feet in height, are permitted for directing prospective buyers to property offered for sale.

I. Real estate signs for the initial sale, rental, or lease of commercial and industrial premises: One sign not to exceed 20 square feet in area to advertise the sale, lease, or rent of the premises. No such sign shall exceed eight feet in overall height and shall be removed upon sale, lease or rental of the premises or 12 months, whichever comes first. Thereafter, one sign per premise not to exceed 12 square feet in size and five feet in height is permitted for the sale, lease or rent of the premise.

J. Future tenant identification signs: One wall or freestanding sign may be placed on vacant or developing property to advertise the future use of an approved project on the property and where information may be obtained. Such sign shall be limited to one sign, a maximum of 20 square feet in area and eight feet in overall height. Any such signs shall be single faced and shall be removed prior to the granting of occupancy permit by the City.

K. Incidental signs for automobile repair stores, gasoline service stations, automobile dealers with service repairs, motels and hotels, showing notices of services provided or required by law,

trade affiliations, credit cards accepted, and the like, attached to the structure or building; provided that all of the following conditions exist:

1. The signs number no more than three.
2. No such sign projects beyond any property line.
3. No such sign shall exceed an area per face of three square feet.
4. Signs may be double-faced.

L. Copy applied to fuel pumps or dispensers such as fuel identification, station logo, and other signs required by law.

M. Agricultural signs, either wall or freestanding types, non-illuminated, and not exceeding four square feet for lots two acres or less and 10 square feet for lots greater than two acres, identifying only the agricultural products grown on the premises. The number of such signs shall be one per street frontage or a maximum of two, with wall signs to be located below the roofline and freestanding signs to be no higher than six feet.

N. Sign programs which have been approved prior to the adoption of this Zoning Ordinance.

O. Municipal and traffic control signs; Directional signs to aid vehicle or pedestrian traffic provided that such signs are located on-site, have a maximum area which does not exceed three square feet, have a maximum overall height of four feet above grade, and are mounted on a monument or decorative pole. Such signs may be located in a required setback provided that a minimum distance of five feet from any property line is maintained. Directional signs to the railway, the airport or the highway are among the types of signs which fall in this category.

P. Temporary window signs may be permitted on the inside of windows facing out which do not cover more than 25% of the individual window surface for a period not to exceed 30 days use during any 60 day period. Temporary painted signs may be on the outside of the window.

Q. Historic site and historic landmark, and neighborhood signs, when designed in conformance with standards of the California Historic Commission or a similar entity.

R. Professionally made restroom, telephone and walkway signs of under one square foot.

S. Emblems or signs of a political, civic, philanthropic, educational or religious organizations, if those signs are on the premises occupied by such organizations, and do not exceed 24 square feet in area, or number more than one emblem or sign in total.

T. Political Signs. Political signs must comply with the following requirements:

1. Political signs shall be limited in size to the maximum allowed in the zones where located. Any freeway oriented freestanding sign shall be required to secure all applicable permits and comply with these sign regulations including section 17.36.110.

2. No political signs shall be permitted on public property or in the public right-of-way.

3. In the event that any such sign violates the provisions of this chapter, it shall be subject to abatement pursuant to the procedures prescribed in section 17.36.090.

4. Except as provided in this subsection, no permit shall be required for political signs. (Zoning Ord. dated 1/31/06, § 9109.05.) (Ord. No. 1424, § 3.2, 3.3, 7-13-10)

17.36.060 Prohibited signs.

The following signs are inconsistent with the sign standards set forth in this chapter, and are therefore prohibited:

- A. Abandoned signs.
- B. Animated, moving, flashing, blinking, reflecting, revolving, or any other similar sign, except electronic message boards.
- C. Banners, flags, and pennants, except with Temporary Use Permit.
- D. Billboards.
- E. Chalkboards or blackboards.
- F. Changeable copy signs and electronic message boards, except as allowed by a Conditional Use Permit for movie theaters, arenas, stadiums, or auto malls in the commercial land use districts.

G. Reserved.

H. Off site signs, except as permitted elsewhere in this ordinance.

I. Permanent sale signs.

J. Portable signs or A-frame signs.

K. Roof signs.

L. Signs on public property or the public rights-of-way, except for traffic regulation and signs permitted by a governmental agency.

M. Signs painted on fences or roofs.

N. Balloons and other inflated devices or signs designed to attract attention, except with Temporary Use Permit.

O. Signs that are affixed to vehicles, excluding permanent signs on commercial vehicles which are driven on a daily or weekly basis.

P. Signs which simulate in color or design a traffic sign or signal, or which make use of words, symbols or characters in such a manner to interfere with, mislead, or confuse pedestrian or vehicular traffic.

Q. Signs which singly or in combination with other signs block more than 5% of the view from any window or door of any structure or dwelling used primarily as a residence.

R. Signs which singly or in combination with other signs, for any portion of the day, block natural sunlight from falling upon any window or door of any structure or dwelling used primarily as a residence.

S. Signs which singly or in combination with other signs block more than 10% of the view from any window or door of any structure used or occupied by people for more than an hour of a typical day, in all zoning districts of the City. (Zoning Ord. dated 1/31/06, § 9109.06; Ord. No. 1377, § 1.) (Ord. No. 1424, § 3.4, 7-13-10; Ord. No. 1447, § 3, 2-14-12)

17.36.070 Temporary signs.

Special event signs and civic event signs may be approved by the Director for a limited period of time as a means of publicizing special events such

as grand openings, carnivals, parades, charitable events and holiday sales. Such special event signs shall be limited to the following provisions:

A. No special event sign shall be erected without a temporary use permit.

B. Special event signs shall be limited to 90 days per event from the date of erection or date of permit, whichever occurs first.

C. Special event signs shall not include promotional sales signs, and they must be taken down within a week after the conclusion of the special event.

D. Special event signs may include balloons, inflated devices, search lights, beacons, pennants, and streamers.

E. Such temporary signs may not be granted to the same business or location more than twice during any one year.

(Zoning Ord. dated 1/31/06, § 9109.07; Ord. No. 1448, § 9, 5-8-12)

17.36.080 Off-site residential subdivision directional signs.

The following shall regulate and establish a standardized program of off-site residential subdivision directional kiosk signs for the City. For the purposes of this subsection, a residential subdivision is defined as a housing project within a recorded tract where five or more structures or dwelling units are concurrently undergoing construction.

A. No kiosk sign structure shall be located less than 300 feet from an existing or previously approved kiosk site, except in the case of signs on different corners of an intersection.

B. The placement of each kiosk sign structure shall be reviewed and approved by the Director.

C. All kiosk signs shall be placed on private property with written consent of the property owner.

D. A kiosk sign location plan shall be prepared, showing the site of each kiosk directional sign, and shall be approved by the Director prior to the issuance of a sign permit.

B. There shall be no additions, tag signs, streamers, devices, display boards, or appurtenances, added to the kiosk signs as originally approved, no other non-permitted directional signs, such as posters or trailer signs, may be used.

F. All non-conforming subdivision kiosk directional signs associated with the subdivision in question must be removed prior to the placement of directional kiosk sign(s).

G. Kiosk signs, or attached project directional signage, shall be removed when the subdivision is sold out. The applicant (or his/her legal successors) will be responsible for removal of panels and structures no longer needed. (Zoning Ord. dated 1/31/06, § 9109.08.)
(Ord. No. 1424, § 3.5, 7-13-10)

17.36.090 Abatement of abandoned or illegal temporary signs.

A. Every temporary sign not owned by the property owner of the property on which it is erected shall be marked to indicate on the sign the identity of the sign owner, provided that for any commercial sign where not otherwise indicated it shall be presumed that the business being advertised is the owner.

B. Any abandoned or illegal temporary sign is hereby declared to be a danger to the health, safety, and welfare of the citizens of Banning. Any sign which is (i) in deteriorating condition and not maintained in the condition in which it was originally installed, (ii) violates conditions of the sign permit, or (iii) is partially or wholly obscured by the growth of dry vegetation or weeds or by the presence of debris or litter also presents a danger to the health, safety, and welfare of the Banning community. Such signs may be abated as provided in this chapter.

C. Any such signs as set forth above are hereby deemed to be a public nuisance. Any such sign, including any and all structural supports, shall be removed by the property owner within ten days after notice from the director, which notice shall provide an opportunity to be heard before the director on the abandonment and nuisance deci-

sion and an appeal may be taken pursuant to chapter 17.68. Any sign not removed within ten days after such notice, may be abated by the director if no appeal has been taken from the director's decision, or, if the appeal has been denied or modified. If after a reasonable effort to determine the owner of the sign, the owner cannot be found, then the city may summarily remove the sign and the same shall be stored for a period of thirty days, during which time they may be recovered by the owner.

D. Costs of an abatement conducted pursuant to this chapter shall be assessed against the owner of the sign, and to the extent permissible under law, against the owner of the property, using the procedures established in the Banning Municipal Code. (Zoning Ord. dated 1/31/06, § 9109.09.)
(Ord. No. 1424, § 3.6, 7-13-10)

17.36.100 Sign construction and maintenance.

A. Every sign, and all parts, portions, and materials shall be manufactured, assembled, and erected in compliance with all applicable State, Federal, and City regulations and the Uniform Building Code.

B. Every sign, including those specifically exempt from this Zoning Ordinance, in respect to permits and permit fees, and all parts, portions, and materials shall be maintained and kept in good repair. The display surface of all signs shall be kept clean, neatly painted, and free from rust and corrosion. Any cracked, broken surfaces, malfunctioning lights, missing sign copy or other unmaintained or damaged portion of a sign shall be repaired or replaced within 30 calendar days following notification by the City. Noncompliance with such a request shall constitute a nuisance and penalties may be assessed in accordance with the provisions of these zoning ordinances. (Zoning Ord. dated 1/31/06, § 9109.10.)

17.36.110 Sign regulations.

Signs permitted in each of the City's land use districts are identified below. In addition to the

following regulations, all signs must be in compliance with all other provisions of this chapter pertaining to signs.

Signs may have commercial or non-commercial messages. A non-commercial message may be substituted for the copy of any commercial sign allowed by this chapter.

A. Signs in Residential Zones.

1. Up to one flagpole, displaying the flag of the US or the State of California, up to 35 feet in height, unless a permit is obtained from the City to have a flagpole in a private park or public park for up to 65 feet in height.

2. For single family homes, the following are allowed:

a. Up to one sign not to exceed one square foot in area, identifying the address;

b. Up to one unlit sign not to exceed four square feet in area, pertaining to the rental, sale or lease of the property on which the sign is located. Such signs must be temporary, and may contain no flashing, blinking or reflective objects.

3. For apartment complexes and multifamily developments, the following are allowed:

a. Sign(s) containing the name and/or address of the development, providing that the combined area of such signs is not exceeded as established below:

i. Up to one wall sign

ii. Up to one freestanding sign per street frontage (which shall be in a landscaped area at least 15 feet from the curb face, and not closer than five feet to the property line. Freestanding signs shall have a maximum height of eight feet inclusive of supporting structures.

iii. The maximum combined area of the signs set forth above shall not exceed 20 square feet, for complexes with 125 feet of frontage or less, and shall not exceed 30 square feet for complexes with over 125 square feet of frontage.

4. For properties in the residential zones where farming takes place, lots may have one sign per street frontage (up to a maximum of two signs) advertising only the agricultural products grown on the premises. These signs may not be illumi-

nated, and may be either free standing or wall signs. For lots of two acres or less, each sign may be a maximum of four square feet. For lots over two acres, each sign may be a maximum of ten square feet.

5. No neon signs are permitted in residential areas.

B. Signs in Commercial and Industrial Zones.

1. No sign attached to a structure shall be placed above the roof line.

2. Wall signs. Each business shall be permitted wall signs per occupancy footage. The area devoted to such signs shall not exceed one square foot of sign area per one foot of building frontage, and shall not exceed 50 square feet of sign area. The 50 square feet of sign area maximum for wall signs shall not apply to a freeway-oriented wall sign proposed to be located and designed in such a manner as to be viewed primarily in a direct line of sight from a main traveled roadway of a freeway or a freeway on-ramp/off-ramp and advertising onsite retail or service-oriented businesses. Freeway-oriented wall signs shall be subject to all requirements of section 17.36.110(B)(6), including requiring the approval of a conditional use permit.

3. Monument signs. Each parcel or property shall be permitted one monument sign subject to all of the following conditions being met:

a. One square foot of sign area for one foot of building frontage is permitted. Such sign shall not exceed 50 square feet.

b. The buildings must be set back at least 25 feet from the property line.

c. The monument sign shall be located in a landscaped planter area not less than 50 square feet, with one dimension being at least four feet.

d. The monument sign may be no more than 8 feet high.

e. Shopping centers may have one monument sign not to exceed one square foot of display face per one foot of building frontage, not to exceed 100 square feet, for center identification. Said sign may include reader panels, and or a bulletin or a changeable copy pane.

4. Painted signs. Each business shall be permitted painted signs subject to the following conditions:

a. Said signs shall be in combination with or in lieu of wall signs.

b. The area of said painted sign shall be deducted from the total allowable wall sign.

5. Accessory signs. Signs denoting credit cards, hours of operation, etc, shall be allowed but shall not exceed three square feet in total area.

6. Freeway-Oriented Freestanding Sign. Freeway-oriented freestanding signs shall be allowed subject to the following requirements:

a. Said sign shall be located and designed in such a manner as to be viewed primarily in a direct line of sight from a main traveled roadway of a freeway or a freeway on-ramp/off-ramp. The phrase "viewed primarily in direct line of sight from" shall mean that the message may be seen with reasonable clarity for a greater distance by a person traveling on the main traveled roadway of a freeway or on-ramp/off-ramp than by a person traveling on the street adjacent to the sign.

b. Said signs shall be limited to on-site retail or services businesses. Shopping centers may have one freeway-oriented sign and shall include city identification or city logo as approved by planning commission. Said city identification or logo shall be excluded from the display face area calculation. When the display area of the sign is used for commercial speech, the copy must qualify as onsite to the business or shopping center.

c. Said sign shall not block another freeway-oriented freestanding sign. The applicant shall be responsible for providing the planning commission with evidence to assure satisfactory compliance with this requirement.

d. Said sign shall be located in a planter area not less than fifty square feet with one dimension being at least six feet, unless from the evidence presented to the planning commission it can be determined that the area is not visible from public street or right-of-way, or the absence of the planter shall not be detrimental to the appearance of the area.

e. Said sign shall not exceed an overall height of fifty-five feet.

f. Said sign shall not exceed one hundred seventy-five square feet per display face.

g. Said sign shall require approval of a conditional use permit. In addition to satisfying requirements set forth above in this section 17.36.110(B)(6) of the Banning Municipal Code, the following findings must be made prior to approval of a conditional use permit for a freeway-oriented freestanding sign, without consideration of message content of the proposed signs:

i. The elevation of the freeway in relation to the elevation of the abutting properties justifies the height requested, and is the minimum necessary.

ii. The number and spacing of freeway signs will not cause unnecessary confusion, clutter or other unsightliness in the general location.

iii. The use identified, as well as its type, size and intensity, justifies the size, design and location of the sign requested.

iv. The needs of the traveling public for identification and directional information justifies the sign requested.

7. One flag pole, displaying one or more flags of the state and nation, not to exceed 35 feet in height.

8. Any existing freestanding sign shall be considered legal and conforming, but shall not be altered or replaced except by approval of a conditional use permit.

(Zoning Ord. dated 1/31/06, § 9109.11; Ord. No. 1377, § 2)

(Ord. No. 1419, § 5, 1-26-10; Ord. No. 1424, § 3.7, 7-13-10; Ord. No. 1447, §§ 3—6, 2-14-12)

17.36.120 Sign design guidelines.

A. General. The following design guidelines shall be consulted prior to developing signs for any project. Unless there is a compelling reason, these design guidelines shall be followed. If a guideline is waived, the Mayor and City Council shall be

notified. An appeal, which does not require a fee, may be filed by the Mayor or any Council person within 15 days of the waiver approval.

1. Use a brief message: The fewer the words, the more effective the sign. A sign with a brief, succinct message is simpler and faster to read, looks cleaner and is more attractive.

2. Avoid hard-to-read, overly intricate typefaces: These typefaces are difficult to read and reduce the sign's ability to communicate.

3. Avoid faddish and bizarre typefaces: Such typefaces may look good today, but soon go out of style. The image conveyed may quickly become that of a dated and unfashionable business.

4. Sign colors and materials: should be selected to contribute to legibility and design integrity. Even the most carefully thought out sign may be unattractive and a poor communicator because of poor color selection. Day-glo colors must be avoided.

5. Use significant contrast between the background and letter or symbol colors: If there is little contrast between the brightness or hue of the message of a sign and its background, it will be difficult to read.

6. Avoid too many different colors on a sign: Too many colors overwhelm the basic function of communication. The colors compete with content for the viewer's attention. Limited use of the accent colors can increase legibility, while large areas of competing colors tend to confuse and disturb.

7. Place signs to indicate the location of access to a business: Signs should be placed at or near the entrance to a building or site to indicate the most direct access to the business.

8. Place signs consistent with the proportions of scale of building elements within the facade: Within a building facade, the sign may be placed in different areas. A particular sign may fit well on a plain wall area, but would overpower the finer scale and proportion of the lower storefront. A sign which is appropriate near the building entry may look tiny and out of place above the ground level.

9. Place wall signs to establish rhythm across the facade, scale and proportion where such elements are weak. In many buildings that have a monolithic or plain facade, signs can establish or continue appropriate design rhythm, scale, and proportion.

10. Avoid signs with strange shapes: Signs that are unnecessarily narrow or oddly shaped can restrict the legibility of the message. If an unusual shape is not symbolic, it is probably confusing.

11. Carefully consider the proportion of letter area to overall sign background area: If letters take up too much sign, they may be harder to read. Large letters are not necessarily more legible than smaller ones. A general rule is that letters should not appear to occupy more than 75% of the sign panel area.

12. Make signs smaller if they are oriented to pedestrians: The pedestrian-oriented sign is usually read from a distance of 15 to 20 feet; the vehicle-oriented sign is viewed from a much greater distance. The closer a sign's viewing distance, the smaller that sign need be.

B. Wall or Fascia Signs.

1. Building wall and fascia signs should be compatible with the predominant visual elements of the building. Commercial centers, offices, and other similar facilities are required to be part of a sign program in accordance with the provisions of this chapter.

2. Where there is more than one sign, all signs should be complementary to each other in the following ways:

- a. Type of construction materials (cabinet, sign copy, supports, etc.)
- b. Letter size and style of copy
- c. Method used for supporting sign (wall or ground base)
- d. Configuration of sign area
- e. Shape to total sign and related components

3. The use of graphics consistent with the nature of the product to be advertised is encouraged, i.e., hammer or saw symbol for a hardware store, mortar and pestle for a drug store.

4. Direct and indirect lighting methods are allowed provided that they are not harsh or unnecessarily bright. The use of can-type box signs with translucent backlit panels are less desirable. Panels should be opaque if a can-type sign is used and only the lettering should appear to be lighted. The overspill of light should be negligible.

5. The use of backlit individually cut letter signs is strongly encouraged.

6. The use of permanent sale or come-on signs is prohibited.

7. The identification of each building or store's address in 6 inch high numbers over the main entry doorway or within 10 feet of the main entry is encouraged.

C. Monument Signs.

1. Monument signs are intended to provide street addresses, and identification for the commercial center development as a whole and for up to three major tenants.

2. All tenant signs should be limited in size to the width of the architectural features of the sign and shall be uniform in size and color.

3. A minimum of 10% of the sign area of monument signs for center developments should be devoted to identification of the center or building by address or name.

4. Monument signs should be placed perpendicular to approaching vehicular traffic.

5. Each monument sign should be located within a planted landscaped area which is of a shape and design that will provide a compatible setting and ground definition to the sign, incorporating the following ratio of landscape area to total sign area:

a. Monument: 4 square feet of landscaped area for each square foot of sign area (1 side only).

b. Directory: 2 square feet of landscaped area for each square foot of sign area. (Zoning Ord. dated 1/31/06, § 9109.12.)

17.36.130 Nonconforming signs.

A. A legally established sign which fails to conform to this chapter shall be allowed continued use, except that the sign shall not be:

1. Structurally altered so as to extend its useful life.

2. Expanded, moved, or relocated.

3. Re-established after a change in use.

4. Re-established after a business has been abandoned for 120 days or more.

5. Re-established after damage or destruction of more than 50%.

B. Sign copy and sign faces may be changed on nonconforming signs when there is no change in use of the site or when only a portion of a multiple tenant sign is being changed.

C. Any non-conforming sign shall be required to be brought into conformance or abated. (Zoning Ord. dated 1/31/06, § 9109.13.)

17.36.140 Removal of illegal and nonconforming signs.

A. The Director shall remove or cause the removal of any fixed, permanent sign constructed, placed or maintained in violation of this chapter, after 30 days following the date of mailing of registered or certified written notice to the owner of the sign, if known, at the last known address or to the owner of the property as shown on the latest assessment roll, or to the occupant of the property at the property address.

B. The notice shall describe the sign and specify the violation involved, and indicate that the sign will be removed if the violation is not corrected within 30 days. If the owner disagrees with the opinion of the Director, the owner may, within the said 30 day period request a hearing before the Planning Commission to determine the existence of a violation.

C. If salvageable in the opinion of the Director, signs removed by the Director pursuant to this chapter shall be stored for a period of 60 days, during which time they may be recovered by the owner upon payment to the City for costs of removal and storage. If not recovered prior to expiration of the 60 day period, the sign and supporting structures shall be declared abandoned and title thereto shall vest to the City, and the cost of removal shall be billed to the owner or lien placed on the property upon which said sign was erected. (Zoning Ord. dated 1/31/06, § 9109.14.)

17.36.150 Reserved.

Editor's note—Sec. 3 of Ord. No. 1447, adopted Feb. 14, 2012, repealed zoning section 9109.15 from which this section 17.36.150 derived. Former § 17.36.150 pertained to establishing compliance and was amended by Ord. 1377.

**17.36.160 Inventory and abatement—
Variances—Penalties.**

A. Inventory And Abatement. Within 6 months from the date of adoption of this Zoning Ordinance, the City shall commence a program to inventory and identify illegal or abandoned signs within its jurisdiction. Within 60 days after this 6 month period, the City may commence abatement of identified illegal or abandoned signs. If a previously legal sign is merely nonconforming, however, the terms of Section 17.36.150 of this Zoning Ordinance titled "Establishing Compliance," shall apply.

B. Variances. Variances from these sign ordinances are strongly discouraged. However, where results inconsistent with the general purposes of this ordinance would occur from its strict literal interpretation and enforcement, the Planning Commission may grant a variance therefrom upon such terms and conditions as it deems necessary.

C. Penalties. Each violation of this ordinance or any regulation, order or ruling promulgated or made hereunder, shall be punishable by a fine of not more than \$200 per day, with each calendar day in violation, constituting a separate offense. (Zoning Ord. dated 1/31/06, § 9109.16.)

17.36.170 Murals.

Murals shall be allowed by permit reviewed by the beautification and mural council of the Banning Chamber of Commerce and permitted by the city's community development department. Applications shall be on a form devised by the community development department. A permit for a mural will be granted when the following conditions have been satisfied:

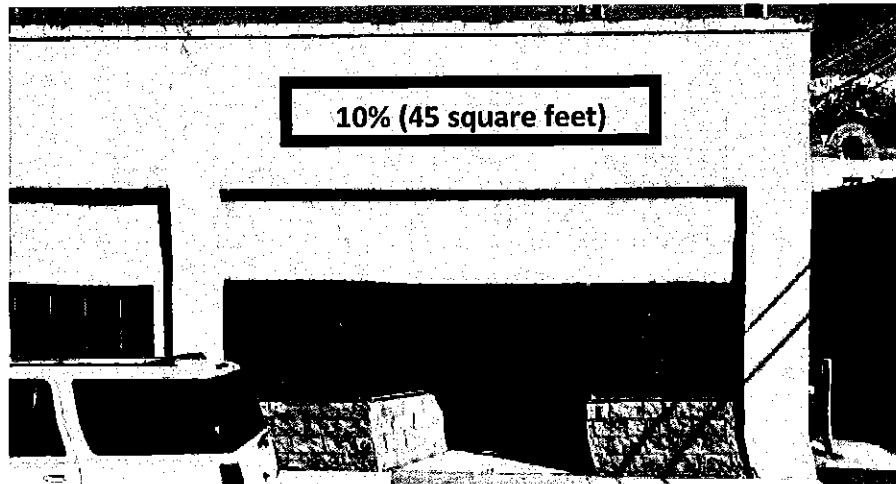
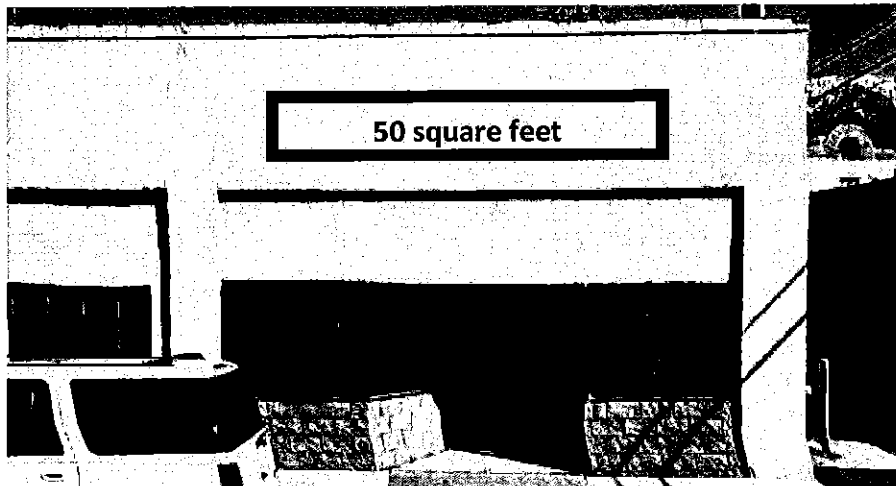
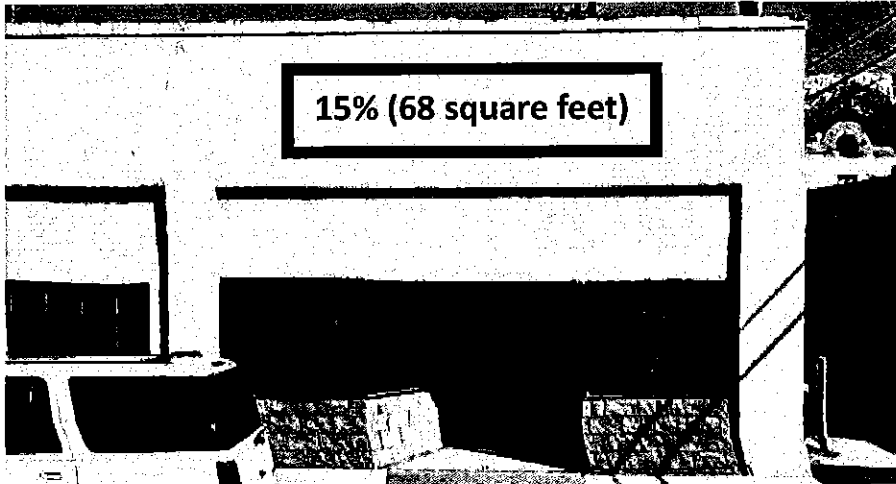
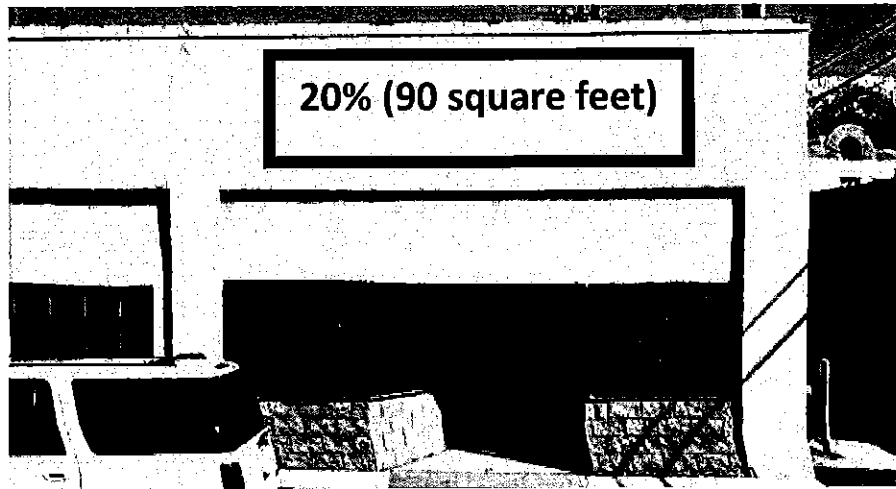
- A. Completed application;
- B. Sign permit fee paid;
- C. Approved by the beautification and mural council of the Banning Chamber of Commerce;

D. The mural shall not cause a pedestrian or vehicular safety hazard;

E. The mural shall be applied to the wall of a building; and

F. The mural shall be maintained. (Ord. No. 1382, § 3 (part).)

ATTACHMENT 5
Examples of Signage Area



ATTACHMENT 6
Public Hearing Notice



NOTICE OF PUBLIC HEARING

PURSUANT TO LAW, NOTICE IS HEREBY GIVEN of a Public Hearing before the City Council of the City of Banning, to be held on Tuesday, April 14, 2015, at 5:00 p.m. in the Council Chambers, City Hall, 99 East Ramsey Street, Banning, California, to consider the following:

ORDINANCE NO. 1487: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING A CATEGORICAL EXEMPTION AND ZONE TEXT AMENDMENT NO. 15-97503 TO AMEND CHAPTER 17.36 (SIGN REGULATIONS) OF THE ZONING ORDINANCE (TITLE 5) OF THE BANNING MUNICIPAL CODE

Information regarding this matter can be obtained by contacting the City's Community Development Department at (951) 922-3125, or by visiting City Hall located at 99 East Ramsey Street, Banning.

All parties interested in speaking either in support of or in opposition of this item are invited to attend said hearing, or to send their written comments to the Community Development Department of the City of Banning at P.O. Box 998, Banning, California, 92220.

If you challenge any decision regarding the above proposal in court, you may be limited to raising only those issues you or someone else raised in written correspondence delivered to the Community Development Director at, or prior to, the time the City Council makes its decision on the proposal; or, you or someone else raised at the public hearing or in written correspondence delivered to the hearing body at, or prior to, the hearing (California Government Code, Section 65009).

BY ORDER OF THE ACTING COMMUNITY DEVELOPMENT DIRECTOR OF THE CITY OF BANNING, CALIFORNIA

Brian Guillot
Acting Community Development Director

Dated: March 31, 2015
Publish: April 3, 2015

**CITY COUNCIL AND SUCCESSOR AGENCY BOARD
JOINT PUBLIC HEARING**

DATE: April 14, 2015

TO: City Council

FROM: Brian Guillot, Acting Community Development Director

SUBJECT: Consideration of City Council Resolution No. 2015-22 and Successor Agency Board Resolution No. 2015-02-SA Approving the Sale of Grant of Exclusive Easements within the Banning Municipal Airport to the Southern California Gas Company

RECOMMENDATION:

The Community Development Department recommends that the City Council and Successor Agency Board:

1. Conduct a joint public hearing on the Sale of Grant of Exclusive Easements within the Banning Municipal Airport; and
2. Adopt City Council Resolution No. 2015-22 (Attachment 1) to approve:
 - a. Sale of Grant of Exclusive Easements within the Banning Municipal Airport to the Southern California Gas Company (Attachment 3); and
3. Adopt Successor Agency Board Resolution No. 2015-02-SA (Attachment 2) to approve:
 - a. Sale of Grant of Exclusive Easements within the Banning Municipal Airport to the Southern California Gas Company (Attachment 3);

JUSTIFICATION:

Pursuant to California Health and Safety Code §34181(a), the Successor Agency may transfer ownership (or easement rights) of those assets that were constructed and used for a governmental purpose, such as the Banning Municipal Airport.

On March 24, 2015, during Closed Session, pursuant to Government Code Section 54956.8 (Real Property Negotiations), the City Council provided direction to staff to place this item on the agenda as a Joint Meeting of the City Council and Successor Agency Board for consideration.

BACKGROUND:

As part of the Southern California Gas Company's (SGC) Pipeline Safety Enhancement Project (PSEP) Valve Automation project, several strategically located valves on various pipelines have been selected for automation for the purpose of isolating sections of pipelines in a timely manner

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in case of line breaks or ruptures. This requires that some of the manual valves be retrofitted with new valve pneumatic actuators or valves with existing actuators be upgraded to newer, more reliable actuators required for automation. For their Banning Airport Valve Automation Project, the SGC has selected two (2) valve sites that are located on City of Banning property near the southwest corner of the Banning Municipal Airport (APN: 532-130-011). The new actuators on these valves, along with their own dedicated cabinets will be installed above ground with a chain-link fence installed around the perimeter.

In consideration for the Banning PSEP Valve Automation project, the SGC has submitted the following:

1. An offer to purchase a perpetual easement (approximately 2,970 square feet) (Site A) at a purchase price of \$5,000.00 and a temporary work easement (approximately 20,000 square feet) at a fee of \$4,000.00; and
2. An offer to purchase a perpetual easement (approximately 4,163 square feet) (Site B) at a purchase price of \$5,000.00 and a temporary work easement (approximately 17,040 square feet) at a fee of \$4,000.00.

The Successor Agency's consultant, Urban Futures, has provided the following commentary with respect to the estimated current value of the property:

"A review of the City's Long Range Property Management Plan ("LRPMP") has been conducted with respect to the airport site. The estimated current value ("ECV") of the site per the LRPMP is \$644,700 or 29.94 ¢ per square foot. When the square footage of the easement area is multiplied by the ECV square foot value, the resulting amount is \$2,135.62. Although certainly not an appraised value, we believe that the Southern California Gas Company's ("SCG") offer of \$18,000, which is more than eight times the ECV, is reasonable. Further, the addition of the SCG improvements within the easement area will be of benefit to the site and are likely to reduce future development costs, which may potentially increase the value of the remainder of the site. The foregoing taken together with the explanation of the small size and location of the area on the site that will be effected by the easement (and that it is on the edge or fringe of the property), satisfies any concern over the matter. Therefore, it is recommended that the Banning Successor Agency proceed to grant the easement to the SCG at the offered price, subject to an Oversight Board approval and subsequent review by California Department of Finance."

In concurrence with the opinion of Urban Futures, staff believes that the \$18,000 offered by the Southern California Gas Company is a more than reasonable compensation for the requested Grant of Exclusive Easements.

PUBLIC COMMUNICATION

The proposed Sale of Grant of Exclusive Easements was advertised in the Record Gazette newspaper on April 3, 2015 (Attachment 4). As of the date of this report, staff has not received any verbal or written comments for or against the proposal.

FISCAL IMPACT:

There will not be a fiscal impact to the City's General Fund as a result of the recommended action. However, pursuant to California Health and Safety Code §34191(c)(2)(B), if the Successor Agency directs the liquidation of the property or the use of revenues generated from the property, such as sale revenues, for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale shall be distributed as property tax to the taxing entities. Therefore, upon the affirmative action by the City Council and Successor Agency Board of this matter, the Interim City Manager, as the Interim Executive Director of the Successor Agency, shall present this matter to the Oversight Board and then notify the California Department of Finance in accordance with the applicable provisions of the California Health and Safety Code.

CONCLUSION:

The Community Development Department recommends that the City Council adopt Resolution No. 2015-22 approving:

1. Sale of Grant of Exclusive Easements within the Banning Municipal Airport to the Southern California Gas Company.

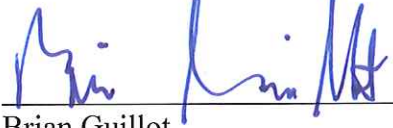
The Community Development Department recommends that the Successor Agency Board adopt Resolution No. 2015-02-SA approving:

1. Sale of Grant of Exclusive Easements within the Banning Municipal Airport to the Southern California Gas Company.

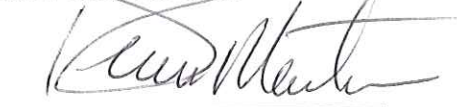
APPROVED BY:


James E. Smith
Interim City Manager

RECOMMENDED BY:


Brian Guillot
Acting Community Development Director

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

PREPARED BY:


Oliver Mujica
Contract Senior Management Analyst

ATTACHMENTS:

1. City Council Resolution No. 2015-22
2. Successor Agency Board Resolution No. 2015-02-SA
3. Grant of Exclusive Easements
4. Site Plan/Drawings
5. Public Hearing Notice

ATTACHMENT 1
City Council Resolution No. 2015-22

RESOLUTION NO. 2015-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING THE SALE OF THE GRANT OF EXCLUSIVE EASEMENTS WITHIN THE BANNING MUNICIPAL AIRPORT (APN: 532-130-011) TO THE SOUTHERN CALIFORNIA GAS COMPANY

WHEREAS, pursuant to California Health and Safety Code §34172 (a)(1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the California Health and Safety Code, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency has been established pursuant to California Health and Safety Code §34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, as part of the Southern California Gas Company's (SGC) Pipeline Safety Enhancement Project (PSEP) Valve Automation project, several strategically located valves on various pipelines have been selected for automation for the purpose of isolating sections of pipelines in a timely manner in case of line breaks or ruptures. This requires that some of the manual valves be retrofitted with new valve pneumatic actuators or valves with existing actuators be upgraded to newer, more reliable actuators required for automation. For their Banning Airport Valve Automation Project, the SGC has selected two (2) valve sites that are located on City of Banning property near the southwest corner of the Banning Municipal Airport (APN: 532-130-011); and

WHEREAS, in consideration for the Banning PSEP Valve Automation project, the SGC has submitted the following: an offer to purchase a perpetual easement (approximately 2,970 square feet) (Site A) at a purchase price of \$5,000.00 and a temporary work easement (approximately 20,000 square feet) at a fee of \$4,000.00, and an offer to purchase a perpetual easement (approximately 4,163 square feet) (Site B) at a purchase price of \$5,000.00 and a temporary work easement (approximately 17,040 square feet) at a fee of \$4,000.00; and

WHEREAS, Urban Futures, Inc. has provided the following commentary with respect to the estimated current value of the property:

"A review of the City's Long Range Property Management Plan ("LRPMP") has been conducted with respect to the airport site. The estimated current value ("ECV") of the site per the LRPMP is \$644,700 or 29.94 ¢ per square foot. When the square footage of the easement area is multiplied by the ECV square foot value, the resulting amount is \$2,135.62. Although certainly not an appraised value, we believe that the Southern California Gas Company's ("SCG") offer of \$18,000, which is more than eight times the ECV, is reasonable. Further, the addition of the SCG improvements within the easement area will be of benefit to the site and are likely to reduce future development costs, which may potentially increase the value of the remainder of the site. The foregoing taken together with the explanation of the small size and location of the area on the site that will be effected by the easement (and that it is on the edge or fringe of the property), satisfies any concern over the matter. Therefore, it is recommended that the Banning Successor Agency proceed to grant the easement to the SCG at the offered price, subject to an Oversight Board approval and subsequent review by California Department of Finance;" and

WHEREAS, pursuant to California Health and Safety Code §34181(a), the Successor Agency to the Community Redevelopment Agency of the City of Banning may transfer ownership (or easement rights) of those assets that were constructed and used for a governmental purpose, such as the Banning Municipal Airport; and

WHEREAS, pursuant to California Health and Safety Code §34191(c)(2)(B), if the Successor Agency to the Community Redevelopment Agency of the City of Banning directs the liquidation of the property or the use of revenues generated from the property, such as sale revenues, for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale shall be distributed as property tax to the taxing entities; and

WHEREAS, on the 3rd day of April 2015, the City gave public notice as required by advertising in the Record Gazette newspaper of the holding of a joint public hearing, with the Successor Agency to the Community Redevelopment Agency of the City of Banning, at which the Sale of the Grant of Exclusive Easements would be considered; and

WHEREAS, on the 14th day of April 2015, the City Council held the noticed joint public hearing, with the Successor Agency to the Community Redevelopment Agency of the City of Banning, at which interested persons had an opportunity to testify in support of, or opposition to the proposed Sale of the Grant of Exclusive Easements; and

WHEREAS, at this joint public hearing on the 14th day of April 2015, the City Council, with the Successor Agency to the Community Redevelopment Agency of the City of Banning, considered and heard public comments on the proposed Sale of the Grant of Exclusive Easements; and

WHEREAS, the City Council, with the Successor Agency to the Community Redevelopment Agency of the City of Banning, has carefully considered all pertinent documents and the staff report offered in this case as presented at the joint public hearing held on the 14th day of April 2015.

NOW THEREFORE, the City Council of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: Compliance with the California Health and Safety Code.

The City Council determined that the Sale of the Grant of Exclusive Easements within the Banning Municipal Airport (APN: 532-130-011) to the Southern California Gas Company was prepared, and will be processed, in compliance with California Health and Safety Code §34181(a) and §34191(c)(2)(B).

SECTION 2: City Council Action.

The City Council approved the Sale of the Grant of Exclusive Easements within the Banning Municipal Airport (APN: 532-130-011) to the Southern California Gas Company.

SECTION 3: City Council Direction.

The City Council directs the Interim City Manager, as the Interim Executive Director of the Successor Agency to the Community Redevelopment Agency of the City of Banning, or designee, to: i) present this matter to the Oversight Board, in accordance with the applicable provisions of the California Health and Safety Code; ii) notify the California Department of Finance concerning this Resolution, in accordance with the applicable provisions of the California Health and Safety Code; and, iii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution, in accordance with the applicable provisions of the California Health and Safety Code.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Mayor
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-21 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 2
Successor Agency Board Resolution No. 2015-02-SA

RESOLUTION NO. 2015-02-SA

A RESOLUTION OF THE CITY OF BANNING ACTING IN ITS CAPACITY AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA APPROVING THE SALE OF THE GRANT OF EXCLUSIVE EASEMENTS WITHIN THE BANNING MUNICIPAL AIRPORT (APN: 532-130-011) TO THE SOUTHERN CALIFORNIA GAS COMPANY

WHEREAS, pursuant to California Health and Safety Code §34172 (a)(1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the California Health and Safety Code, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency has been established pursuant to California Health and Safety Code §34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, as part of the Southern California Gas Company's (SGC) Pipeline Safety Enhancement Project (PSEP) Valve Automation project, several strategically located valves on various pipelines have been selected for automation for the purpose of isolating sections of pipelines in a timely manner in case of line breaks or ruptures. This requires that some of the manual valves be retrofitted with new valve pneumatic actuators or valves with existing actuators be upgraded to newer, more reliable actuators required for automation. For their Banning Airport Valve Automation Project, the SGC has selected two (2) valve sites that are located on City of Banning property near the southwest corner of the Banning Municipal Airport (APN: 532-130-011); and

WHEREAS, in consideration for the Banning PSEP Valve Automation project, the SGC has submitted the following: an offer to purchase a perpetual easement (approximately 2,970 square feet) (Site A) at a purchase price of \$5,000.00 and a temporary work easement (approximately 20,000 square feet) at a fee of \$4,000.00, and an offer to purchase a perpetual easement (approximately 4,163 square feet) (Site B) at a purchase price of \$5,000.00 and a temporary work easement (approximately 17,040 square feet) at a fee of \$4,000.00; and

WHEREAS, Urban Futures, Inc. has provided the following commentary with respect to the estimated current value of the property:

"A review of the City's Long Range Property Management Plan ("LRPMP") has been conducted with respect to the airport site. The estimated current value ("ECV") of the site per the LRPMP is \$644,700 or 29.94 ¢ per square foot. When the square footage of the easement area is multiplied by the ECV square foot value, the resulting amount is \$2,135.62. Although certainly not an appraised value, we believe that the Southern California Gas Company's ("SCG") offer of \$18,000, which is more than eight times the ECV, is reasonable. Further, the addition of the SCG improvements within the easement area will be of benefit to the site and are likely to reduce future development costs, which may potentially increase the value of the remainder of the site. The foregoing taken together with the explanation of the small size and location of the area on the site that will be effected by the easement (and that it is on the edge or fringe of the property), satisfies any concern over the matter. Therefore, it is recommended that the Banning Successor Agency proceed to grant the easement to the SCG at the offered price, subject to an Oversight Board approval and subsequent review by California Department of Finance;" and

WHEREAS, pursuant to California Health and Safety Code §34181(a), the Successor Agency to the Community Redevelopment Agency of the City of Banning may transfer ownership (or easement rights) of those assets that were constructed and used for a governmental purpose, such as the Banning Municipal Airport; and

WHEREAS, pursuant to California Health and Safety Code §34191(c)(2)(B), if the Successor Agency to the Community Redevelopment Agency of the City of Banning directs the liquidation of the property or the use of revenues generated from the property, such as sale revenues, for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale shall be distributed as property tax to the taxing entities; and

WHEREAS, on the 3rd day of April 2015, the Successor Agency to the Community Redevelopment Agency of the City of Banning gave public notice as required by advertising in the Record Gazette newspaper of the holding of a joint public hearing, with the City Council, at which the Sale of the Grant of Exclusive Easements would be considered; and

WHEREAS, on the 14th day of April 2015, the Successor Agency to the Community Redevelopment Agency of the City of Banning held the noticed joint public hearing, with the City Council, at which interested persons had an opportunity to testify in support of, or opposition to the proposed Sale of the Grant of Exclusive Easements; and

WHEREAS, at this joint public hearing on the 14th day of April 2015, the Successor Agency to the Community Redevelopment Agency of the City of Banning, with the City Council, considered and heard public comments on the proposed Sale of the Grant of Exclusive Easements; and

WHEREAS, the Successor Agency to the Community Redevelopment Agency of the City of Banning, with the City Council, has carefully considered all pertinent documents and the staff report offered in this case as presented at the joint public hearing held on the 14th day of April 2015.

NOW THEREFORE, the Successor Agency to the Community Redevelopment Agency of the City of Banning does hereby find, determine, and resolve as follows:

SECTION 1: Compliance with the California Health and Safety Code.

The Successor Agency to the Community Redevelopment Agency of the City of Banning determined that the Sale of the Grant of Exclusive Easements within the Banning Municipal Airport (APN: 532-130-011) to the Southern California Gas Company was prepared, and will be processed, in compliance with California Health and Safety Code §34181(a) and §34191(c)(2)(B).

SECTION 2: Successor Agency to the Community Redevelopment Agency of the City of Banning Action.

The Successor Agency to the Community Redevelopment Agency of the City of Banning approved the Sale of the Grant of Exclusive Easements within the Banning Municipal Airport (APN: 532-130-011) to the Southern California Gas Company.

SECTION 3: Successor Agency to the Community Redevelopment Agency of the City of Banning Direction.

The Successor Agency to the Community Redevelopment Agency of the City of Banning directs the Interim Executive Director of the Successor Agency to the Community Redevelopment Agency of the City of Banning, or designee, to: i) present this matter to the Oversight Board, in accordance with the applicable provisions of the California Health and Safety Code; ii) notify the California Department of Finance concerning this Resolution, in accordance with the applicable provisions of the California Health and Safety Code; and, iii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution, in accordance with the applicable provisions of the California Health and Safety Code.

PASSED, APPROVED, AND ADOPTED this 14th day of April 2015.

Deborah Franklin, Chairperson
Successor Agency of the City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, Successor Agency Legal Counsel
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk
City of Banning, California

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Resolution No. 2015-21 was duly adopted at a regular meeting of said City Council on the 14th day of April 2015, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT 3
Grant of Exclusive Easements

10/24/14

The City of Banning
99 East Ramsey Street
Banning, CA. 92220

Re: Offer to Purchase Pipeline Valve Easement -- Southern California Gas Company
Banning, CA APN: 532-130-011

Dear City of Banning:

Southern California Gas Company (SoCalGas) has recently implemented a Pipeline Safety Enhancement Plan (PSEP), which includes a valve enhancement plan. The purpose of the PSEP project is to comply with the recent California Public Utilities Commission (CPUC) rulemaking proceedings regarding new safety and reliability regulations for natural gas pipelines.

In connection with the PSEP project, SoCalGas has determined that a valve easement needs to be acquired adjacent to and over the existing pipeline easement on your property, referenced above.

Based upon comparable real estate sales information in your area, SoCalGas proposes the following offer to acquire the valve easement:

| | |
|-------------------------|---|
| Proposed Easement Area: | 2,970 sq. ft. (Shown on the enclosed map) |
| Existing Easement Area: | Unknown sq. ft. (Shown on the enclosed map) |

| | |
|---------------------------|--|
| Temporary Workspace Area: | 20,000 sq. ft. (Shown on the enclosed map) |
|---------------------------|--|

| | |
|----------------------|-------------|
| Perpetual Easement: | \$ 5,000.00 |
| Temporary Workspace: | \$ 4,000.00 |
| Total Consideration: | \$ 9,000.00 |

Please call me to discuss the project further, answer any questions you may have, and to arrange for payment of the easement and the temporary workspace. Payment for any physical damages to the property will be calculated after construction work is completed for the installation of the valve.

Enclosed for your review and consideration are the following documents:

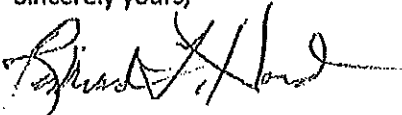
1. A Grant of Exclusive Easement Document (2 copies);
2. Temporary Workspace Agreement (2 copies);
3. W-9 Request for Taxpayer Identification Number and Certification;
Payment is conditioned upon a completed and signed W-9 form. Please
complete Parts I & II of the W-9 form;

Subject to your review and acceptance of this offer, please execute one copy of the Easement Document before a notary public and sign one copy of the Temporary Workspace Agreement. You can retain the remaining copies for your records. Also, please return the W-9 Request for Taxpayer Identification Number Form, which is required for SoCalGas to process a check for the total consideration. This information will be kept confidential and is only used to satisfy IRS reporting requirements. A check for the total consideration will be sent to you prior to recordation of the Easement Document.

If for any reason you should see fit not to accept SoCalGas's offer, please be advised that this letter, the offer made herein, and all matters stated herein are made under the provisions of California Evidence Code Sections 1152 and 1154, and shall not be admissible in evidence in any eminent domain proceeding, which may subsequently be instituted for acquisition of the easement, or in any other action.

Please do not hesitate to call me at (951) 236-8887 to discuss this offer. Your quick response is requested to assist SoCalGas in the implementation of this important Pipeline Safety Enhancement Plan. Thank you in advance for your time and anticipated cooperation in this matter.

Sincerely yours,



Richard L. (Chip) Hord
Consultant/Sr. Right of Way Agent
SoCal Gas Company, PSEP
951-236-8887
RHord@semprautilities.com

Enclosures

Recording Requested by and
when recorded mail to:

Southern California Gas Company
P. O. Box 513249 - ML GT11A1
Los Angeles, CA 90051-1249
Attn.: Land & Right of Way

DOCUMENTARY TRANSFER TAX \$

Atlas #: _____

APN: 532-130-011

_____ Computed on full value of property conveyed

_____ Computed on full value less liens and encumbrances
remaining at time of sale

_____ Southern California Gas Company

GRANT OF EXCLUSIVE EASEMENT

R.W. _____

FOR VALUABLE CONSIDERATION, The City of Banning, ("Grantor"), hereby grants to Southern California Gas Company, a California corporation, its successors and assigns ("Grantee"): an exclusive easement ("Basement") to excavate for, lay, construct, reconstruct, relocate, reconfigure, use, inspect, maintain, operate, repair, replace, patrol, change the size of, add to, or remove from time to time, as Grantee deems necessary, one or more pipelines, conduits, and valves, together with devices for inspection, metering, measuring, regulating, cathodic protection, communications, electrical or other power, and other appurtenances (all hereinafter referred to as the "Facilities") for the transportation and distribution of natural gas, energy and communications, on, over, under, through, along, and for all other purposes connected therewith, and together with the right to fence, the reasonable right of ingress and egress to and from the Basement to access Facilities and the right to use Grantor's abutting property during construction and maintenance of the Facilities, the strip of land located in the City of Banning, County of Riverside, California, described as in Exhibit "A" and depicted in Exhibit "B" attached hereto, and made a part of this agreement.

Grantor shall make no use whatsoever of the Basement area without the prior written consent of Grantee which may be given or withheld in Grantee's sole discretion.

R.W. _____

This Easement shall be binding upon and inure to the benefit of successors, heirs, and assigns of Grantor and Grantee.

IN WITNESS WHEREOF, these presents are hereby signed this _____ day of _____, 2014.

GRANTOR:

Signature

Name

Title

Signature

Name

Title

STATE OF CALIFORNIA }
COUNTY OF _____ } ss

Signature _____
Commission #: _____
Commission Expiration: _____

STATE OF CALIFORNIA }
COUNTY OF _____ } ss

Signature _____
Commission #: _____
Commission Expiration: _____

EXHIBIT "A"

EXHIBIT "A"
LEGAL DESCRIPTION
SOUTHERN CALIFORNIA GAS COMPANY
90'x33' EASEMENT

THAT PORTION OF THE SOUTHEAST 1/4, OF THE SOUTHEAST 1/4, OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN ON MAP FILED IN RECORD OF SURVEY BOOK 53, PAGE 21 AT THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS;


COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHEAST 1/4, OF THE SOUTHEAST 1/4, OF SECTION 11, BEING A 3/4 INCH IRON PIPE WITH NO TAG; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTHEAST 1/4, OF THE SOUTHEAST 1/4, OF SECTION 11 NORTH 89°41'44" WEST 48.27 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE NORTH 89°41'44" WEST 90.00 FEET; THENCE LEAVING SAID NORTHERLY LINE IN A PERPENDICULAR DIRECTION SOUTH 00°18'16" WEST 33.00 FEET; THENCE LEAVING SAID PERPENDICULAR LINE ALONG A LINE PARALLEL WITH SAID NORTHERLY LINE SOUTH 89°41'44" EAST 90.00 FEET; THENCE LEAVING SAID PARALLEL LINE ALONG A LINE PERPENDICULAR TO SAID NORTHERLY LINE NORTH 00°18'16" EAST 33.00 FEET TO THE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE GRID, BASED ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, NAD83, ZONE 6 (EPOCH 2010.00). GRID DISTANCES MAY BE DIVIDED BY A COMBINATION FACTOR OF 0.99992525 TO OBTAIN GROUND LEVEL DISTANCES.

CONTAINING 2,970 SQ. FT. OR 0.068 ACRES, MORE OR LESS.

AND AS SHOWN ON THE PLAT ATTACHED HERETO AS EXHIBIT "B" AND MADE A PART HEREOF.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.


CHARLES D. PLUTA, P.L.S. 8844
EXPIRES 12-31-15

10/13/2014
DATE

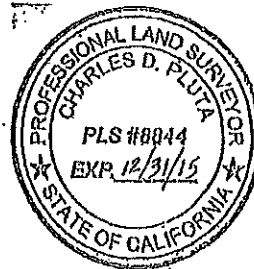
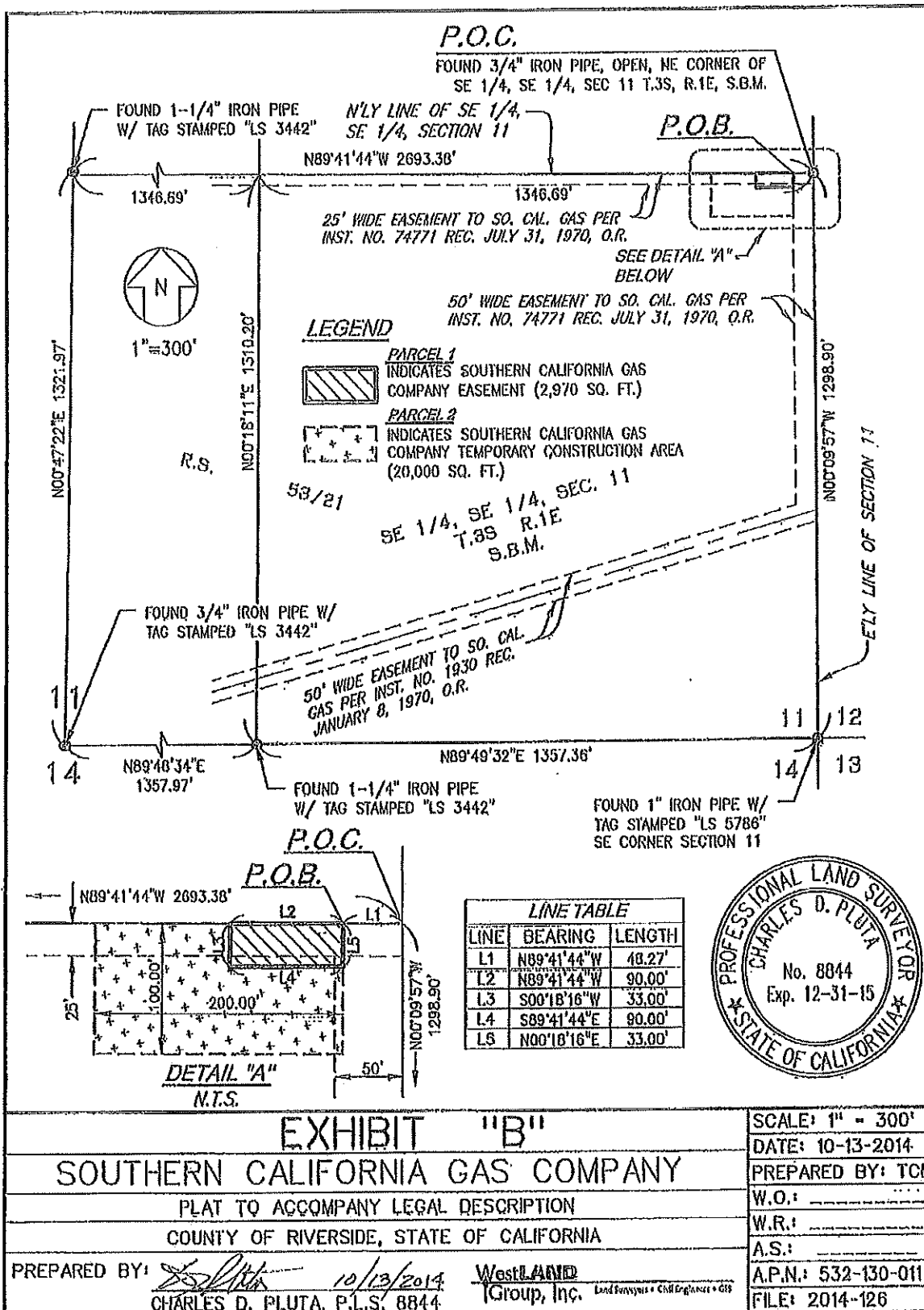


EXHIBIT "B"

**PLAT TO ACCOMPANY LEGAL DESCRIPTION OF RIGHT OF WAY FOR PIPELINE PURPOSES, IN THE
CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



TEMPORARY RIGHT OF ENTRY AGREEMENT FOR SOUTHERN CALIFORNIA GAS COMPANY

This Temporary Right of Entry Agreement ("Agreement") is dated as of this ____ day of ____ 2014 and is made by and between Southern California Gas Company ("The Gas Company"), a California corporation, and The City of Banning, ("Owner"), the legal owner of the property identified herein.

The Property-Owner is the legal owner of that certain real property located in the City of Banning, County of Riverside, California, more specifically identified as A.P.N. 532-130-011 (the "Property").

Easements-The Gas Company is the owner of that certain right-of-way recorded as instrument number 8283 on October 18, 1947, in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company utilized for a 30" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

The Gas Company is also the owner of that certain right-of-way recorded as instrument number 32,709 on July 31, 1970 (Parcel 1), in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company installed a 30" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

The Gas Company is also the owner of that certain right-of-way recorded as instrument number 32,709 on July 31, 1970 (Parcel 2), in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company installed a 24" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

The Gas Company is also the owner of that certain right-of-way recorded as instrument number 32,708 on January 8, 1970, in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company installed a 36" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

Grant of Easement - Concurrently with this Agreement, Owner shall grant The Gas Company a permanent, exclusive easement document on The Gas Company's standard easement form, which is attached hereto and incorporated by reference. The dimensions of the valve station portion of the exclusive easement shall be no longer than 90 feet by 33 feet. The easement form shall be executed, notarized and returned to The Gas Company promptly upon The Gas Company's request. The easement form shall be recorded in the Official Records of Riverside County, California at The Gas Company's expense.

Temporary Workspace and Work-The Gas Company requests the right to construct any and all related above and below ground pipes, valves, fences and appurtenances and the right to bring and store temporarily any and all necessary vehicles, materials and other construction equipment and stockpile on the Temporary Workspace, as defined below (all of which is hereafter referred to as "Work"). The Gas Company requests the right to perform the Work within an area of approximately 20,000 square feet as shown on the attached map. This area is referred to hereafter (individually and collectively) as "Temporary Workspace". See the plat map attached hereto and incorporated by reference.

Owner's Consent-Owner grants The Gas Company (including its subcontractors) permission to enter and use the Temporary Workspace for purposes of performing the Work. Work may be conducted by The Gas Company or by its subcontractors during the days and hours permitted by the local governing agency or any applicable permit. If any conflict arises between Work and any other uses of the Property, then The Gas Company and Owner shall work together diligently and in good faith to resolve any such conflicts.

Payment and Time Period-After The Gas Company has received the Owner's executed Agreement, and the completed IRS W-9 form, The Gas Company shall pay Owner a total of \$4,000.00 for the Basic Term of the Agreement, which payment shall be sent by The Gas Company's accounting department. The Gas Company (including its subcontractors) shall have access to and use of the Temporary Workspace from on or about December, 2014 to on or about March, 2015 ("Basic Term"). In the unlikely event The Gas Company needs extra time on the Temporary Workspace, Owner agrees that The Gas Company may have additional monthly periods for the sum of \$1,000.00 per month (or portion thereof), not to exceed six months.

Restoration-At the completion of the Work, The Gas Company (including through its subcontractors) will restore the Temporary Workspace to as near to its original condition and appearance as is reasonably possible.

Indemnification- The Gas Company will indemnify the Owner for any liability arising out of The Gas Company's (or its subcontractor's) Work or use of the Temporary Workspace, except to the extent such liability is due to the Owner's negligence or willful misconduct.

Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the Work and The Gas Company's entry onto the Property. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force and effect.

Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall remain in full force and effect.

No Waiver. A waiver or a breach of a covenant or provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement and no waiver shall be valid unless in writing and executed by the waiving party.

Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Recordation-This Agreement shall not be recorded. However, the Owner agrees that upon any transfer of title involving the Property during the period of the Agreement, the Owner shall give written notice of the Agreement to the new owner or transferee and written notice of the transfer to The Gas Company to the address below.

The parties have read this Agreement, understand it, and agree to be bound by its terms as of the date first set forth above.

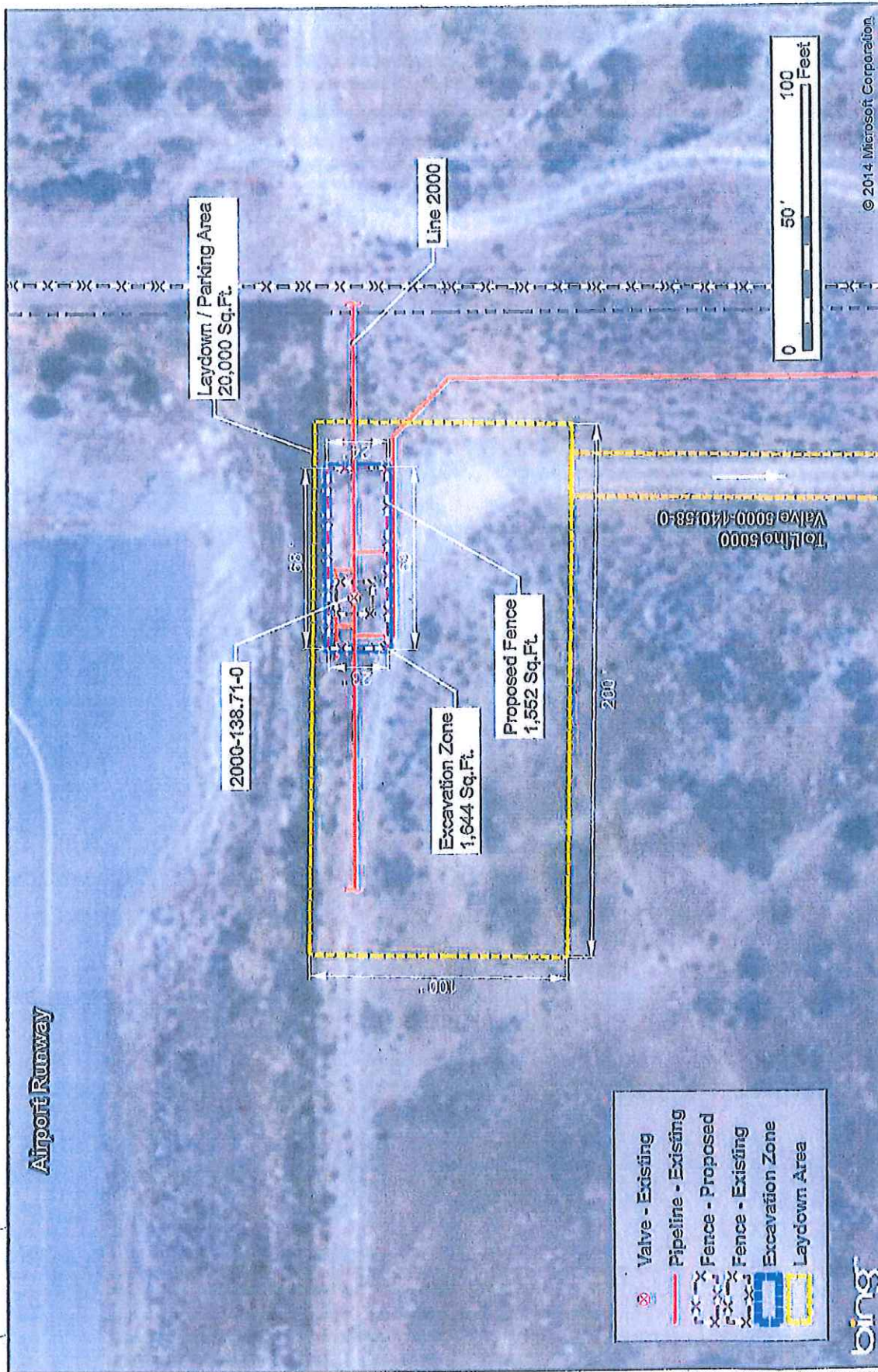
Southern California Gas Company


City of Banning

Andrew I. Thompson
Land Services Manager
For Southern California Gas Company
555 W. 5th St. M.L. 22P2, Los Angeles, CA 90013-1011
P.O. Box 523249 GT11A1 Los Angeles, CA 90051-1249

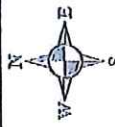
Signature

Print Name & Title





LINE 2000 - BANNING AIRPORT VALVE AUTOMATION
 BANNING, RIVERSIDE COUNTY, CA
 SITE LAYOUT - LINE 2000 - VALVE 2000-138.71-0
 6/21/2014



10/24/14

The City of Banning
99 East Ramsey Street
Banning, CA. 92220

Re: Offer to Purchase Pipeline Valve Easement -- Southern California Gas Company
Banning, CA APN: 532-130-011

Dear City of Banning:

Southern California Gas Company (SoCalGas) has recently implemented a Pipeline Safety Enhancement Plan (PSEP), which includes a valve enhancement plan. The purpose of the PSEP project is to comply with the recent California Public Utilities Commission (CPUC) rulemaking proceedings regarding new safety and reliability regulations for natural gas pipelines.

In connection with the PSEP project, SoCalGas has determined that a valve easement needs to be acquired adjacent to and over the existing pipeline easement on your property, referenced above.

Based upon comparable real estate sales information in your area, SoCalGas proposes the following offer to acquire the valve easement:

| | |
|---------------------------|---|
| Proposed Easement Area: | 4,163 sq. ft. (Shown on the enclosed map) |
| Existing Easement Area: | Unknown sq. ft. (Shown on the enclosed map) |
| Temporary Workspace Area: | 17,040 sq. ft. (Shown on the enclosed map) |
| Perpetual Easement: | \$ 5,000.00 |
| Temporary Workspace: | \$ 4,000.00 |
| Total Consideration: | \$ 9,000.00 |

Please call me to discuss the project further, answer any questions you may have, and to arrange for payment of the easement and the temporary workspace. Payment for any physical damages to the property will be calculated after construction work is completed for the installation of the valve.

Enclosed for your review and consideration are the following documents:

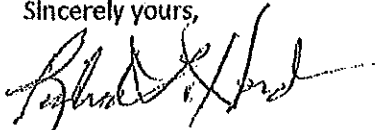
1. A Grant of Exclusive Easement Document (2 copies);
2. Temporary Workspace Agreement (2 copies);
3. W-9 Request for Taxpayer Identification Number and Certification;
Payment is conditioned upon a completed and signed W-9 form. Please complete Parts I & II of the W-9 form;

Subject to your review and acceptance of this offer, please execute one copy of the Easement Document before a notary public and sign one copy of the Temporary Workspace Agreement. You can retain the remaining copies for your records. Also, please return the W-9 Request for Taxpayer Identification Number Form, which is required for SoCalGas to process a check for the total consideration. This information will be kept confidential and is only used to satisfy IRS reporting requirements. A check for the total consideration will be sent to you prior to recordation of the Easement Document.

If for any reason you should see fit not to accept SoCalGas's offer, please be advised that this letter, the offer made herein, and all matters stated herein are made under the provisions of California Evidence Code Sections 1152 and 1154, and shall not be admissible in evidence in any eminent domain proceeding, which may subsequently be instituted for acquisition of the easement, or in any other action.

Please do not hesitate to call me at (951) 236-8887 to discuss this offer. Your quick response is requested to assist SoCalGas in the implementation of this important Pipeline Safety Enhancement Plan. Thank you in advance for your time and anticipated cooperation in this matter.

Sincerely yours,



Richard L. (Chip) Hord
Consultant/Sr. Right of Way Agent
SoCal Gas Company, PSEP
951-236-8887
RHord@semprautilities.com

Enclosures

Recording Requested by and
when recorded mail to:

Southern California Gas Company
P. O. Box 513249 - ML GT11A1
Los Angeles, CA 90051-1249
Attn.: Land & Right of Way

DOCUMENTARY TRANSFER TAX \$

Atlas #: _____

APN: 532-130-011

_____ Computed on full value of property conveyed

_____ Computed on full value less liens and encumbrances
remaining at time of sale

_____ Southern California Gas Company

GRANT OF EXCLUSIVE EASEMENT

R.W. _____

FOR VALUABLE CONSIDERATION, The City of Banning, ("Grantor"), hereby grants to Southern California Gas Company, a California corporation, its successors and assigns ("Grantee"): an exclusive easement ("Easement") to excavate for, lay, construct, reconstruct, relocate, reconfigure, use, inspect, maintain, operate, repair, replace, patrol, change the size of, add to, or remove from time to time, as Grantee deems necessary, one or more pipelines, conduits, and valves, together with devices for inspection, metering, measuring, regulating, cathodic protection, communications, electrical or other power, and other appurtenances (all hereinafter referred to as the "Facilities") for the transportation and distribution of natural gas, energy and communications, on, over, under, through, along, and for all other purposes connected therewith, and together with the right to fence, the reasonable right of ingress and egress to and from the Easement to access Facilities and the right to use Grantor's abutting property during construction and maintenance of the Facilities, the strip of land located in the City of Banning, County of Riverside, California, described as in Exhibit "A" and depicted in Exhibit "B" attached hereto, and made a part of this agreement.

Grantor shall make no use whatsoever of the Easement area without the prior written consent of Grantee which may be given or withheld in Grantee's sole discretion.

R.W. _____

This Easement shall be binding upon and inure to the benefit of successors, heirs, and assigns of Grantor and Grantee.

IN WITNESS WHEREOF, these presents are hereby signed this _____ day of _____, 2014.

GRANTOR:

Signature

Name

Title

Signature

Name

Title

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF _____ } ss

On _____, 2014 before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/hor/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature _____
Commission #: _____
Commission Expiration: _____

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF _____ } ss

On _____, 2014 before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/hor/their authorized capacity(ies), and that by his/hor/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature _____
Commission #: _____
Commission Expiration: _____

EXHIBIT "A"

EXHIBIT "A"
LEGAL DESCRIPTION
SOUTHERN CALIFORNIA GAS COMPANY

THAT PORTION OF THE SOUTHEAST 1/4, OF THE SOUTHEAST 1/4, OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN ON MAP FILED IN RECORD OF SURVEY BOOK 53, PAGE 21 AT THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:


COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST 1/4, OF THE SOUTHEAST 1/4, OF SECTION 11, BEING A 1 INCH IRON PIPE WITH TAG STAMPED "LS 5786"; THENCE ALONG THE EASTERLY LINE OF SAID SOUTHEAST 1/4, OF THE SOUTHEAST 1/4, OF SECTION 11 NORTH 00°09'57" WEST 506.22 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EASTERLY LINE NORTH 00°09'57" WEST 63.74 FEET; THENCE LEAVING SAID EASTERLY LINE IN A PERPENDICULAR DIRECTION SOUTH 89°50'03" WEST 55.00 FEET; THENCE LEAVING SAID PERPENDICULAR LINE ALONG A LINE PARALLEL WITH SAID EASTERLY LINE SOUTH 00°09'57" EAST 28.91 FEET; THENCE LEAVING SAID PARALLEL LINE SOUTH 74°26'35" WEST 11.64 FEET; THENCE SOUTH 15°33'25" EAST 48.18 FEET; THENCE NORTH 74°26'35" EAST 55.42 FEET TO THE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE GRID, BASED ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, NAD83, ZONE 6 (EPOCH 2010.00). GRID DISTANCES MAY BE DIVIDED BY A COMBINATION FACTOR OF 0.99992525 TO OBTAIN GROUND LEVEL DISTANCES.

CONTAINING 4,163 SQ. FT. OR 0.096 ACRES, MORE OR LESS.

AND AS SHOWN ON THE PLAT ATTACHED HERETO AS EXHIBIT "B" AND MADE A PART HEREOF.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.


CHARLES D. PLUTA, P.L.S. 8844
EXPIRES 12-31-15

10/13/2014
DATE

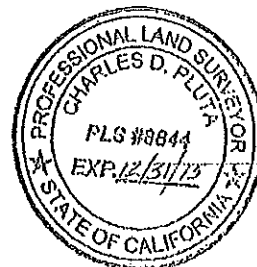
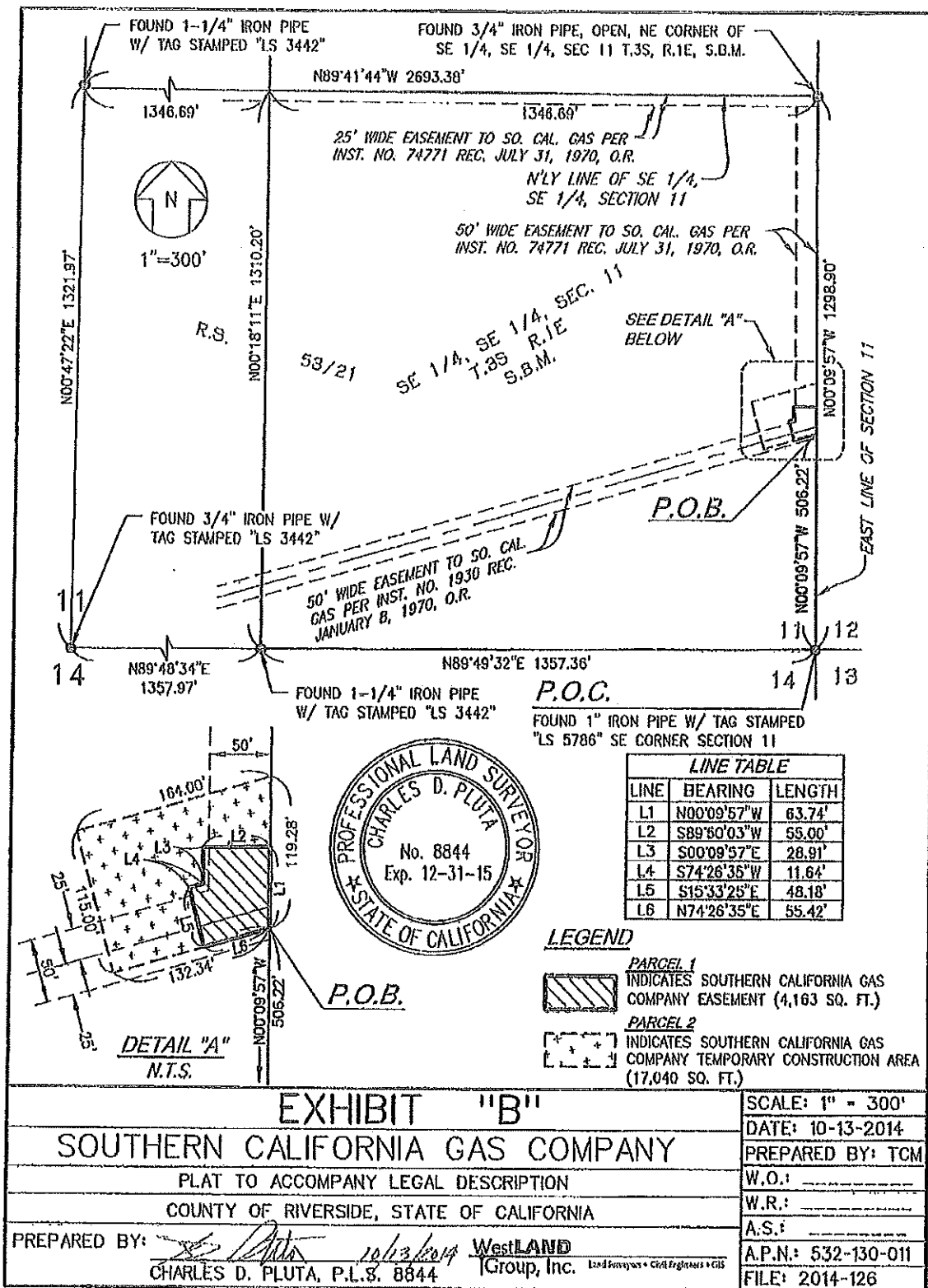


EXHIBIT "B"

**PLAT TO ACCOMPANY LEGAL DESCRIPTION OF RIGHT OF WAY FOR PIPELINE PURPOSES, IN THE
CITY OF BANNING, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



TEMPORARY RIGHT OF ENTRY AGREEMENT FOR SOUTHERN CALIFORNIA GAS COMPANY

This Temporary Right of Entry Agreement ("Agreement") is dated as of this ____ day of _____ 2014 and is made by and between Southern California Gas Company ("The Gas Company"), a California corporation, and The City of Banning, ("Owner"), the legal owner of the property identified herein.

The Property-Owner is the legal owner of that certain real property located in the City of Banning, County of Riverside, California, more specifically identified as A.P.N. 532-130-011 (the "Property").

Easements-The Gas Company is the owner of that certain right-of-way recorded as instrument number 8283 on October 18, 1947, in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company utilized for a 30" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

The Gas Company is also the owner of that certain right-of-way recorded as instrument number 32,709 on July 31, 1970 (Parcel 1), in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company installed a 30" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

The Gas Company is also the owner of that certain right-of-way recorded as instrument number 32,709 on July 31, 1970 (Parcel 2), in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company installed a 24" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

The Gas Company is also the owner of that certain right-of-way recorded as instrument number 32,708 on January 8, 1970, in the County Recorder's Office of Riverside County, California ("Easement") which covers a portion of the Property and pursuant to which The Gas Company installed a 36" inch pipeline and appurtenances ("Pipeline") under a portion of the Property.

Grant of Easement - Concurrently with this Agreement, Owner shall grant The Gas Company a permanent, exclusive easement document on The Gas Company's standard easement form, which is attached hereto and incorporated by reference. The dimensions of the valve station portion of the exclusive easement shall be no larger than 4,163 square feet. The easement form shall be executed, notarized and returned to The Gas Company promptly upon The Gas Company's request. The easement form shall be recorded in the Official Records of Riverside County, California at The Gas Company's expense.

Temporary Workspace and Work-The Gas Company requests the right to construct any and all related above and below ground pipes, valves, fences and appurtenances and the right to bring and store temporarily any and all necessary vehicles, materials and other construction equipment and stockpile on the Temporary Workspace, as defined below (all of which is hereafter referred to as "Work"). The Gas Company requests the right to perform the Work within an area of approximately 17,040 square feet as shown on the attached map. This area is referred to hereafter (individually and collectively) as "Temporary Workspace". See the plat map attached hereto and incorporated by reference.

Owner's Consent-Owner grants The Gas Company (including its subcontractors) permission to enter and use the Temporary Workspace for purposes of performing the Work. Work may be conducted by The Gas Company or by its subcontractors during the days and hours permitted by the local governing agency or any applicable permit. If any conflict arises between Work and any other uses of the Property, then The Gas Company and Owner shall work together diligently and in good faith to resolve any such conflicts.

Payment and Time Period-After The Gas Company has received the Owner's executed Agreement, and the completed IRS W-9 form, The Gas Company shall pay Owner a total of \$4,000.00 for the Basic Term of the Agreement, which payment shall be sent by The Gas Company's accounting department. The Gas Company (including its subcontractors) shall have access to and use of the Temporary Workspace from on or about December, 2014 to on or about March, 2015 ("Basic Term"). In the unlikely event The Gas Company needs extra time on the Temporary Workspace, Owner agrees that The Gas Company may have additional monthly periods for the sum of \$1,000.00 per month (or portion thereof), not to exceed six months.

Restoration-At the completion of the Work, The Gas Company (including through its subcontractors) will restore the Temporary Workspace to as near to its original condition and appearance as is reasonably possible.

Indemnification- The Gas Company will indemnify the Owner for any liability arising out of The Gas Company's (or its subcontractor's) Work or use of the Temporary Workspace, except to the extent such liability is due to the Owner's negligence or willful misconduct.

Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the Work and The Gas Company's entry onto the Property. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force and effect.

Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall remain in full force and effect.

No Waiver. A waiver or a breach of a covenant or provision of this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement and no waiver shall be valid unless in writing and executed by the waiving party.

Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Recordation-This Agreement shall not be recorded. However, the Owner agrees that upon any transfer of title involving the Property during the period of the Agreement, the Owner shall give written notice of the Agreement to the new owner or transferee and written notice of the transfer to The Gas Company to the address below.

The parties have read this Agreement, understand it, and agree to be bound by its terms as of the date first set forth above.

Southern California Gas Company

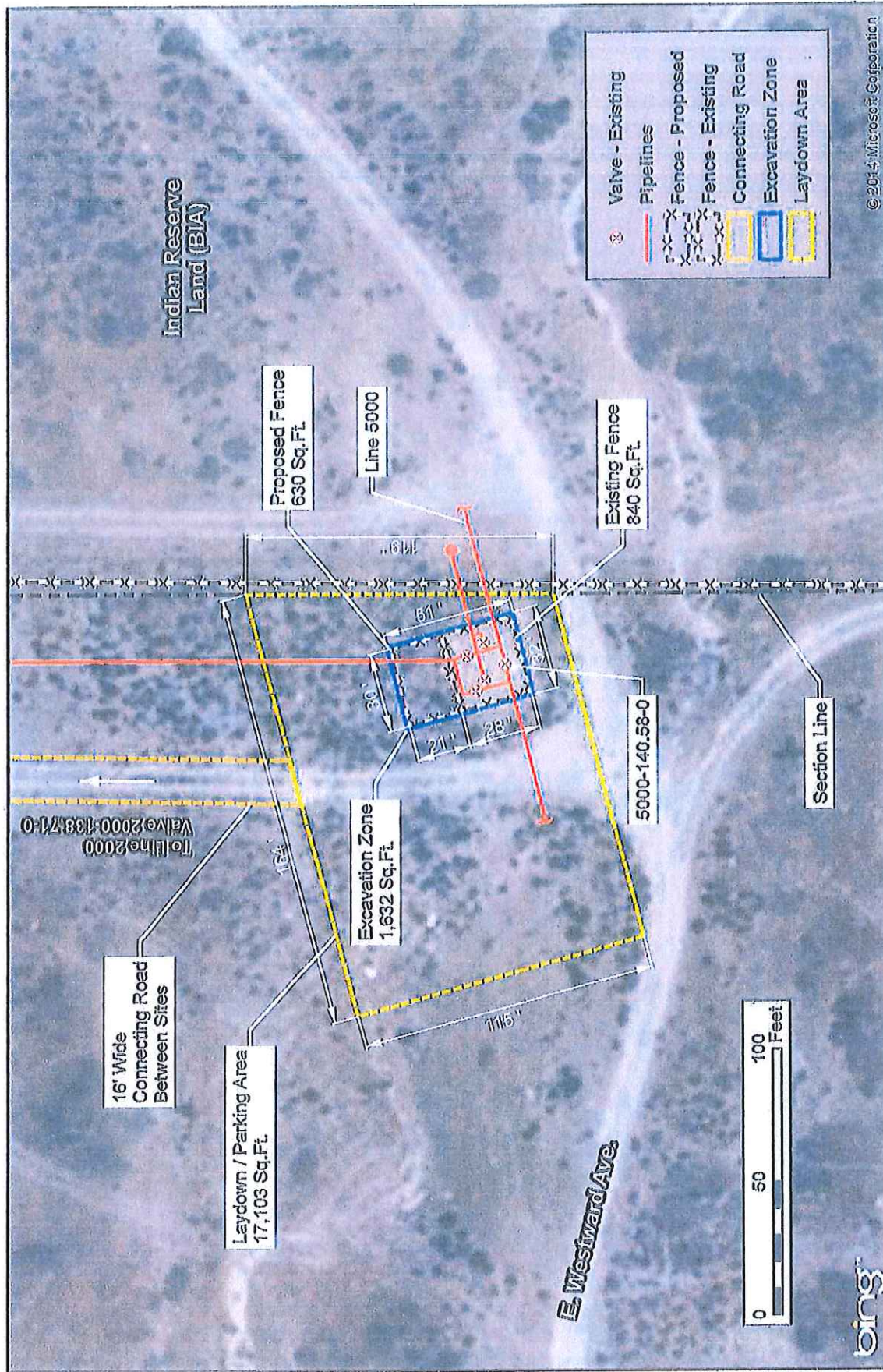
City of Banning

Andrew I. Thompson
Land Services Manager
For Southern California Gas Company
555 W. 5th St. M.L. 22P2, Los Angeles, CA 90013-1011
P.O. Box 523249 GT11A1 Los Angeles, CA 90051-1249

Signature

Print Name & Title

382



LINE 5000 - BANNING AIRPORT VALVE AUTOMATION
BANNING, RIVERSIDE COUNTY, CA
SITE LAYOUT - LINE 5000 - VALVE 5000-140.58-0
5/24/2014

The Gas Company

N
W E S



Commonwealth Land Title Company
4100 Newport Place Dr
Suite 120
Newport Beach, CA 92660
Phone: (949) 724-3140

Southern California Gas
555 W. 5th Street, M.L. 11A1
Los Angeles, CA 90013

Our File No: 08023823
Title Officer: Chris Maziar
e-mail: unl10@cltic.com
Phone: (949) 724-3170
Fax: (949) 258-5740

Attn: Leslee Beckett

Your Reference No: BANNING AIRPORT

Property Address: VACANT, Banning, California

PRELIMINARY REPORT

Dated as of September 19, 2014 at 7:30 a.m.

In response to the application for a policy of title Insurance referenced herein, Commonwealth Land Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

The policy(s) of title Insurance to be issued hereunder will be policy(s) of Commonwealth Land Title Insurance Company.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title Insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title Insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title Insurance, a Binder or Commitment should be requested.

File No: 08023823

SCHEDULE A

The form of policy of title Insurance contemplated by this report is:

ALTA Standard Owners Policy (6-17-06)

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

Title to said estate or interest at the date hereof is vested in:

Banning Community Redevelopment Agency

The land referred to herein is situated in the County of RIVERSIDE, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

File No: 08023823

EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

The Southeast quarter of the Southeast quarter of Section 11, Township 3 South, Range 1 East, in the City of Banning, County of Riverside, State of California, San Bernardino Base and Meridian, according to the Official Plat thereof.

Assessor's Parcel Number: 532-130-011

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015
- B. There were no taxes levied for the fiscal year 2014-2015 as the property was vested in a public entity.
- C. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
- D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Easement(s) in favor of the public over any existing roads lying within said Land.
- 3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

| | |
|-----------------|--|
| Granted to: | Southern Sierras Power Company |
| Purpose: | Public utilities |
| Recording Date: | April 10, 1930 |
| Recording No: | In Book 848 Page 552 of Deeds |
| Affects: | The exact location and extent of said easement is not disclosed of record. |

- 4. The effect of a Quitclaim Deed from the Metropolitan Water District of Southern California to the Nevada-California Electric Corporation, recorded December 9, 1939 in Book 437 Page 483 of Official Records, which said Quitclaim Deed discloses a right of way for pole lines over the Southeast quarter of the Southeast quarter of Section 11 herein described.
- 5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

| | |
|-----------------|--|
| Granted to: | Southern Pacific Pipe Lines Inc. |
| Purpose: | pipe line s |
| Recording Date: | July 29, 1955 |
| Recording No: | as <u>Instrument No. 49714</u> of Official Records |
| Affects: | said land |

Reference is hereby made to said document for full particulars.

File No: 08023823

6. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern Pacific Company, a Delaware corporation
Purpose: pipe lines and aqueducts
Recording Date: October 28, 1955
Recording No: as Instrument No. 69149 in [Book 1813 Page 434](#) of Official Records
Affects: said land

Reference is hereby made to said document for full particulars.

7. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Four Corners Pipe Line Company
Purpose: Public utilities
Recording Date: May 12, 1958
Recording No: as [Instrument No. 34249](#) and as [Instrument No. 34250](#) of Official Records
Affects: said land

Reference is hereby made to said document for full particulars.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Gas Company, a corporation and Southern Counties Gas Company of California, a corporation
Purpose: Public utilities
Recording Date: January 8, 1970
Recording No: as [Instrument No. 1930](#) of Official Records
Affects: said land

Reference is hereby made to said document for full particulars.

9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Gas Company, a corporation and Southern Counties Gas Company of California, a corporation
Purpose: Public utilities
Recording Date: July 31, 1970
Recording No: as [Instrument No. 74771](#) of Official Records
Affects: said land

Reference is hereby made to said document for full particulars.

10. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: American Telephone and Telegraph Company, a corporation
Purpose: roadway
Recording Date: January 21, 1974
Recording No: as [Instrument No. 7736](#) of Official Records
Affects: a portion of said land

Reference is hereby made to said document for full particulars.

File No: 08023823

11. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: American Telephone and Telegraph Company, a corporation
Purpose: Public utility
Recording Date: January 21, 1974
Recording No: as Instrument No. 7737 of Official Records
Affects: a portion of said land

Reference is hereby made to said document for full particulars.

12. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Four Corners Pipe Lines Company, a Delaware corporation and
Southern Pacific Pipe Lines, Inc., a Delaware corporation
Purpose: pipe lines
Recording Date: August 29, 1979
Recording No: as Instrument No. 182887 of Official Records
Affects: said land

Reference is hereby made to said document for full particulars.

13. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable laws, as set forth in the document referred to in the numbered item last above shown.

14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Williams Communications Inc. d/b/a in California as Vyvx, Inc., a
Delaware corporation
Purpose: telephone public utility
Recording Date: March 18, 2000
Recording No: 2000-095987 of Official Records
Affects: said land

Reference is hereby made to said document for full particulars.

15. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: City of Banning
Recording Date: January 28, 2008
Recording No: 2008-0041511 of Official Records

File No: 08023823

16. A Deed:

From: City of Banning Community Redevelopment Agency, a public body corporate and politic, acting under the Community Redevelopment Law of the State of California
To: City of Banning
Recording Date: March 10, 2011
Recording No: 2011-0110924 of Official Records

For Insurance purposes, the Company is not willing to divest the interest of the following party(s):

Party(s): City of Banning Community Redevelopment Agency, a public body corporate and politic, acting under the Community Redevelopment Law of the State of California

17. The matters contained in a document entitled "Transfer Agreement for the Transfer of Certain Properties owned by the City of Banning Community Redevelopment Agency of the City of Banning to Act as the Agent of the Agency in the Disposition and Redevelopment of said Properties Pursuant to the California Community Redevelopment Law" recorded July 20, 2011 as Instrument No. 2011-0317220 of Official Records.

Reference is made to said document for full particulars.

18. Any claim that the transaction vesting the Title as shown in Schedule A or creating the lien of the Insured Mortgage, or any other transaction occurring on or prior to the Date of Policy in which all or any part of the title to or any interest in the land was transferred to or from City of Banning Community Redevelopment Agency, a public body corporate and politic, acting under the Community Redevelopment Law of the State of California, is or was void or voidable under California Assembly Bill 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session.)
19. Approval of the policy or commitment of title insurance anticipated by this report by Regional Counsel of the Company is required prior to the recordation of the instruments required to complete this transaction and the issuance of such policy or commitment. The right is reserved to make additional exceptions and/or requirements upon such review.
20. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
21. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.
22. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
23. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

File No: 08023823

24. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH
FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

File No: 08023823

REQUIREMENTS SECTION:

REQ NO.1: The Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Banning Community Redevelopment Agency

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

File No: 08023823

INFORMATIONAL NOTES SECTION

NOTE NO. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

NOTE NO. 2: For wiring instructions please contact your Title Officer or Title Company Escrow officer.

NOTE NO. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.

NOTE NO. 4: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
- b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
- c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Typist: nb0

Date Typed: October 2, 2014

Attachment One (Revised 02-07-14)

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

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File No: 08023823

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

- a. building;
- b. zoning;
- c. land use;
- d. improvements on the Land;
- e. land division; and
- f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.

3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

4. Risks:

- a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
- b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
- c. that result in no loss to You; or
- d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.

5. Failure to pay value for Your Title.

6. Lack of a right:

- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
- b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.

9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

| | <u>Your Deductible Amount</u> | <u>Our Maximum Dollar Limit of Liability</u> |
|------------------|--|--|
| Covered Risk 16: | ____ % of Policy Amount Shown in Schedule A or \$____ (whichever is less) | \$ ____ |
| Covered Risk 18: | ____ % of Policy Amount Shown in Schedule A or \$____ (whichever is less) | \$ ____ |
| Covered Risk 19: | ____ % of Policy Amount Shown in Schedule A or \$____ (whichever is less) | \$ ____ |
| Covered Risk 21: | ____ % of Policy Amount Shown in Schedule A or \$____ (whichever is less) | \$ ____ |

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**2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

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**2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
LTC - Lawyers Title Company

FNF Underwriter
CLTIC - Commonwealth Land Title Insurance Co.

Available Discounts

DISASTER LOANS (CLTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

EMPLOYEE RATE (LTC and CLTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

Collection and Use of Information

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language,

browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a "cookie" to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the Third Party Opt Out section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the Third Party Opt Out section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

When Information Is Disclosed By FNF

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We

do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information from Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers

whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices with Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2013 will receive information regarding 2012 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

Your Consent to This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
privacy@fnf.com

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EFFECTIVE AS OF: JANUARY 24, 2014

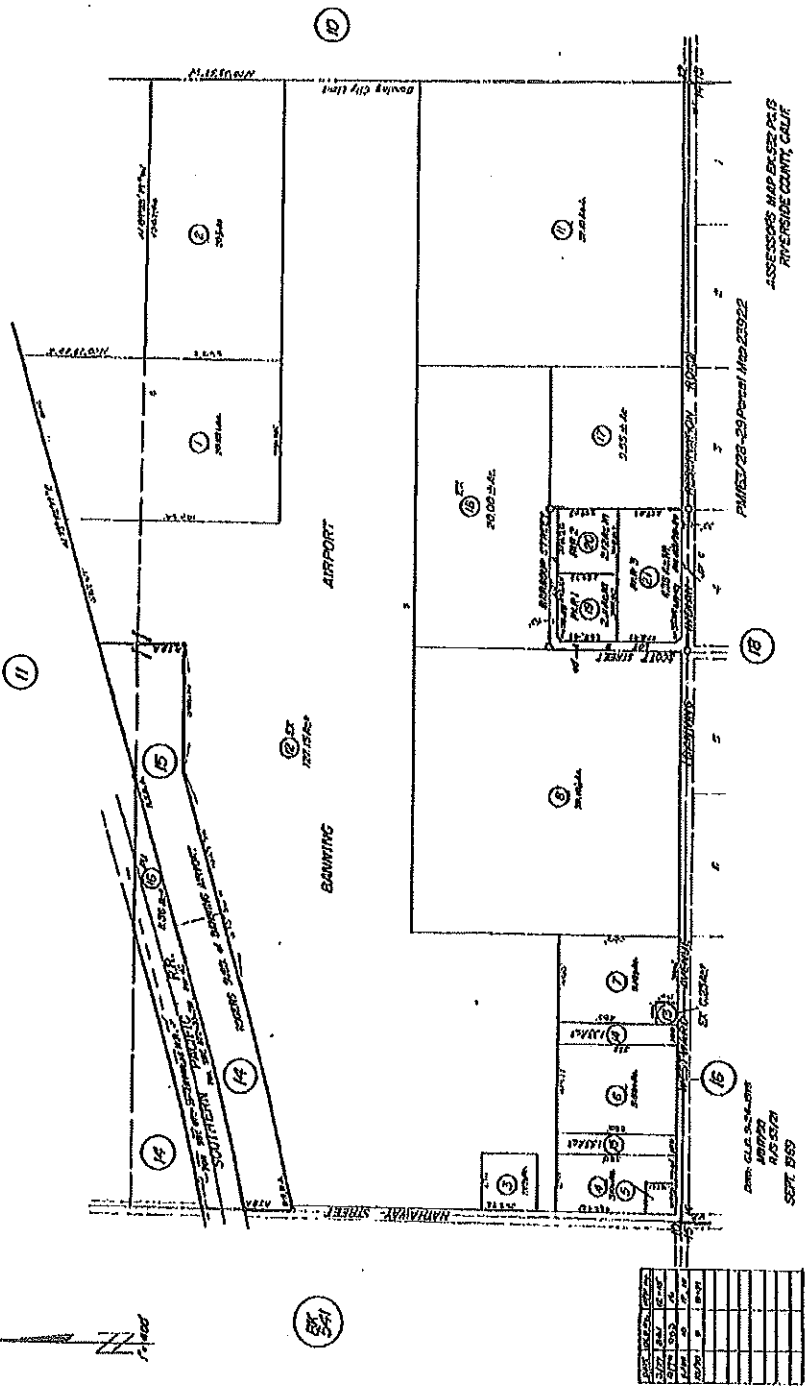
LAST UPDATED: JANUARY 24, 2014

532-13
24-27-4

TCA 104

S1/2 SEC 11 T3 S. R. 1 E



THIS MAP IS FOR
ASSESSMENT PURPOSES ONLY

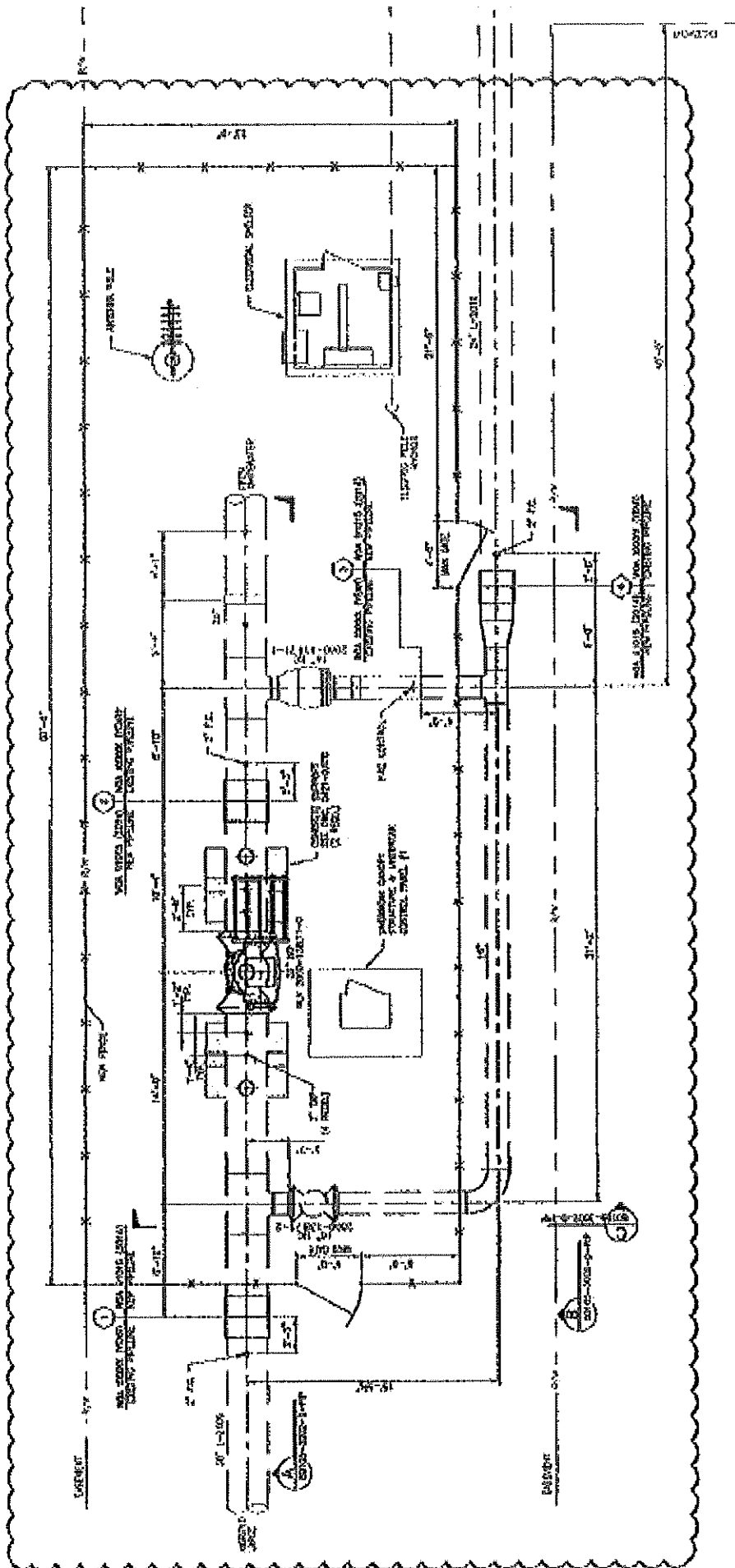


ATTACHMENT 4
Site Plan/Drawings

Southern California Gas Company Sale of Grant of Exclusive Easements



| | | | |
|---|--|------------|-------------|
|  |  | 04/08/2015 | 1" = 376 ft |
| <p>This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Banning staff for the most up-to-date information.</p> | | | |



ATTACHMENT 5
Public Hearing Notice



NOTICE OF JOINT PUBLIC HEARING

PURSUANT TO LAW, NOTICE IS HEREBY GIVEN of a Joint Public Hearing before the City Council of the City of Banning and the Successor Agency to the Community Redevelopment Agency of the City of Banning, to be held on Tuesday, April 14, 2015, at 5:00 p.m. in the Council Chambers, City Hall, 99 East Ramsey Street, Banning, California, to consider the following:

RESOLUTION NO. 2015-22: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA APPROVING THE SALE OF THE GRANT OF EXCLUSIVE EASEMENTS WITHIN THE BANNING MUNICIPAL AIRPORT (APN: 532-130-011) TO THE SOUTHERN CALIFORNIA GAS COMPANY

RESOLUTION NO. 2015-02-SA: A RESOLUTION OF THE CITY OF BANNING ACTING IN ITS CAPACITY AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA APPROVING THE SALE OF THE GRANT OF EXCLUSIVE EASEMENTS WITHIN THE BANNING MUNICIPAL AIRPORT (APN: 532-130-011) TO THE SOUTHERN CALIFORNIA GAS COMPANY

To locate this parcel, please go to the Riverside County website and type in <http://www3.tlma.co.riverside.ca.us/pa/rcdis/viewer.htm> in the search engine and follow the instructions on the page.

Information regarding this matter can be obtained by contacting the City's Community Development Department at (951) 922-3125, or by visiting City Hall located at 99 East Ramsey Street, Banning.

All parties interested in speaking either in support of or in opposition of this item are invited to attend said hearing, or to send their written comments to the Community Development Department of the City of Banning at P.O. Box 998, Banning, California, 92220.

If you challenge any decision regarding the above proposal in court, you may be limited to raising only those issues you or someone else raised in written correspondence delivered to the Community Development Director at, or prior to, the time the City Council makes its decision on the proposal; or, you or someone else raised at the public hearing or in written correspondence delivered to the hearing body at, or prior to, the hearing (California Government Code, Section 65009).

BY ORDER OF THE ACTING COMMUNITY DEVELOPMENT DIRECTOR OF THE CITY OF BANNING, CALIFORNIA

Brian Guillot
Acting Community Development Director

Dated: March 31, 2015
Publish: April 3, 2015

410

CITY COUNCIL AGENDA

DATE: April 14, 2015

TO: City Council

FROM: Dean Martin, Interim Administrative Services Director

SUBJECT: Event Sponsorship Policy

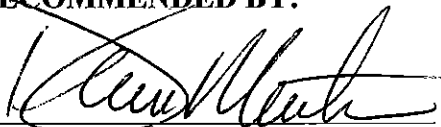
RECOMMENDATION: Approve the attached policy (marked to show changes from the Budget and Finance Committee) for loans or donations sponsoring events promoting the City of Banning..

BACKGROUND: Requests have been received from various organizations for financial assistance to enable participation in events of benefit to the City and its residents. The City recognizes that such financial assistance and sponsorships play an important role in supporting the community, as well as supporting economic development efforts of the City.

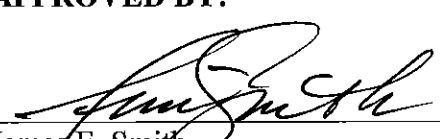
The granting of City funds or in-kind support is evaluated according to the effectiveness and impact the particular special event, community project or program has on the community-at-large. Special attention is paid to sponsorships that promote the attractiveness of the City as a place to visit and/or live, celebrate the heritage of the City and its environs, and/or enrich the character and quality of life of its residents and visitors.

FISCAL IMPACT: The fiscal impact will vary from year to year depending on the number and amount of requests and budget allocation approved by the Council. No one event will receive more than \$5,000.

RECOMMENDED BY:


Dean Martin
Interim Administrative Services Director/
Deputy City Manager

APPROVED BY:


James E. Smith
Interim City Manager/



City of Banning

Event Sponsorship/Community Services

Effective Date: 3/2015
Review Date: 7/2018
Prepared by: Administrative Services

Approved:

Department

City Manager

BACKGROUND

Requests have been received from various organizations for financial assistance to enable participation in events of benefit to the City and its residents. The City recognizes that such financial assistance and sponsorships play an important role in supporting the community, as well as supporting economic development efforts of the City.

The granting of City funds or in-kind support is evaluated according to the effectiveness and impact the particular special event, community project or program has on the community-at-large. Special attention is paid to sponsorships that promote the attractiveness of the City as a place to visit and/or live, celebrate the heritage of the City and its environs, and/or enrich the character and quality of life of its residents and visitors.

PURPOSE:

It is the intent of this policy to define the qualifications and conditions necessary to receive assistance under the program defined herein.

Goals and Objectives

- Sponsorship of funds or in-kind services (including, but not limited to, contributions of staff, equipment or other services, booth participation, bottled water or promotional items) will be considered for special events, community projects or programs designed to accomplish one or more of the following goals and objectives with at least ~~54~~75% of the participants from outside of the sponsoring organization:
 - Promote the City of Banning as a desirable place to live, visit and do business.
 - Promote the City of Banning as a visitor destination.
 - Enhance the quality of life and well-being of the residents.
 - Advance the City's commitment to and pride in being an inclusive community.
 - Encourage the development of neighborhood identity and pride.
 - Promote cultural and artistic awareness.

POLICY

A. Qualifications of Participating Organization

1. They must be a 501 (c) (3) tax exempt organization or a registered nonprofit organization.
2. Representative of a broad element of the community (e.g., school, athletic team, cultural group).
3. ~~They must maintain a facility~~an address which services the public within the Pass area. ~~Preference will be given to those with a facility within the boundaries of~~
3. the City of Banning.
4. The nonprofit corporation will not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sex, or sexual orientation. Further, the organization must agree to conform to the requirements of the Americans with Disabilities Act.

B. Qualification of Events/Community Project/Program

- ~~1. Invitational rather than voluntary participation~~
- ~~2.1.~~ Sufficient significance to warrant City attention and publicity
- ~~3.2.~~ Broad public appeal and open to the public, and for the public benefit
- ~~4.3.~~ Supports the aforementioned goals and objectives.

C. Funding

1. Funds are not to be used for day to day operational costs unrelated to the specific event.
2. Sponsorship 1st request is to be no more than 50% of program/event budget.
Sponsorship 2nd request is to be no more than 35% of program/event budget.
Sponsorship 3rd request is to be no more than 20% of program/event budget.
3. Event and promotion must take place within the City of Banning limits. Some limited exceptions will be made. Reason(s) for not holding the proposed event or promotion in the City of Banning must be stated on the application. Exemption from this requirement will be provided on a case-by-case basis and will favor activity promoting the City of Banning as a desirable place to live, visit and do business in.
4. The recipient of sponsorship funds or in-kind services shall provide the City and/or Departments(as applicable) recognition as a sponsor in exchange for the funds or in-kind services in a method consistent with other sponsors. In no event shall the recognition for the department's funds or in-kind services be less than that provided to other sponsors who have contributed the same total financial or in-kind support.
5. The nonprofit corporation must be ready, willing and able to enter a contractual agreement for sponsorship with the City and provide a certificate of liability insurance or proof of self-insurance, if applicable.
6. The nonprofit corporation must comply with the City's Special Events Ordinance (Municipal Code, Chapter 5.68), if applicable, wherein standards and procedures for the issuance of a special event permit are set forth.

7. The purpose of the special event, community project, or program is not organized around political or religious themes, but serves as a benefit to the City of Banning community as a whole.
8. The nonprofit corporation will not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sex, or sexual orientation. Further, the organization must agree to conform to the requirements of the Americans with Disabilities Act.
9. All the requirements under this program have been followed.

D. Application Process

The City Sponsorship Program provides local non-profit organizations with the opportunity to apply for City funds (loans or donations) and/or in-kind services twice each fiscal year. The spring application process provides support for charitable, community events produced between July 1st and December 31st. The fall application process provides support for charitable, community events produced between January 1st and June 30th. The City Sponsorship Program is administered by the Community Services Department.

The City will determine annually the total amount of funds available for sponsorship as donations, in-kind services, or loans. This amount will be subject to review by the City Council during the bi-annual budget process. From this annual budgeted amount, eligible organizations will receive financial assistance as provided for in Section C.2., subject to a maximum amount or value of \$5,000 for a loan, or \$2,500 for donations or in-kind services. Only one type of request and application per organization will be accepted per event.

All loans must be repaid within two years of the date funds are disbursed. The interest rate on all loans will be based on the City's cost of funds as determined by the Administrative Services Director. Borrowers will have the choice of repaying monthly, with a lump sum payment at the end of the term or a combination of both. Monthly payment amounts will be mutually agreed to by the borrower and the City, but can be no less than \$100 each month. Interest will be calculated at a simple rate of interest on unpaid balances.

Failure to pay ~~may~~will result in the borrower being disqualified from participating in this program for a minimum of five years, and only after repayment of any outstanding principal and interest that has accrued during the period of non-payment.

The council through the budget process will make the final decision as to what organizations will receive loans, donations, or in-kind services. The decision of the Council will be final and not subject to protest. This program is a discretionary program of the City Council and can be terminated at any time.

PROCEDURES

Requests for loans, donations, or in-kind services must be submitted to the City by March 30th for the July 1 through December 31 time period, and by September 30th for the January 1 through June 30th time period. A completed City Sponsorship Program Application must be submitted with all funding requests. The requests will be reviewed by City staff with recommendations made to the Council as part of the bi-annual budget or mid-year budget process.



City Sponsorship Program Application

Organization's Information

Organization Name:

Registered Federal Tax-Exempt ID Number:

Executive Director/CEO Name:

Contact Person Name:

Contact Person Title:

E-Mail Address:

Mailing Address:

City:

State:

Zip Code:

Phone Number: () -

Fax Number: () -

Affiliated with a "parent" organization? ☐ Yes ☐ No

If yes, name of parent organization:

Preferred method of contact? ☐ Business Phone ☐ Cell Phone ☐ Email

Please provide if not listed above:

Approximately how many people does this organization serve? Describe the services and any fees related to these services.

Sponsorship Request

☐ Funding If yes, specify amount requested: \$

☐ In-Kind Services (e.g. waiver of permit fees) If yes, select describe type of in-kind service requested.

☐ Special Event Permit Fees

☐ Police Services

☐ Go Green bags (Qty:) ☐ Bottled Water (Qty:)

☐ Booth/City Vehicle Participation

Please specify City department:

☐ Facilities

Please specify City department and facility:



City Sponsorship Program Application

☐ Parks, Recreation and Community Services Department Facilities/Other

Please specify facility or equipment: _____

☐ Other

Please specify: _____

List type of recognition the City/Department will receive for the noted funding/in-kind services requested (e.g. name/logo listing, banner, ad, etc.).

Has the City of Banning sponsored your organization in the past? ☐ Yes ☐ No

If yes, list department(s), date, amount and/or type of sponsorship:

Event/Program

Event Title:

Purpose/Type of Event:

Event Date(s): / / to / / Event Hours: to

Will the event be held in the City of Banning? ☐ Yes ☐ No

If no, specify reason:

Event Location:

Is this an annual event? ☐ Yes ☐ No

If yes, indicate the number of years event has taken place:

Total Event Cost/Budget: \$

Expected attendance:

Attendance at last year's event:

Expected number/percentage of attendees who live in Banning:

Is the event open to the general public? ☐ Yes ☐ No

Describe target audience:

Is there a cost to attend/participate in the event? ☐ Yes ☐ No

If yes, please provide cost:

Is there an element in the event that is free or reduced to attend/participate?

☐ Yes ☐ No

If yes, please describe:



City Sponsorship Program Application

Additional Documents Required

Submit this completed application with the following:

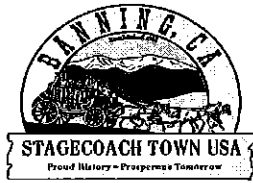
- ☐ A current list of your organization's Board of Directors and appropriate affiliations
- ☐ A copy of your organization's operating and event budget (revenue and expenses).
Include any funds from a Community Development Block Grant, City Arts Grant Program, Sponsors or in-kind contributions
- ☐ If applicable, a list of the event's sponsorship opportunities (e.g., name/logo listing, banner, ad, reserved seats, etc.)

Supplemental Data: Event Description

Describe the festival, special event, or community project for which City funding or in-kind services are requested. Provide details regarding activities, vendors, entertainment, etc.

~~Please check all that apply below:~~

- ☐ ~~Event includes booths related to energy/water resource conservation~~
- ☐ ~~Event includes booths related to community gardens, farmers market, etc.~~
- ☐ ~~Event includes free children's activities~~
- ☐ ~~Event includes reduced fee for students, seniors, military, and/or children.~~



City Sponsorship Program Application

~~Does the event for which funding is being requested provide services/information that involve green initiatives/sustainability? If so, please describe?~~



City Sponsorship Program Application

Detail purpose or objective of local festival, special event, or community project for which City funding or in-kind services are requested.

~~Describe the overall contribution of the festival, special event, community project or program(s) to the community in relation to the goals and objectives of the City as stated in the City Sponsorship Program.~~



City Sponsorship Program Application

What are the measurable target objectives that will be used to determine the success of the festival, special event, community project or program(s)? (Please state your objective in terms of concrete numbers and percentages where possible. For example: increase number of participants from Y to Z in the 200X parade; increase customer satisfaction from Y% to Z%. You may utilize the table provided below.

Sample:

| Objective | Past Year Event (2011) | Past Year Event (2012) | Past Year Event (2013) | Current Year Event (2014) |
|---------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|
| Increase number of participants | 100 | 175 | 200 | 350 |
| Participant Satisfaction | 80% | 82% | 90% | 95% |

| Objective | Past Year Event (20__) | Past Year Event (20__) | Past Year Event (20__) | Current Year Event (20__) |
|-----------|---------------------------|---------------------------|---------------------------|------------------------------|
| | | | | |
| | | | | |
| | | | | |



City Sponsorship Program Application

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

At the conclusion of the event, provide a report on the results of the event (i.e., how many attended versus expectations; if possible, attendee demographics including from what part of the city or areas outside of the City; any data pertinent to analyzing the effectiveness of the event).

Forma

CITY COUNCIL AGENDA

Date: April 14, 2015
To: City Council
From: Fred Mason, Electric Utility Director
Subject: Resolution No. 2015-20, "Awarding the Construction Contract for Project No. 2015-01EL 'Lincoln St., Airport and City Yard Electrical Distribution Improvements' and Rejecting All Other Bids"

RECOMMENDATION: Adopt City Council Resolution No. 2015-20:

- I. Approving the award of the Construction Contract for Project No. 2015-01EL "Lincoln St., Airport and City Yard Electrical Distribution Improvements" to Regency-Pacific Development Corp., of Beaumont, California, in the amount not to exceed \$441,200.00 including taxes and allowing a 10% contingency of \$44,120.00, and rejecting all other bids.
- II. Authorizing the Interim City Manager to execute the construction and professional services contract agreements and amendments related to Project No. 2015-01EL "Lincoln St., Airport and City Yard Electrical Distribution Improvements."
- III. Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project and to approve change orders within the 10% contingency.

STRATEGIC PLAN: Infrastructure and City Facilities Approval of this resolution would support the City of Banning Electric Utility's ("Utility") in increasing electric capacity throughout the City of Banning while improving City facilities.

BACKGROUND: The Utility originally identified the need to upgrade the distribution system during the completion of the "10-Year Electric System Master Plan 2004-2014." As a part of an effort to complete the projects that were proposed in the preferred plan, the Banning City Council adopted resolution 2010-27 authorizing the Electric department to utilize a portion of its Electric Bond proceeds for upgrades at Alola and Airport substations that will facilitate the completion of the 4kv to 12kv conversion. In addition to the upgrades of the Alola and Airport substations, the Utility will also complete additional projects through this contract such as 4kv to 12kv Overhead and Underground Conversion of distribution circuits, and other projects related to the expansion of 12kv distribution throughout Banning.

On February 6 and February 13, 2015 Utility staff advertised Project No. 2015-01EL "Lincoln St., Airport and City Yard Electrical Distribution Improvements." The project was advertised in

the Press Enterprise, Record Gazette, Desert Sun, City of Banning website and various industry plan rooms.

On March 9, 2015 the City Clerk received three (3) bids, publicly opened and read out loud the following results for "Lincoln St., Airport and City Yard Electrical Distribution Improvements":


| <u>Company</u> | <u>Bid Results</u> |
|--|--------------------|
| 1. Regency-Pacific Development Corp. of Beaumont, CA | \$441,200.00 |
| 2. Perry C. Thomas Construction of Monrovia, CA. | \$544,781.00 |
| 3. Davis Electric, Inc. of Yucaipa, CA | \$634,904.00 |

The engineer's estimate was \$472,000.00. A copy of the lowest bid can be found attached as Exhibit "A".

The scope of the work includes the furnishing of all labor, materials, equipment, services, and incidentals necessary for demolition of existing structures, site grading, site paving, and miscellaneous site work for installation of underground electrical utilities for distribution system improvements near the Banning Municipal Airport and work to correct voltage inconsistencies at the Banning Corporate Yard located at 176 East Lincoln St. in the City of Banning, California.

FISCAL DATA: The total construction cost, not including contingency, are \$441,200.00. Funds are available in account 674-7000-473.96-33, Airport Substation Conversion. The total project budget is equal to \$485,320.00 which includes a 10% construction contingency of \$44,120.00.

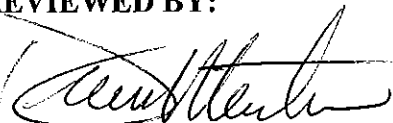
RECOMMENDED BY:


Fred Mason,
Electric Utility Director

APPROVED BY:


James E. Smith
Interim City Manager

REVIEWED BY:


Dean Martin
Interim Administrative Services Director

RESOLUTION NO. 2015-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AWARDED THE CONSTRUCTION CONTRACT FOR PROJECT NO. 2015-01EL "LINCOLN ST., AIRPORT AND CITY YARD ELECTRICAL DISTRIBUTION IMPROVEMENTS" AND REJECTING ALL OTHER BIDS

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, it is essential that the City of Banning continues to maintain and upgrade electric utility facilities within the city limits; and

WHEREAS, the City of Banning adopted Resolution 2010-27 which authorized the use of Electric Bond funds for projects related to the expansion of 12kV distribution throughout the City of Banning; and

WHEREAS, staff solicited bids for Project No. 2015-01EL "Lincoln St., Airport and City Yard Electrical Distribution Improvements"; and

WHEREAS, Regency-Pacific Development Corp. of Beaumont, CA is the lowest responsible bidder as shown on Exhibit "A"; and

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

SECTION 1. Adopt Resolution No. 2015-20, approving the award of the Construction Contract for Project No. 2015-01EL "Lincoln St., Airport and City Yard Electrical Distribution Improvements" to Regency-Pacific Development Corp., of Beaumont, California, in the amount not to exceed \$441,200.00 including taxes and allowing a 10% contingency of \$44,120.00, and rejecting all other bids.

SECTION 2. Authorizing the Interim City Manager to execute the construction and professional services contract agreements and amendments related to Project No. 2015-01EL "Lincoln St., Airport and City Yard Electrical Distribution Improvements."

SECTION 3. The Interim Administrative Services Director is to make the necessary budget adjustments, appropriations, and transfers related to the project and to approve change orders within the 10% contingency.

PASSED, ADOPTED AND APPROVED this 14th day of April, 2015.

Deborah Franklin, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire and Wynder, LLP

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2015-20 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 14th day of April, 2015 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

Exhibit “A”

SUMMARY OF BIDS RECEIVED CITY OF BANNING

PROJECT NO.: 2015-01EL

DESCRIPTION: Lincoln St., Airport and City Yard Electrical Distribution
Improvements

BID OPENING DATE: March 9, 2015 TIME: 2:30 p.m.

| NAME OF BIDDER: | ⁴ ADDITIONALS | | BID BOND | TOTAL BID AMOUNT: |
|--|-----------------------------|--|-------------|------------------------------|
| Perry C. Thomas Construction Monrovia, CA | ✓ | | ✓ | \$ 544,781. ⁰⁰ |
| Davis Electric, Inc. Yucaipa, CA | ✓ | | ✓ | \$ 434,904. ⁰⁰ |
| Regency-Pacific Development Corp. Beaumont, CA | ✓ | | ✓ | \$ 441,200. ⁰⁰ |
| | | | | |

VERIFIED BY:

B. D. Robison
Maria G. Calderon, City Clerk

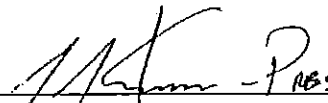
SECTION 1.4
OF
PROCEDURAL DOCUMENTS

BID SUBMITTAL CHECKLIST

Bidder confirms that the following documents are fully completed, included in and made a part of its Bid.

- ☒ Bid – Page I-8
- ☒ Bid Schedule – I-9 & I-10
- ☒ Addenda Acknowledgement – I-11
- ☒ Non-Collusion Affidavit – I-16
- ☒ Bid Security or Bond – I-17, I-26 & I-27
- ☒ List of Subcontractors – I-18
- ☒ List of Material Suppliers – I-19 & I-20
- ☒ List of Materials – I-21
- ☒ Declaration of Accuracy – I-22
- ☒ Labor Code Certification – I-23
- ☒ Questionnaire Regarding Bidders – I-24
- ☒ Corporate Certificate – I-32
- ☒ Preliminary Project Schedule
- ☒ Bid Submittal Checklist – I-25

Confirmed by Bidder


(signature of authorized representative)

Print Name: Leo J. Kramer

Corporate Title: President

SECTION 1.3
OF
PROCEDURAL DOCUMENTS

BID

Proposal of Regency-Pacific Development Corporation,
hereinafter called "bidder", organized and existing under the laws of the State of California,
doing business as a corporation

*insert "a corporation", "a partnership", or "an individual", as applicable.

To the CITY OF BANNING, hereinafter called "Owner":

In compliance with your Invitation for Bids and Instruction to Bidders, Bidder hereby proposes to perform all work for the **Project No. 2015-01EL, "Lincoln St., Airport and City Yard Electrical Distribution Improvements"** in strict accordance with the Contract Documents, within the time set forth therein, and at the prices stated below.

By submission of this Bid, the Bidder certifies, and in the case of a joint Bid each party thereto certifies as to his own organization that this Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid with any other Bidder or with any competitor.

Bidder hereby agrees that the Owner shall have a period of forty-five (45) calendar days after opening of bids within which to accept or reject the bids.

Bidder agrees to commence work under this contract on or before a date to be specified in the Notice to Proceed and to achieve Substantial Completion **within One Hundred Fifty (150) calendar days**. Final Completion shall be achieved within seven (7) calendar days following receipt of Substantial Completion punch-list.

Bidder agrees that if the project is not fully completed within said time, he shall pay as liquidated damages, the sum of **\$750.00** for each calendar day thereafter as provided in the General Conditions, and that this amount shall be presumed to be the amount of damages sustained by Owner in the event of such a breach by Bidder, as it would be impractical or extremely difficult to fix the actual damage.

ADDENDA

Bidder acknowledges receipt of the following Addenda:

Addendum No.: 1, 2, 3 & 4

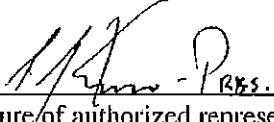
DATED: VARIED

Addendum No.: _____

DATED: _____

Addendum No.: _____

DATED: _____

Confirmed by Bidder:  - Pres.
(signature/of authorized representative)

Print Name: Leo J. Kramer

Corporate Title: President



Addendum No. 1

Project No. 2015-01EL

Lincoln St., Airport and City Yard Electrical Distribution Improvements

Pre-Bid Meeting Notes and Scope of Work Clarifications

Revisions to Drawings and Specifications

Replace Section 1 "Bid Schedule" sheets I-10 through I-14 with revised bid schedule sheets I-10 and I-14 attached.

Replace drawing ES1.10 with revised ES1.10 attached.

Sheet "E-1209 As-Built 9-25-13 Layout1" is attached and provides the most recent layout of utilities within the City Yard. This drawing is for reference only and is not a material component of the Contract Documents.

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with you bid.

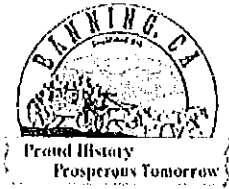
General Information, as indicated in the Contract Documents:

1. Bids are due at 2:30 p.m. on Wednesday, March 4, 2015. Note that bids are due at the City Clerk's office located at City Hall.
2. The new deadline for bid Request for Information will be extended to Monday, March 2, 2015 at 12:00 p.m. Responses will be provided by Tuesday March 3, 2015 at 12:00pm.
3. Bids submitted shall be complete utilizing the forms provided in Section I, Procedural Documents.
4. This is a prevailing wage contract. All bidders and their subcontractors must be registered with Department of Industrial Relations pursuant to California Labor Code section 1725.5.
5. A general contractor's Class A license is required to bid this project. Contractors with a Class C-10 license may bid on this project provided that one of the contractor's subcontracts, particularly the subcontractor for paving restoration, possesses a Class A license.
6. The Contract duration is 150 calendar days to achieve Substantial Completion and 7 days to achieve Final Completion after receipt of punch list as stated in the specifications.
7. City will make payments once every 30 days for the value of the work installed upon receipt of an invoice.

Regency-Pacific Development Corporation

BY: _____

3/9/15



Addendum No. 2

Project No. 2015-01EL
Lincoln St., Airport and City Yard Electrical Distribution Improvements

Pre-Bid Meeting Notes and Scope of Work Clarifications

Revisions to Drawings and Specifications

Replace Section 1 "Bid Schedule" sheets I-10 through I-11 with revised bid schedule sheets I-10 and I-11 attached.

Replace drawing ES1.11 with revised ES1.11 attached.

Additional Specifications provided and attached are:

- 26 2314 Switchboards,
- 26 2600 Power Distribution Units, and
- 26 3600 Automatic Load Transfer Switches

Sheet C-3 and C-4 of the Phase I Civil Yard Plans is attached and provides the most recent proposed layout for paving repair within the City Yard within the civil contractor's responsibility. This drawing is for reference only and is not a material component of the Contract Documents.

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with you bid.

General:

1. Bid Date Extension: The bid date has been extended to **2:30 p.m. on Monday, March 9, 2015**. Note that bids are due at the City Clerk's office located at City Hall.
2. RFI Deadline Extension: The new deadline for bid Request for Information will be extended to **Wednesday, March 4, 2015 at 5:00 p.m.** Responses will be provided by Thursday March 5, 2015 at 5:00pm.
3. The revised Engineer's Estimate of the job including the addenda is \$472,000.00.

Scope of Work Clarifications

Note if a question was asked during the Pre-Bid Meeting or subsequent project area walk-through but the answer does not appear to be included below, submit your question again in accordance with the

Regency-Pacific Development Corporation
BY: *[Signature]* - P.A.S.

3/9/15



Addendum No. 3

Project No. 2015-01EL
Lincoln St., Airport and City Yard Electrical Distribution Improvements

Pre-Bid Meeting Notes and Scope of Work Clarifications

Revisions to Drawings and Specifications

Replace Section 1 "Bid Schedule" sheets I-10 through I-11 with revised bid schedule sheets I-10 and I-11 attached.

Olympian Liquid Cooled Gas Engine Generator specification sheets are attached. This specification is for reference only to provide information needed for installation and is not a material component of the Contract Documents.

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with you bid.

Scope of Work Clarifications

Note if a question was asked during the Pre-Bid Meeting or subsequent project area walk-through but the answer does not appear to be included below, submit your question again in accordance with the Instructions to Bidders for an official response. Note clarifications not provided in writing via Addenda are not made a part of the Contract Documents.

1. Sheet ES1.11 Key Note 3: There will no trenching and conduit installation required inside the perimeter of the City Yard. The 2" conduit referenced in Key Note 2 currently exists. The RG59 Coaxial Siamese Cable will need to be provided and installed by the contractor.
2. Sheet C-3 and C-4 of the Civil plans for the City Yard were provided in Addendum #2 so that bidders may be able to complete a more accurate take-off for asphalt paving quantities required. The amount of estimated paving stated in Addendum #1 was 2000 SF of 5" AC/6" AB. COB Electric has determined that the 6" AB should be applied to ALL trench repair in this contract, though the bidder is still required to make all verifications and include in their bid the estimated value of 5" AC paving based on all of the information provided.

Additional Questions:

The following questions were asked by qualified bidders:

Regency-Pacific Development Corporation

BY: [Signature] - P.B.S.

3/9/15



Addendum No. 4

Project No. 2015-01EL

Lincoln St., Airport and City Yard Electrical Distribution Improvements

Pre-Bid Meeting Notes and Scope of Work Clarifications

Revisions to Drawings and Specifications

None

Due to the significant amount of clarifications provided, please sign and date the bottom of this addendum to verify your receipt. Please include signed addendums with your bid.

Scope of Work Clarifications

None

Additional Questions:

The following questions were asked by qualified bidders:

1. How much does the generator weigh?

Ans: The generator weighs about 8,800 lbs.

2. Bid schedule II item #13 protective barriers Qty 14 per SD 600-06 shows standard or removable. How many of each should we use for calculating or bid as they are way different in price? 7 ea are shown on E-1226 in dirt behind the curb. Where are the others located so we can price them accordingly E.g. in AC/concrete or in dirt?

Ans: All protective barriers will be non-removable, and set in a concrete base. Only install where shown on the E-1226 plan.

3. Can we assume that we can use your water in plant for construction w/o a meter, or do we have to get a construction meter and pay for the water itself? If so what is cost for water & meter?

Ans: It would be at the discretion of the COB Water Department whether or not a meter will be necessary. If so, one would be provided to you free of charge. The only reason that the water is metered is so that the City can separate usage for construction activities.

4. Can we assume that the City will supply the Encroachment permits for the road crossing on Hathaway ST and entering the ROW for the airport work? These would be hard to calculate the costs before bid time to comply with their contents. Owner should have these acquired already as they are the applying agency for their utility crossing encroachment.

Regency-Pacific Development Corporation
BY: _____

3/9/15

BID SCHEDULE

PROJECT NO. PROJECT NO. 2015-01EL, "Lincoln St., Airport and City Yard Electrical Distribution Improvements"

BID SCHEDULE I: LINCOLN ST. AND CITY YARD IMPROVEMENTS

The Bid Schedule includes Bid Items 1 through 7. The work of each Bid Item is specified or shown in the Contract documents.

Bidder will perform and complete the work in accordance with the Contract documents for the following Lump Sum and Unit Prices.

A Lump Sum or Unit Price, as applicable, shall be offered for each Bid Item; failure to do so shall render the Bid non-responsive. All prices shall be in legible figures (not words) written in ink or typed. Unit Prices shall be multiplied by the Estimated Quantity ("Est. Qty.") to calculate the Extended Amount.

Lump Sum Items: the bidder is to provide the price to perform all work as specified or shown herein, including labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing this work.

Unit Price Items: the bidder is to provide a unit price and should include all labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing the work. The Contractor will be compensated for the actual unit quantities performed in accordance with the terms and conditions set forth in the Contract.

Bid Lump Sum and Unit Prices shall include all applicable taxes.

The Schedule I Bid Price shall be the sum of the amounts for Bid Items 1 through 7.

Having carefully examined the Contract documents, as well as the site of the work, and the availability of materials and labor, Bidder proposes to perform the work identified in the Contract documents under the terms and conditions contained herein for the prices and amounts set forth below.

Bid Schedule I pertains to all work as shown in drawings ES0.00, ES1.10, ES1.11, ES6.10, and ES6.12

| Bid Item | Description | Est. Qty. | Unit | Unit Price | Total |
|----------|--|-----------|------|------------|----------|
| 1 | Potholing | | LS | | \$2400 |
| 2 | Trench Excavation, Native Backfill, and Slurry Encasement over Primary Conduit | | LS | | \$30,000 |

| Bid Item | Description | Est. Qty. | Unit | Unit Price | Total |
|-----------------------------|---|-----------|------|----------------------|-----------|
| 3 | Installation of Components including All Conduit, Wire, Raceways, Pull Boxes, Panelboards, Transformers, and Equipment Pads | | LS | | \$135,000 |
| 4 | Procure and Install Main Switchgear with Automatic Transfer Switch | | LS | | \$35,000 |
| 5 | Site Paving, Concrete, Landscape and Striping Repair | | LS | | \$16,000 |
| 6 | All Unidentified Components | | LS | | \$16,000 |
| 7 | Installation of Lighting Components | | LS | | \$11,000 |
| SCHEDULE I BID PRICE | | | | \$ 245,400.00 | |

SCHEDULE I BID AMOUNT IN WORDS: TWO HUNDRED FORTY FIVE THOUSAND

FOUR HUNDRED AND NO/100 DOLLARS

NOTE: This Bid Schedule will be included by the Contractor as a part of their bid. The City of Banning reserves the right to reduce quantities without a change in the Contractor's Bid Prices, due to a possible reduction in funding, at the time of contract award.

**PROJECT NO. PROJECT NO. 2015-01EL, "Lincoln St., Airport and City Yard Electrical
Distribution Improvements"**

BID SCHEDULE II: AIRPORT ELECTRICAL DISTRIBUTION IMPROVEMENTS

The Bid Schedule includes Bid Items 1 through 17. The work of each Bid Item is specified or shown in the Contract documents.

Bidder will perform and complete the work in accordance with the Contract documents for the following Lump Sum and Unit Prices.

A Lump Sum or Unit Price, as applicable, shall be offered for each Bid Item; failure to do so shall render the Bid non-responsive. All prices shall be in legible figures (not words) written in ink or typed. Unit Prices shall be multiplied by the Estimated Quantity ("Est. Qty.") to calculate the Extended Amount.

Lump Sum Items: the bidder is to provide the price to perform all work as specified or shown herein, including labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing this work.

Unit Price Items: the bidder is to provide a unit price and should include all labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing the work. The Contractor will be compensated for the actual unit quantities performed in accordance with the terms and conditions set forth in the Contract.

Bid Lump Sum and Unit Prices shall include all applicable taxes.

The Schedule II Bid Price shall be the sum of the amounts for Bid Items 1 through 17.

Having carefully examined the Contract documents, as well as the site of the work, and the availability of materials and labor, Bidder proposes to perform the work identified in the Contract documents under the terms and conditions contained herein for the prices and amounts set forth below.

Bid Schedule II pertains to all work as shown on drawing E-1226.

| Bid Item | Description | Est. Qty. | Unit | Unit Price | Total |
|----------|-----------------------|-----------|------|------------|---------|
| 1 | Potholing | 1 | LS | | \$1,805 |
| 2 | Permits and Licensing | 1 | LS | | \$500 |

| Bid Item | Description | Est. Qty. | Unit | Unit Price | Total |
|------------------------------|---|-----------|------|----------------------|----------|
| 3 | Traffic Control | 1 | LS | | \$4,600 |
| 4 | Trench Excavation and Native Backfill for primary up to 60" (36" minimum cover depth) | 1,800 | LF | \$11 | \$19,800 |
| 5 | Trench Excavation and Native Backfill for secondary with minimum 24" cover depth | 140 | LF | \$12 | \$1,680 |
| 6 | Installation of Conduit (including all sweeps) | 6,200 | LF | \$16 | \$99,200 |
| 7 | Slurry Backfill* | 225 | CY | \$105 | \$23,625 |
| 8 | Installation of Hand hole | 2 | EA | \$200 | \$400 |
| 9 | Installation of PVC Risers at Poles | 40 | LF | \$15 | \$600 |
| 10 | Installation of Single-Phase Transformer Pad | 1 | EA | \$1500 | \$1,500 |
| 11 | Installation of Switch Vault | 1 | EA | \$8000 | \$8,000 |
| 12 | Installation of Vault | 2 | EA | \$10,000 | \$20,000 |
| 13 | Installation of Protective Barriers | 14 | EA | \$110 | \$1,540 |
| 14 | Concrete Sidewalk and Pavement Restoration | 5 | CY | \$150 | \$750 |
| 15 | Asphalt Concrete Pavement Restoration, including Type II Aggregate Base Course | 1,400 | SF | \$5 | \$7000 |
| 16 | Grind and Overlay 1/10 ft. Thick (Street) | 4,000 | SF | \$1 | \$4000 |
| 17 | Landscape Restoration | 1 | LS | | \$800 |
| SCHEDULE II BID PRICE | | | | \$ 195,800.00 | |

SCHEDULE II BID AMOUNT IN WORDS: ONE HUNDRED NINETY FIVE THOUSAND
EIGHT HUNDRED AND NO/100 DOLLARS

* Slurry Backfill shall constitute a unit price adjustment to Bid Items 4 and 5. The unit price adjustment shall include all costs associated with the use of Slurry Backfill in lieu of native

material for trench backfill, including the removal and disposal of surplus native material not used in the work. The unit price adjustment shall be made when Slurry Backfill is called for on the Drawings or as directed by the City. The unit price adjustment shall not be made when Slurry Backfill is used at the Contractor's decision in place of native backfill.

NOTE: This Bid Schedule will be included by the Contractor as a part of their bid. The City of Banning reserves the right to reduce quantities without a change in the Contractor's Bid Prices, due to a possible reduction in funding, at the time of contract award.

TOTAL BID AMOUNT IN FIGURES – SCHEDULES I + II: \$ 441,200.00

TOTAL BID AMOUNT IN WORDS: FOUR HUNDRED FORTY ONE THOUSAND
TWO HUNDRED AND NO/100 DOLLARS

NON COLLUSION AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF Riverside

Regency-Pacific Development Corporation, being first duly sworn, the party making the
(Name of Bidder)

foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bid or any other bid, or to fix any overhead, profit or cost element of the bid price, or of that of any other bid, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

(Signature)

Leo J. Kramer - President

(Typed Name)

SUBSCRIBED BEFORE ME on this day of , 2015.

~~Notary Public~~

My commission Expires: _____

See
attachment

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1 _____
2 _____
3 _____
4 _____
5 _____
6 _____

Signature of Document Signer No. 1 Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

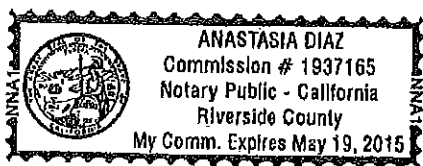
State of California
County of Riverside

Subscribed and sworn to (or affirmed) before me
on this 3 day of March, 2015,
by Date Month Year

(1) Leo J. Kramer

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.



Signature Anastasia Diaz
Signature of Notary Public

Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: non conclusion Affidavit Document Date: March 3, 2015

Number of Pages: 1 Signer(s) Other Than Named Above: _____

BID SECURITY OR BOND

There is enclosed herewith bid security or bond in the following form (check one):

- ☐ Cash (10%)
- ☐ Cashier's Check or Certified Check (10%)
- ☒ Bond - 1 Surety (10%)

in the sum of _____ (10) percent of the base bid of _____ (\$ _____), made payable to the order of the City of Banning, and the undersigned agrees that in case of his failure to execute the necessary Contract and furnish the required bonds and insurance certificates, the cashier's check or surety bond and the money payable thereon shall be and remain the property of the CITY OF BANNING.

WITHDRAWAL OF BID

The Bidder agrees that this Bid shall be good and may not be withdrawn for a period of forty-five (45) calendar days after the scheduled closing time for receiving Bids.

VISITING THE SITE

The undersigned has thoroughly examined the Location Map and Addenda (if any), has visited the site, and is thoroughly familiar with the contents and all of the conditions thereof. The undersigned is aware of and will observe all security regulations enforced at this facility. Contractor understands that the project site consists of various locations, throughout the City.

DESIGNATION OF SUBCONTRACTORS

In compliance with the provisions of Section 4100 - 4108 of the Public Contract Code of the State of California, and any amendments thereto, each Bidder shall set forth below, the name and location of the mill, shop, or office of each subcontractor who will perform work or labor, or render service to the Contractor in an amount in excess of one-half ($\frac{1}{2}$) of one (1) percent of the total Bid to be performed under the Contract, he shall be deemed to have agreed to perform such portion himself and he shall not be permitted to subcontract that portion of the work except under conditions permitted by law.

LIST OF SUBCONTRACTORS

Subletting or subcontracting of any portion of the work as to which no subcontractor was designated in the original Bid shall only be permitted in case of public emergency or necessity, or otherwise permitted by law, and then only after a finding reduced to writing as a public record of the Owner.

LIST OF SUBCONTRACTORS

| | | |
|------------|-------------------------------|---|
| NAME: | License No and Classification | DBE/MBE __Yes __No |
| ADDRESS: | Telephone: Fax: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

| | | |
|------------|-------------------------------|---|
| NAME: | License No and Classification | DBE/MBE __Yes __No |
| ADDRESS: | Telephone: Fax: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

| | | |
|------------|-------------------------------|---|
| NAME: | License No and Classification | DBE/MBE __Yes __No |
| ADDRESS: | Telephone: Fax: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

LIST OF MATERIAL SUPPLIERS

| | | |
|---|--|---|
| NAME: C.E.D. | MATERIAL(S) TO BE SUPPLIED Conduit, Wire | |
| ADDRESS: 252 W. 4th Street | Telephone: 951-922-2232 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Beaumont, CA 92223 | Bid Item No. 3 | % of Total bid 10% |

| | | |
|---|---|---|
| NAME: Main Electrical Supply | MATERIAL(S) TO BE SUPPLIED Conduit & Wire | |
| ADDRESS: 3600 W. Segerstrom Avenue | Telephone: 657-622-4506 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Santa Ana, CA 92704-6408 | Bid Item No. 6 | % of Total bid 20% |

| | | |
|---|---|---|
| NAME: One Source Distributors | MATERIAL(S) TO BE SUPPLIED Gear, Transformer, Panelboards | |
| ADDRESS: 22075 Commerce Way | Telephone: 909-783-1000 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Grand Terrace, CA 92313-5401 | Bid Item No. 4 | % of Total bid 75% |

LIST OF MATERIAL SUPPLIERS - cont.

| | | |
|---|---|--|
| NAME: Jensen Precast | MATERIAL(S) TO BE SUPPLIED Slab Box & Vaults | |
| ADDRESS: 14221 San Bernardino Avenue | Telephone: 909-350-4111 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Fontana, CA 92335 | Bid Item No. 3, 10, 11, & 12 | % of Total bid 5% |

| | | |
|------------|----------------------------|---|
| NAME: | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: | Telephone: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

| | | |
|------------|----------------------------|---|
| NAME: | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: | Telephone: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

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LIST OF MATERIALS

The Contractor shall submit this sheet with his Bid, completed, to list details of materials he intends to use. It shall be understood that where the Contractor elects not to use the material manufacturers called for in the Contract documents he will substitute only items of equal quality, durability, functional character and efficiency as determined by the Engineer. It is the Contractor's responsibility to ascertain prior to bidding the acceptability of substitutes. No adjustment to the Contract price will be made for Contractor's failure to seek approval of substitutes prior to submitting its bid, except as permitted herein. Only one manufacturer shall be listed for each item.

| Item # | Item or Material Description | Qty | Manufacturer | Make & Model Number | Vendor / Supplier |
|------------|------------------------------|--------|------------------|---------------------|-------------------|
| | | | | | |
| 6 | Conduit | Varies | Cantex | Varies | Main Electrical |
| 3 | Wire | Varies | Southwire | Varies | CED |
| 4 | Switchgear | 1 | General Electric | TBD | One Source |
| 4 | Transformer | 5 | General Electric | TBD | One Source |
| 4 | Panel Boards | 10 | General Electric | Varies | One Source |
| 10,11 & 12 | Vaults | 3 | Jensen Precast | TBD | Jensen Precast |
| 3 | Slab Box | 1 | Jensen Precast | TBD | Jensen Precast |
| | | | | | |
| | | | | | |
| | | | | | |

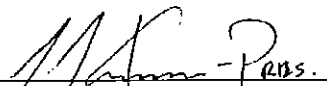
No change shall be allowed of any material manufacturer listed above after receipt of Bids unless the manufacturer so listed cannot furnish materials meeting the Specifications. Should such change be allowed, there will be no increase in the amount of the Bid originally submitted.

ANTI-TRUST CLAIM

In submitting a Bid to a public purchasing body, the Bidder offers and agrees that if the Bid is accepted, it will assign to the purchasing body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, materials, or services by the Bidder for sale to the purchasing body pursuant to the Bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the Bidder.

DECLARATION OF ACCURACY

I, the undersigned, declare under penalty of perjury that the information presented in this bid, including without limitation the Contractor's license number and expiration date, are true and correct to the best of my knowledge. The bid of any Bidder not signed by the Bidder, or not containing the Bidder's license number and license expiration date, or containing information which is subsequently proven false, shall be considered nonresponsive and shall be rejected.



Signature

President

Title

March 9, 2015

Date

555936

Contractor's License No.

33-0261128

Federal ID No. (If applicable)

(SEAL - if Bid is by a corporation)

ATTEST

1440 Beaumont Ave., STE A2-300

Address

Beaumont, CA 92223

City, State, Zip

951-797-6559

Telephone

A, C10, B, C8, C27, C36, C46

Type of License

5/31/2016

Expiration Date of License

CERTIFICATION
LABOR CODE - SECTION 1861

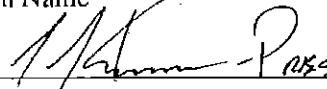
I, the undersigned Contractor, am aware of the provisions of Section 3700 et. Seq. of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work of this Contract.

Contractor agrees to utilize federal job classifications for the submittal of the certified payrolls and further agrees to pay all of its employees the higher of the prevailing State or Federal wages.

CONTRACTOR:

Regency-Pacific Development Corporation

Firm Name

By 

President

Title

QUESTIONNAIRE REGARDING BIDDERS

Number of years engaged in the contracting business under present business name 25+

List of at least the last three contracts performed which show experience in working on a project of a nature similar to that covered in this proposal. If none, so indicate. Attach separate list of references if necessary.

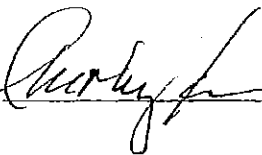
| Year | | Type of Work | Contract Amt. | Location | Contact person/phone |
|------|------|--|---------------|--------------------------------------|----------------------------------|
| 1 | 2014 | Server Building & Data Center | \$629,290 | City of Redlands | Greg Brooks 909-798-7597 #5 |
| 2 | 2013 | (EIS) Electrical & SCADA Consolidation Project | \$227,100 | San Bernardino Municipal Water Dept. | Steve Miller 909-384-7221 |
| 3 | 2011 | Banning City Hall Lighting Retrofit | \$22,484 | City of Banning | Steve Parker 951-922-3292 |
| 4 | 2011 | San Bernardino Co. Fleet management Elec. | \$183,928 | San Berandrino, CA | Archie Cummings 909-838-8195 |
| 5 | 2009 | Bermuda Dunes Community Service Cntr | \$760,993 | Bermuda Dunes, CA | Joaquin Tijerina 760-863-2529 |
| 6 | 2010 | Barstow Comm. College Transformer Replacement | \$211,604 | Barstow, CA | Bruce Russell 661-327-1690 |
| 7 | | | | | |

State of California Contractor's License No.: 555936

Contractor's License Expiration Date: 5/31/2016

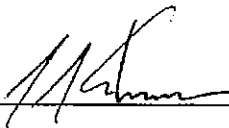
CORPORATE CERTIFICATE

I, Shirley Kramer, certify that I am the Corporate Secretary of the Regency-Pacific Development Corporation Corporation named as CONTRACTOR in the foregoing contract; that Leo J. Kramer, who signed said contract on behalf of the CONTRACTOR was then President of said corporation; and that said contract was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

Name:  - sec.

(SEAL)

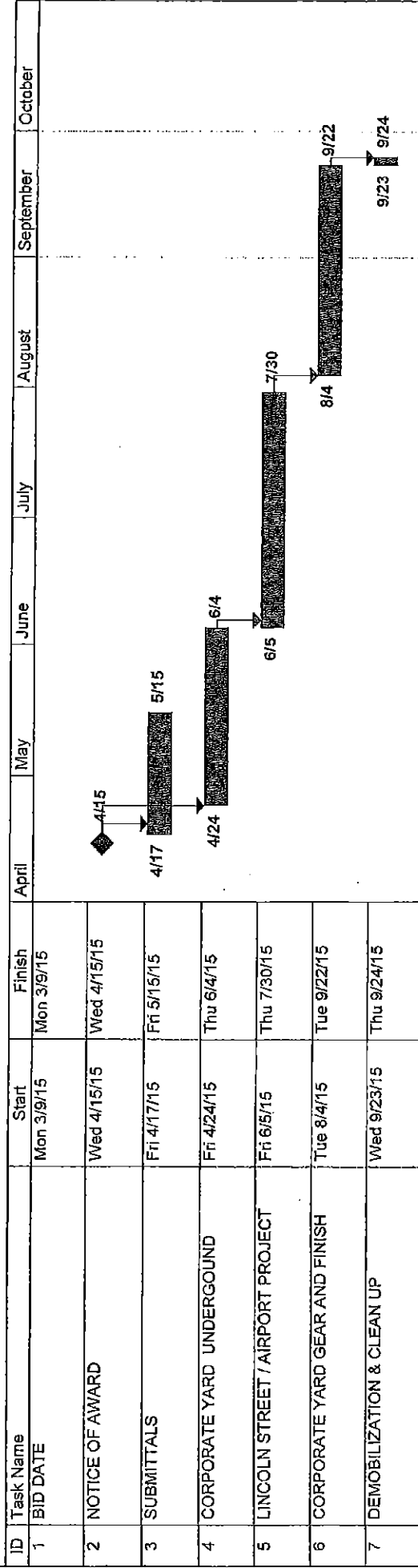
ATTEST:



Name Leo J. Kramer
(Please Print)

Title President

PRELIMINARY CONSTRUCTION SCHEDULE CITY OF BANNING - LINCOLN STREET/AIRPORT & CORPORATE YARD ELECTRICAL PROJECT



453

Date: Fri 3/6/15

| | | | | | |
|-----------|--|---------------------|--|------------------|--|
| Task | | Rolled Up Task | | External Tasks | |
| Progress | | Rolled Up Milestone | | Project Summary | |
| Milestone | | Rolled Up Progress | | Group By Summary | |
| Summary | | Split | | | |

SECTION 1.5
OF
PROCEDURAL DOCUMENTS

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, REGENCY-PACIFIC DEVELOPMENT CORPORATION, as Principal, and NORTH AMERICAN SPECIALTY INSURANCE COMPANY, as Surety, are hereby held and firmly bound unto the CITY OF BANNING as Owner in the penal sum of TEN PERCENT OF GREATER AMOUNT BID for payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns.

Signed, this 2ND day of MARCH, 2015. The Condition of the above obligation is such that whereas the Principal has submitted to the CITY OF BANNING a certain Bid; attached hereto and hereby made a part hereof to enter into a contract in writing for the

Project No. 2015-01EL, "Lincoln St., Airport and City Yard Electrical Distribution Improvements"

NOW, THEREFORE,

- A. If said Bid shall be rejected, or
- B. If said Bid shall be accepted and the Principal shall execute and deliver, within fifteen (15) days after the Notice of Award, a contract in the form attached hereto (properly completed in accordance with said Bid) and shall furnish a Bond for his faithful performance of said Contract and for the payment of all persons performing labor or furnishing materials in connection therewith, the required Insurance Certificates, and shall in all other respects perform the agreement created by the acceptance of said Bid, then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims there under shall, in no event, exceed the penal amount of this obligation as herein stated.

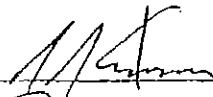
The Surety, for value received, hereby stipulates and agrees that the obligation of said Surety and its Bond shall be in no way impaired or affected by any extension of the time within which the Owner may accept such Bid; and said Surety does hereby waive notice of any such extension.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

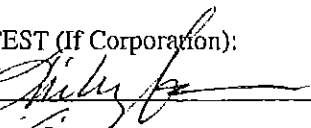
IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Two Witnesses
(If Individual):

REGENCY-PACIFIC
Principal: DEVELOPMENT CORPORATION

By: 
Title PRESIDENT

ATTEST (If Corporation):

By 
Title Sec.

(Corporate Seal)

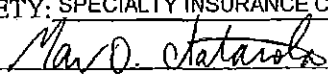
NORTH AMERICAN
SURETY: SPECIALTY INSURANCE COMPANY

ATTEST:

By _____

Title _____

(Corporate Seal)

By: 
Title MARK D. IATAROLA, ATTORNEY-IN-FACT

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance code.

Any claims under this bond may be addressed to:

(Name and Address of Surety)

NORTH AMERICAN
SPECIALTY INSURANCE COMPANY
6 HUTTON CENTRE DRIVE, SUITE 850
SANTA ANA, CA 92707

(Name and address of Agent or Representative in California, if different from above)

MALONEY AND ASSOCIATES
435 WEST GRAND AVENUE
ESCONDIDO, CA 92025

(Telephone number and address of Surety and Agent or Representative in California)

714/550-7799 (SURETY)
6 HUTTON CENTRE DRIVE, SUITE 850, SANTA ANA, CA 92707

760/738-2610 (AGENT)
435 WEST GRAND AVENUE, ESCONDIDO, CA 92025

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

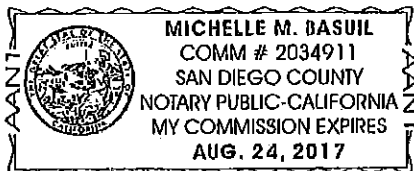
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of SAN DIEGO)
 On 3/2/2015 before me, MICHELLE M. BASUIL, NOTARY PUBLIC
 Date Here Insert Name and Title of the Officer
 personally appeared MARK D. IATAROLA
 Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Michelle M. Basuil
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: MARK D. IATAROLA

- ☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☒ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

- ☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Schaumburg, Illinois, each does hereby make, constitute and appoint:

JOHN G. MALONEY, HELEN MALONEY, MICHELLE M. BASUIL,

GLENDIA J. ROONEY, and MARK D. IATAROLA

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By

Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By

David M. Layman, Vice President of Washington International Insurance Company
& Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 9th day of May, 2014.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook

SS:

On this 9th day of May, 2014, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and David M. Layman, Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



Donna D. Sklens, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 2ND day of MARCH, 2015.

Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company