

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER  
21-PLHA-17150

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME  
City of Merced

2. The term of this Agreement is:

START DATE  
Upon HCD Approval

THROUGH END DATE  
06/30/2030

3. The maximum amount of this Agreement is:  
\$1,324,969.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	PLHA Program Terms and Conditions	9
Exhibit E	Program-Specific Provisions and Special Conditions	2
TOTAL NUMBER OF PAGES ATTACHED		19

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

City of Merced

CONTRACTOR BUSINESS ADDRESS 678 West 18th Street	CITY Merced	STATE CA	ZIP 95340
---	----------------	-------------	--------------

PRINTED NAME OF PERSON SIGNING <i>Stephanie Dietz</i>	TITLE <i>City Manager</i>
CONTRACTOR AUTHORIZED SIGNATURE <i>Stephanie Dietz</i>	DATE SIGNED <i>5/16/2022</i>

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME  
Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS 2020 W. El Camino Ave., Suite 130	CITY Sacramento	STATE CA	ZIP 95833
---	--------------------	-------------	--------------

PRINTED NAME OF PERSON SIGNING <i>Shaun Singh</i>	TITLE Contracts Manager, Business & Contract Services Branch
CONTRACTING AGENCY AUTHORIZED SIGNATURE <i>Shaun Singh</i>	DATE SIGNED <i>5/20/2022</i>

California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

APPROVED AS TO FORM:

*[Signature]* *5/5/2022*

Date

City Attorney

Account Number: n/a

Amount: n/a

VERIFIED

BY: [Signature]  
Finance Officer

FINANCE ENTRY	
Contract No:	301961
Vendor Number:	n/a
P.O. Number:	n/a
Funds Available:	No funds to encumber <u>MF 5/12/22</u> 05/12/22

MG# 14336 - 5/13/22 [Signature]

FL 5/13/22

ATTEST:  
CITY CLERK  
[Signature]  
BY \_\_\_\_\_  
Assistant/Deputy City Clerk



**EXHIBIT A**

**AUTHORITY, PURPOSE AND SCOPE OF WORK**

**1. Authority**

Pursuant to Part 2 Chapter 2.5 of Division 31 of the Health and Safety Code (commencing with Section 50470) Statutes of 2017 (SB 2, Atkins), which created the Building Homes and Jobs Trust Fund and the Permanent Local Housing Allocation (“PLHA”) Program (“Program”), this Standard Agreement along with all its exhibits (the “Agreement”) is entered under the authority of and in furtherance of the Program. Pursuant to Health and Safety Code, Section 50470 (b), the California Department of Housing and Community Development (referred to herein as “HCD” or “Department”) has issued a Notice of Funding Availability (the “NOFA”), dated February 26, 2020, to govern administration of the fund and carry out the Program.

**2. Purpose**

In accordance with the authority cited above, an application was made to the State (the “Application”) for assistance from the Program for the purpose of making funding available to eligible local governments in California for housing related projects and programs that assist in addressing the unmet housing needs of their local communities. By entering into this Agreement and thereby accepting the award of the PLHA grant funds (the “Grant”), the Contractor (sometimes referred to herein as the “Applicant”) agrees to comply with the terms and conditions of the NOFA, this Agreement, the representations contained in the Application, and the requirements of the authorities cited above.

**3. Definitions**

Capitalized terms not otherwise defined herein shall have the meaning of the definitions set forth in Health and Safety Code Section 50470 and Section 101 of the Guidelines.

**4. Scope of Work**

- A. The scope of work (“Work”) for this Agreement shall consist of one or more of the following eligible uses:
  - 1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.

**EXHIBIT E**

**2. Special Conditions**

The following Special Conditions are applicable to this Standard Agreement:

None.

Year	2022	2021	2020	2019	2018	2017
Administrative Costs	0	0	0	0	0	0
Medical Services	0	0	0	0	0	0
Program Support	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Permanent Local Housing Allocation (PLHA) Program – Grant  
 NOFA Date: (RD 1) 02/26/2020, (RD 2) 05/03/2021  
 Approved Date: 10/05/2020  
 Prep. Date: 03/29/2022

**EXHIBIT E**

**PROGRAM-SPECIFIC PROVISIONS AND SPECIAL CONDITIONS**

**1. Program-Specific Provisions**

The following are project-specific terms and conditions (referred to as enumerated provision(s) for ease of reference in prior exhibits) and shall inform the references made to project-specific information not contained in those prior exhibits.

**Budget Detail:**

Contractor has been awarded the following grant activity amounts for 2019: **\$518,719**

Contractor has been awarded the following grant activity amounts for 2020: **\$806,250**

Estimated five year allocation may not exceed: **\$3,112,314**

**Payees:**

A. The authorized Payee(s) is/are as specified below:

Name: **City of Merced**

Amount for 2019 and 2020: **\$1,324,969**

**Plan:**

The City of Merced will utilize 95% of its five-year allocation to support the development of multifamily housing dedicated to households with incomes at or below 60% of AMI.

<b>Funding Allocation Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Type of Activity	(3) Matching portions of funds placed into Local or Regional Housing Trust Funds				
Percentage of Funds Allocated for Each Activity	95%	95%	95%	95%	95%
Area Median Income Level Served	30%	30%	30%	30%	30%
Administrative Costs	5%	5%	5%	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**EXHIBIT D**

**13. Special Conditions Contractors and Subrecipients**

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit E. These conditions shall be met to the satisfaction of the Department prior to disbursement of funds. The Contractor shall ensure that all Subrecipients are made aware of and agree to comply with all conditions of this Agreement and the applicable State requirements governing the use of Grant funds. The Contractor shall ensure that all Subrecipients are qualified to do business and in good standing with the California Secretary of State and the California Franchise Tax Board. Failure to comply with these conditions may result in cancellation of this Agreement.

**14. Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Contractor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Grant, the Contractor, its Subrecipients, and any other Grant activity.

**15. Litigation**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Contractor shall notify the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**EXHIBIT D**

**10. Termination**

- A. The Department may terminate this Agreement at any time for cause by giving a minimum of thirty days' notice of termination, in writing, to the Contractor. Cause shall consist of, violations of any terms and/or special conditions of this Agreement, the PLHA Statutes, or the NOFA. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Contractor shall be returned to the Department within thirty days of the notice of termination.
- B. This Agreement is subject to any additional restrictions, limitations or conditions, or statute, regulations or any other laws, whether federal or those of the State of California, or of any agency, department, or any political subdivision of the federal or the State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. The Department has the option to terminate this Agreement under the thirty-day cancellation clause or to amend this Agreement to reflect any reduction of funds.

**11. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Contractor of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**12. Relocation**

Contractor shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the State.

**EXHIBIT D**

- 2) Use of, or permitting the use of, Grant funds provided under this Agreement for any ineligible costs or for activities not approved under this Agreement.
  - 3) Any failure to comply with the deadlines set forth in this Agreement.
- B. In addition to any other remedies that may be available to the Department in law or equity for breach of this Agreement, the Department may:
- 1) Bar the Contractor from applying for future PLHA and other HCD funds;
  - 2) Revoke any other existing PLHA award(s) to the Contractor;
  - 3) Require the return of any unexpended PLHA funds disbursed under this Agreement;
  - 4) Require repayment of PLHA funds disbursed and expended under this agreement;
  - 5) Require the immediate return to the Department of all funds derived from the use of PLHA funds including, but not limited to recaptured funds and returned funds;
  - 6) Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with the PLHA Program requirements; and,
  - 7) Seek such other remedies as may be available under the relevant agreement or any law.
- C. All remedies available to the Department are cumulative and not exclusive.
- D. The Department may give written notice to the Contractor to cure the breach or violation within a period of not less than fifteen days.

**EXHIBIT D**

- B. The Contractor agrees that the Department or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Contractor agrees to provide the Department or its designee, with any relevant information requested. The Contractor agrees to permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with the PLHA Statutes, the NOFA, and this Agreement.
- C. The Contractor further agrees to retain all records for a period of five years after the end of the term of this Agreement:
  - 1) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues, which arise from it.
  - 2) The Contractor also agrees to include in any contract that it enters into in an amount exceeding \$10,000, the Department's right to audit the contractor's records and interview their employees. The Contractor shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.
- D. The determination by the Department of the eligibility of any expenditure shall be final. If the eligibility of any expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and HCD shall determine the reimbursement method for the amount disallowed.
- E. The Contractor shall retain all books and records relevant to this Agreement for a minimum of five years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.

**9. Breach and Remedies**

- A. The following shall each constitute a breach of this Agreement:
  - 1) Contractor's failure to comply with the terms of this Agreement.

**EXHIBIT D**

- 2) Amounts awarded to Subrecipients with the activity(ies) identified;
  - 3) Identification of the Eligible Activities upon which the Contractor expended program funds, and the income levels of households assisted and the affordability level for any units assisted; and,
  - 4) Close out report for contracts that were fully expended and in which all activities funded were completed during the fiscal year.
- C. The Department may request additional information as needed to meet other applicable reporting or audit requirements.
- D. The Contractor is responsible for the completion of audits and all costs of preparing audits.
- E. The Department reserves the right to perform or cause to be performed a financial audit. At the Department's request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- F. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 24 CFR 85.36.
- 1) The Contractor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.
  - 2) The Contractor is responsible for the completion of audits and all costs of preparing audits.
  - 3) If there are audit findings, the Contractor must submit a detailed response acceptable to the Department for each audit finding within ninety (90) days from the date of the audit finding report.

**8. Retention and Inspection of Records**

- A. The Contractor is responsible for maintaining records, which fully disclose the activities funded by the Grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Grant funds.

**EXHIBIT D**

**5. Core Practices**

- A. A Contractor or Subrecipient must provide eligible activities in a manner consistent with the housing first practices described in California Code of Regulations, title 25, section 8409(b)(1)-(6). A Contractor or Subrecipient allocated funds for eligible activities that provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.

**6. Monitoring Grant Activities**

- A. Contractor shall monitor the activities selected and awarded by them to ensure compliance with PLHA requirements. An onsite monitoring visit of Subrecipients and any other service providers shall occur whenever determined necessary by the Contractor, but at least once during the Grant period.
- B. The Department will monitor the performance of the Contractor based on a risk assessment and according to the terms of this Agreement. The Department may also monitor any Subrecipients of the Contractor as the Department deems appropriate based on a risk assessment.
- C. As requested by the Department, the Contractor shall submit to the Department all PLHA monitoring documentation necessary to ensure that Contractor and its Subrecipients are in continued compliance with PLHA requirements. Such documentation requirements and the submission deadline shall be provided by the Department at the time such information is requested from the Contractor.

**7. Reporting/Audits**

- A. Commencing with the Effective Date of this Agreement and continuing through the Expiration Date, the Contractor shall submit an annual report to the Department by July 31 of each year that reports all activities from the previous fiscal year (7/1–6/30), on forms provided by the Department.

The first report will be due on July 31, 2021 and will report all activities from date of initial fund disbursement through June 30, 2021.

- B. The annual report shall contain a detailed report which must include, at a minimum:
- 1) Identification of the Eligible Activities to which the Contractor committed program funds, and the income levels of households assisted.

**EXHIBIT D**

- 6) The Plan is required to be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than ten percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- 7) If funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
  - a) PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with the Eligible Activities per Section 301 of the Guidelines; or,
  - b) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or,
  - c) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds of the equity-sharing agreement consistent with the Eligible Activities per Section 301 of the Guidelines.
- 8) If funds are used for the development of an affordable rental housing project, the Local government shall make the PLHA assistance in the form of a loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust.
- 9) A program income reuse plan describing how repaid loans shall be reused for eligible activities specified in Section 301 of the Guidelines.

## EXHIBIT D

### 4. Eligible Activities

Grant funds awarded to the Contractor and expended by either the Contractor or any entity to which Contractor awards funds shall be used for the eligible activities set forth in Exhibit A as required by the PLHA Statutes. The following additional requirements shall apply:

- A. Each Contractor shall submit a Plan detailing:
- 1) The manner in which allocated funds will be used for eligible activities.
  - 2) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below sixty percent of AMI. Programs targeted at households at or below sixty percent of AMI will be deemed to meet this requirement.
  - 3) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
  - 4) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
  - 5) The following for each proposed Activity:
    - a) A description of each proposed Activity, pursuant to Section 301 of the Guidelines and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to Affordable Owner-Occupied Workforce Housing (AOWH).
    - b) The projected number of households to be served at each income level and a comparison to the unmet share of the Regional Housing Needs Allocation (RHNA) at each income level.
    - c) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
    - d) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least fifty-five years.

EXHIBIT D

**PLHA PROGRAM TERMS AND CONDITIONS**

**1. Effective Date, Commencement of Work**

This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD 213. Contractor agrees that work under this agreement shall not commence until execution of the STD 213, (the "Effective Date").

**2. Strict Compliance**

Contractor will strictly comply with the terms, conditions and requirements of the Permanent Local Housing Allocation (PLHA) Statutes, Guidelines, the Notice of Funding Availability (NOFA), and this Agreement.

**3. Contractor's Application for Funds**

- A. Contractor has submitted to the Department an Application for a Grant under the Program. The Department is entering into this Agreement based on, and in substantial reliance upon, Contractor's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. Contractor warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of Contractor's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect the Department's approval, disbursement, or monitoring of the funding and the Grants or activities governed by this Agreement, then the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

**EXHIBIT B**

**5. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act of the subsequent years covered under this Agreement does not appropriate sufficient funds for the program this Agreement shall remain in force and effect until the time of notice of reduced or terminated appropriation, The Agreement shall be terminated by the State by providing Contractor written notice of not less than thirty days prior to the effective date of the termination. In the event of termination by the State due to lack of Budget appropriation, the State and Contractor shall be relieved of any and all obligations under this Grant Agreement on the effective date of termination and the Contractor shall return the amount for subsequent year allocations.
  
- B. Subject to Section 5A. above, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the current Grant Agreement and amount allocated to Contractor.

**EXHIBIT B**

- B. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be reduced proportionate to those years already allocated, calculated at the time that the appropriation is reduced or terminated and reduced accordingly. All subsequent years shall be terminated, and the grant agreement shall be of no further force and effect, after amounts due for the period upon the reduced appropriation or termination are returned by the Contractor to the State. In this event, the State and Contractor shall be relieved of any and all obligations under this Agreement. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the Agreement and amount allocated to Contractor.

**4. Fiscal Administration**

- A. The Contractor may request a disbursement of 100 percent of total awarded Grant funds after executing the Standard Agreement. Administrative costs related to the planning and execution of eligible activities shall not exceed five percent of the Grant amount.
- B. A separate checking account for the Grant funds is not required. However, the Contractor shall deposit Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities and accounted for in Contractor's annual report.
- C. The Contractor shall make a good faith effort to minimize the number of disbursement requests by anticipating and requesting funds in advance.
- D. The Contractor may request that Grant funds awarded for a certain eligible activity be moved to another activity without an amendment to this Agreement. This request must be made in writing to HCD if the change from one activity to another exceeds ten percent of the grant amount and shall be effective only upon written HCD approval. HCD's decision to approve or deny any such request shall be final, absent fraud, mistake or arbitrariness per Section 302(c)(5).

**EXHIBIT B**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Budget Detail**

The budget detail is contained in Exhibit E in this Agreement.

Contractor will be responsible for maintaining oversight of grant amounts and determining whether an amended PLHA Plan is required due to reallocation of more than ten percent among Activities funded per Section 302(c)(5).

**2. Conditions of Disbursement**

Prior to receiving any Grant funds, the Contractor shall submit the following for the Department's approval:

- A. Government TIN Form, as applicable.
- B. No funding will be disbursed to Contractor unless Contractor and any delegating Local government has an approved Housing Element and is in compliance with the Housing Element Annual Progress Report requirements, pursuant to PLHA Program Guidelines section 302(a) and (b).
- C. Contractor shall not be eligible to receive a new allocation if the Contractor has accrued an uncommitted amount of four times the pending allocation if the pending allocation is \$125,000 or less; or \$500,000 if the pending allocation is greater than \$125,000 and less than \$500,000; or the amount of the pending allocation if the allocation is \$500,000 or more.

**3. Performance**

- A. All funds must be disbursed within fifty-eight months of the budget appropriation. Funds that are not disbursed within fifty-eight months of the budget appropriation will revert to the Housing Rehabilitation Loan Fund.

**EXHIBIT A**

- C. Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.
- D. Any Grant funds which have not been expended by the expenditure deadline shall be disencumbered and revert to the Department. The expenditure deadline is fifty-eight months from the date of the budget appropriation for each year of funds included in this Agreement.

Project Name	Start Date	End Date	Funding Source

**EXHIBIT A**

**5. Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the Division of Financial Assistance, Grant Management Section PLHA Manager or their designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development  
Attention: Permanent Local Housing Allocation (PLHA)  
Grant Management Section, Suite 400  
2020 West El Camino Avenue, CA 95833  
P. O. Box 952050  
Sacramento, CA 94252-2050

**6. Contractor Contract Coordinator**

The Contractor's contract coordinator for this Agreement is the Authorized Representative listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement may be mailed by first class mail, or sent through a commercial courier to the Authorized Representative at the following address:

Authorized Representative Name:	Stephanie Dietz
Authorized Representative Title:	City Manager
Agency Name:	City of Merced
Address:	678 West 18th Street Merced, CA 95340
Phone No.:	(209) 385-6834
Email Address:	DietzS@cityofmerced.org

**7. Effective Date, Term of Agreement, and Deadlines**

- A. This Agreement is effective upon approval by the Department, which is the date executed by all parties (such date, the "Effective Date").
- B. This Agreement shall terminate on June 30, 2030.

**EXHIBIT A**

- 7) Accessibility modifications in Lower-income Owner-occupied housing.
  - 8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
  - 9) Homeownership opportunities, including, but not limited to, down payment assistance.
  - 10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low interest deferred loan to the Affordable housing Project.
- B. A Local government that receives an allocation shall use no more than five percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
- C. Two or more local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
- D. Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

**EXHIBIT A**

- 2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for a term of no less than thirty days.
- 3) Matching portions of funds placed into local or regional housing trust funds.
- 4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- 5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- 6) Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - a) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
  - b) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).



# CITY OF MERCED

**MERCED**

## CITY CLERK'S CERTIFICATE

I, STEPHANIE DIETZ, City Clerk of the City of Merced, California, do hereby certify that the attached document, entitled:

### RESOLUTION 2021-114

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED, CALIFORNIA, AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE PERMANENT LOCLA HOUSING ALLOCATION PROGRAM OF THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; AND THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM


is a true and correct copy of the original on file in the Office of the Merced City Clerk, Merced, California.

DATED: December 22, 2021

STEPHANIE DIETZ,  
CITY CLERK



BY: \_\_\_\_\_

  
JOHN TRESIDDER  
Deputy City Clerk

**RESOLUTION NO. 2021- 114**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF MERCED, CALIFORNIA,  
AUTHORIZING THE SUBMITTAL OF AN  
APPLICATION TO THE PERMANENT LOCAL  
HOUSING ALLOCATION PROGRAM OF THE  
STATE OF CALIFORNIA DEPARTMENT OF  
HOUSING AND COMMUNITY DEVELOPMENT;  
AND THE EXECUTION OF A STANDARD  
AGREEMENT IF SELECTED FOR FUNDING AND  
ANY AMENDMENTS THERETO; AND ANY  
RELATED DOCUMENTS NECESSARY TO THE  
PERMANENT LOCAL HOUSING ALLOCATION  
PROGRAM**

WHEREAS, the City of Merced, a California Charter Municipal Corporation, (“Applicant”), hereby consents to, adopts and ratifies the following resolution:

WHEREAS, the State of California (the “State”) Department of Housing And Community Development (“Department”, HCD) is authorized to provide up to \$304 million under the SB 2 Permanent Local Housing Allocation Program (PLHA) Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))); and,

WHEREAS, HCD issued a Notice of Funding Availability (“NOFA”) dated 05/03/2021 under the PLHA Program; and,

WHEREAS, the Applicant is an eligible Local government applying for the program to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation; and,

WHEREAS, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. If the City of Merced as Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department. Applicant hereby agrees the PLHA plan contains eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent with Merced's Housing Element.

SECTION 2. The City of Merced as Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA \$3,112,314 in accordance with all applicable rules and laws.

SECTION 3. The City of Merced hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

SECTION 4. Pursuant to Section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.

SECTION 5. Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), "entity" means a housing developer or program operator but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation.

**SECTION 6.** Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.

**SECTION 7.** Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.

**SECTION 8.** Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A), (B) and (C).

**SECTION 9.** Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.

**SECTION 10.** Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

**SECTION 11.** The City Manager or Deputy City Manager is hereby authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

///

///

///

///

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 20th day of December 2021, by the following vote:

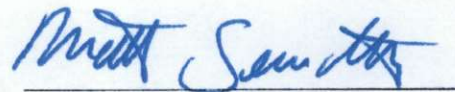
AYES: 7                      Council Members: BLAKE, BOYLE, ECHEVARRIA, ORNELAS, PEREZ, SERRATTO, SHELTON

NOES: 0                      Council Members: NONE

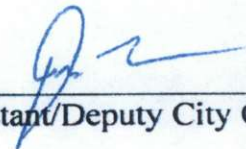
ABSENT: 0                      Council Members: NONE

ABSTAIN: 0                      Council Members: NONE

APPROVED:

  
\_\_\_\_\_  
Mayor

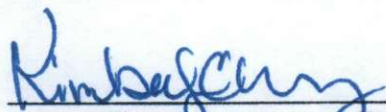
ATTEST:  
STEPHANIE R. DIETZ, CITY CLERK

BY:   
\_\_\_\_\_  
Assistant/Deputy City Clerk



(SEAL)

APPROVED AS TO FORM:

 12/14/21  
\_\_\_\_\_  
City Attorney                      Date