

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF MERCED
AND
MERCED COUNTY HUMAN SERVICES AGENCY – ADMINISTRATIVE ENTITY
CONTRACT NO. _____**

THIS AGREEMENT, is made and entered into by and between the County of Merced, a political subdivision of the State of California, on behalf of the Human Services Agency, acting as the Administrative Entity for the Merced City and County Continuum of Care (hereinafter referred to as "AE") and City of Merced located at 678 West 18th Street, Merced, California (hereinafter referred to as "City").

WHEREAS, County desires to contract with City to fund this matching grant and City agrees to act as the fiscal agent for the administration of this grant to Project; and

WHEREAS, the parties desire to set forth herein the terms and conditions under which said services shall be furnished.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereby agree as follows:

1. SCOPE OF SERVICES

City is the fiscal agent for the conveyance of certain grant funds to Homekey CC915 Merced – 73/77 S R. St. Merced Project and has been and will continue to be the fiscal agent utilizing the Homeless Housing, Assistance, And Prevention Program Round 5 (HHAP 5) funds for this project in accordance with the terms and conditions stated herein, and any specifically referenced attachments hereto.

The following exhibits are specifically incorporated by reference, attached hereto, and made a part hereof, except when in conflict with this Agreement or modified herein:

Attachment A - HOMELESS HOUSING AND ASSISTANCE
PROGRAM (HHAP) TERMS AND CONDITIONS

2. TERM

The term of this Agreement shall commence upon signature by both parties, and continue until the June 30, 2026, unless sooner terminated in accordance with the sections entitled "TERMINATION FOR CAUSE", or "CONDITION SUBSEQUENT TO NON-APPROPRIATION OF FUNDING", as set forth elsewhere in this Agreement.

3. COMPENSATION

AE agrees to transfer to the City one hundred fifty thousand dollars and no cents (\$150,000.00) for use for the infrastructure construction portion of the Homekey CC915 Merced – 73/77 S R. St. Merced Project.

4. TERMS OF PAYMENT

Payment shall be only for full and complete satisfactory performance of the services required to be provided herein and as set forth under Section 1, "SCOPE OF SERVICES." Payment shall be made in the following manner:

Contractor shall submit itemized invoice, or alternate documentation as deemed appropriate in advance by AE, for services it has provided and for the amount owed under this Agreement. In addition to the invoices submitted by the Contractor for payment, Contractor must complete and submit to the AE, Form W-9, "A Request for Taxpayer Identification Number and Certification". www.irs.gov/pub/irs-pdf/fw9.pdf. Both invoices and the W-9 form shall be forwarded to the AE at the County address indicated under Section 7, "NOTICES" of this Agreement.

Each invoice or approved alternate documentation must:

- A. Detail by task the service performed by Contractor.
- B. Detail the labor cost (number of hours) attributed to each task.
- C. Show the cumulative cost for all tasks performed to date.
- D. Provide any additional information and data requested by County as deemed necessary by County to properly evaluate or process Contractor's claim.

Upon approval by AE, the fee due hereunder shall be paid to Contractor within thirty (30) days following receipt of a proper invoice.

5. NO PAYMENT FOR SERVICE PROVIDED FOLLOWING EXPIRATION / TERMINATION OF AGREEMENT

City shall have no claim against AE for payment of any kind whatsoever for any services provided by City which were provided after the expiration or termination of this Agreement.

6. NOTICES

All notices, requests, demands or other communications under this Agreement shall be in writing. Notice shall be sufficiently given for all purposes as follows:

- A. Personal Delivery. When personally delivered to the recipient, notice is effective upon delivery.
- B. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
- C. Certified Mail. When mailed by certified mail, return receipt requested, notice is effective upon receipt, if delivery is confirmed by a return receipt.
- D. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Any correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messengers or overnight delivery service.

Information for notice to the parties to this Agreement at the time of endorsement of this Agreement is as follows:

County of Merced c/o	City
Human Services Agency	City of Merced
Administrative Entity	678 West 18 th Street
P.O. Box 112	Merced, CA 95340
Merced, CA 95341	

Any party may change its address by giving the other party notice of the change in any manner permitted by this Agreement.

7. CONDITION SUBSEQUENT TO NON-APPROPRIATION OF FUNDING

The compensation paid to City pursuant to this Agreement is based on AE's continued appropriation of funding for the purpose of this Agreement, as well as the receipt of local, county, state and/or federal funding for this purpose. The parties acknowledge that the nature of government finance is unpredictable, and that the rights and obligations set forth in this Agreement are therefore contingent upon the receipt and/or appropriation of the necessary funds. In the event that funding is terminated, in whole or in part, for any reason, at any time, this Agreement and all obligations of the AE arising from this Agreement shall be immediately discharged. AE agrees to inform City no later than ten (10) calendar days after the AE determines, in its sole judgment, that funding will be terminated and the final date for which funding will be available. Under these circumstances,

all billing or other claims for compensation or reimbursement by City arising out of performance of this Agreement must be submitted to AE prior to the final date for which funding is available. In the alternative, AE and City may agree, in such circumstance, to a suspension or modification of either party's rights and obligations under this Agreement. Such a modification, if the parties agree thereto, may permit a restoration of previous contract terms in the event funding is reinstated. Also in the alternative, if funding is provided to the AE in the form of promises to pay at a later date, whether referred to as "government warrants", "IOU's", or by any other name, the AE may, in its sole discretion, provide similar promises to pay to the City, which the City hereby agrees to accept as sufficient payment until cash funding becomes available.

8. MODIFICATION OF THE AGREEMENT

Notwithstanding any of the provisions of this Agreement, the parties may agree to amend this Agreement. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

9. INSURANCE

Prior to the commencement of work, and as a precondition to this agreement, both parties shall maintain insurance coverage for its wrongful acts, errors and/or omissions arising from the performance of its duties under this agreement with minimum limits of:

Commercial General Liability (CGL) \$1,000,000 per occurrence covering products and completed operations, bodily injury, personal injury and property damage;

Automobile Liability insurance with limits no less than \$1,000,000 per accident for bodily injury and property damage;

and Workers Compensation Insurance as required according to the California Labor Code, including Employers' Liability limits of \$1,000,000 per accident, during the term of the Agreement.

Each party shall provide the other certificates of insurance upon request.

10. INDEMNIFICATION

City has the contracted duty (hereinafter "the duty") to indemnify, defend and hold harmless, County, its Board of Supervisors, officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, attorney's fees, costs, experts' fees and expenses of whatsoever

kind or nature, at any time arising out of or in any way connected with the performance of this Agreement, whether in tort, contract or otherwise. This duty shall include, but not be limited to, claims for bodily injury, property damage, personal injury, and contractual damages or otherwise alleged to be caused to any person or entity including, but not limited to employees, agents and officers of City.

City's liability for indemnity under this Agreement shall apply, regardless of fault, to any acts or omissions, willful misconduct or negligent conduct of any kind, on the part of the City, its agents, subcontractor and employees. The duty shall extend to any allegation or claim of liability except in circumstances found by a jury or judge to be the sole and legal result of the willful misconduct of AE. This duty shall arise at the first claim or allegation of liability against AE. City will on request and at its expense defend any action, suit or proceeding arising hereunder. This clause for indemnification shall be interpreted to the broadest extent permitted by law.

11. RECORDS, INFORMATION AND REPORTS

The Parties shall maintain full and accurate records with respect to all matters covered under this Agreement. To the extent permitted by law, the Parties shall have free access at all proper times or until the expiration of eight (8) years after the furnishing of services to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all data, documents, proceedings, and activities pertaining to this Agreement.

To the extent permitted by law, City shall furnish AE such periodic reports as AE may request pertaining to the work or services undertaken pursuant to this Agreement. The costs and obligations incurred or to be incurred in connection therewith shall be borne by the City.

To the extent permitted by law, AE shall furnish City such periodic reports as City may request pertaining to the work or services undertaken pursuant to this Agreement. The costs and obligations incurred or to be incurred in connection therewith shall be borne by AE.

The Parties are aware each is subject to the California Public Records Act ("Act"). As such, this Agreement and any documents related to this Agreement may be disclosed to members of the public upon request in accordance with the Act. It is the responsibilities of both AE and the City to clearly identify information in those documents that is considered to be confidential under the Act. To the extent that AE and the City agree with that designation, such information will be held in confidence whenever possible. All other information will be considered public and possibly subject to disclosure under the Act.

12. OWNERSHIP OF DOCUMENTS

To the extent permitted by law, all technical data, evaluations, plans, specifications, reports, documents, or other work products developed by City hereunder are the exclusive property of AE and upon request of AE shall be delivered to AE upon completion of the services authorized hereunder. In the event of termination, all finished or unfinished documents and other materials, if any, at the option of AE, and to the extent permitted by law, shall become the property of the AE. City may retain copies thereof for its files and internal use.

Any publication of information directly derived from work performed or data obtained in connection with services rendered under this Agreement must be first approved by AE.

13. ENTIRE AGREEMENT

This Agreement and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other contracts, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.

14. OBLIGATION TO THIRD PARTIES

AE shall not be obligated or liable hereunder to any party other than City.

City shall not be obligated or liable hereunder to any party other than AE.

15. LAWS, LICENSES, PERMITS AND REGULATIONS

City and AE agree to comply with all State laws and regulations that pertain to construction, health and safety, labor, minimum wage, fair employment practice, equal opportunity, and all other matters applicable to City and AE, their sub-grantees, Contractors, or subcontractor, and their work.

City shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Merced and all other appropriate governmental agencies, including any certification and credentials required by AE. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by AE.

16. APPLICABLE LAW; VENUE

All parties agree that this Agreement and all documents issued or executed pursuant to this Agreement as well as the rights and obligations of the parties hereunder are subject to and governed by the laws of the State of California in all

respects as to interpretation, construction, operation, effect and performance. No interpretation of any provision of this Agreement shall be binding upon AE unless agreed in writing by AE and counsel for AE.

Notwithstanding any other provision of this Agreement, any disputes concerning any question of fact or law arising under this Agreement or any litigation or arbitration arising out of this Agreement, shall be tried in Merced County, unless the parties agree otherwise or are otherwise required by law.

17. BREACH OF CONTRACT

Upon breach of this Agreement by City, AE shall have all remedies available to it both in equity and/or at law.

Upon breach of this Agreement by AE, City shall have all remedies available to it both in equity and/or law.

18. NONDISCRIMINATION IN EMPLOYMENT, SERVICES, BENEFITS AND FACILITIES

City and any subcontractors shall comply with all applicable federal, state, and local Anti-discrimination laws, regulations, and ordinances and shall not unlawfully discriminate, deny family care leave, harass, or allow harassment against any employee, applicant for employment, employee or agent of AE, or recipient of services contemplated to be provided or provided under this Agreement, because of race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, sexual orientation, age (over 40), medical condition (including HIV and AIDS), or physical or mental disability. City shall ensure that the evaluation and treatment of its employees and applicants for employment, the treatment of AE employees and agents, and recipients of services are free from such discrimination and harassment.

City represents that it is in compliance with and agrees that it will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Fair Employment and Housing Act (Government Code §§ 12900 et seq.), and ensure a workplace free of sexual harassment pursuant to Government Code 12950 and regulations and guidelines issued pursuant thereto.

City agrees to compile data, maintain records and submit reports to permit effective enforcement of all applicable antidiscrimination laws and this provision.

City shall include this nondiscrimination provision in all subcontracts related to this Agreement and when applicable give notice of these obligations to labor organizations with which they have Agreements.

19. CAPTIONS

The captions of each paragraph in this Agreement are inserted as a matter of convenience and reference only, and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect it.

20. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portion of them, will not be affected. Compensation due to City from the AE may, however, be adjusted in proportion to the benefit received despite the removal of the effected provision.

21. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original. The Agreement shall be deemed executed when it has been signed by both parties.

Signature page to follow

SIGNATURES

**MERCED COUNTY
HUMAN SERVICES AGENCY-
ADMINISTRATIVE ENTITY**

City of Merced

By: 
John Ceccoli
Director

By: _____
Scott McBride
City Manager

Date: 1/7/2026

Date: _____

APPROVED AS TO LEGAL FORM

APPROVED AS TO FORM

MERCED COUNTY COUNSEL

CITY ATTORNEY

By: 
Breana McMahon
Deputy County Counsel

By: 
Craig J. Cornwell
City Attorney

Date: 01/07/2026

Date: 1/20/2026

EXHIBIT A
HOMELESS HOUSING AND ASSISTANCE PROGRAM (HHAP)
TERMS AND CONDITIONS

1. Dates and Deadlines

All HHAP grant funds must be expended by the contract termination date. Any funds not expended by that date shall be returned to AE

Grant expenses must be in accordance with the Notice of Funding Availability (NOFA) dated September 29, 2023, for the Homeless Housing Assistance and Prevention (HHAP) Round 5 funding. Project Invoices submitted for reimbursement shall reflect allowable costs incurred from the earliest date permitted under the applicable funding guidelines through the contract termination date of June 30, 2026.

2. Expenditure of Funds

Specific requirements and deadlines for contractually obligating and expending awarded funds are defined in the HHAP statutes. Should the City not meet the following expenditure requirements, AE in its sole and absolute discretion reserves the right to recapture any unspent HHAP awarded funds up to the maximum amount listed under Section 3 entitled "Compensation." AE also reserves the right in its sole and absolute discretion to mandate a corrective action or remediation plan to ensure future timely expenditures of HHAP funds. Health and Safety Code Section 50490 mandates the following:

AE shall be notified in writing if the City determines that the total awarded funds will not be expended by June 30, 2026 so that funds available may be redistributed to other projects if needed.

3. City's Application for Funds

City has submitted to AE a written request for HHAP funds to provide urgently needed emergency assistance to homeless people in communities with a declared shelter crisis or applicable waiver as authorized by Health and Safety Code Section 50216. City is entering into this Agreement on the basis of, and in substantial reliance upon, City's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by AE.

City 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 the City'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 AE approval, disbursement, or monitoring of the funding and the grants or activities governed by this Agreement, then AE may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

4. Reporting Requirements

City shall submit reports upon request by the AE, to fulfill HHAP annual and close out grant requirements in addition to agreeing to maintain or improve the following System Performance Measures (SPMs) reported for the program. These measurable outcomes utilize the Administrator Report [HUDX-223-AD] SPM within HMIS.

- a. Measure #1a. Reducing the number of persons experiencing homelessness.
- b. Measure #1b. Reducing the number of persons experiencing unsheltered homelessness on a daily basis.
- c. Measure #3 - Increasing the number of people exiting homelessness into permanent housing.
- d. Measure #5 - Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.

5. Waivers

The failure of the AE to enforce at any time the provisions of this Agreement, or to require at any time, performance by the City 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 AE to enforce these provisions.

6. Drug-Free Workplace Certification

Certification of Compliance: By signing this Agreement, City hereby certifies, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code section 8355(a)(1).

Establish a Drug-Free Awareness Program as required by Government Code sections 8355(a)(2) and 8355(a)(3) to inform and receive written acknowledgement from every employee who works under this Agreement about all of the following:

- A. The dangers of drug abuse in the workplace;
- B. City's policy of maintaining a drug-free workplace;
- C. Any available counseling, rehabilitation, and employee assistance programs;
- D. Penalties that may be imposed upon employees for drug abuse violations;
- E. Will receive a copy of City's drug-free policy statement, and
- F. Will agree to abide by terms of City's condition of employment.

7. Child Support Compliance Act

For any Subcontract Agreement in excess of \$100,000, mandates that the City in accordance with Public Contract Code section 7110, shall comply with state and federal laws relating to child and family support enforcement, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and provide names of all new employees to the New Hire Registry maintained by California Employment Development Department.

8. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

The City agrees to comply with State and Federal laws, rules and regulations that

- A. pertain to construction, health and safety, labor, fair employment practices, environmental
- B. protection, equal opportunity, fair housing, and all other matters applicable and/or related to the HHAP program, the City, its contractors and all eligible activities.

City shall also be responsible for obtaining any and all permits, licenses, and approvals required for performing any activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the activities. City shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited

to, environmental protection, procurement, and safety laws, rules, regulations, and ordinances. City shall provide copies of permits and approvals to AE upon request.

9. Inspections

- A. City shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State, and/or local requirements, and this Agreement.
- B. AE reserves the right to inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State, and/or local requirements, and this Agreement.
- C. City agrees to require that all work that is determined based on such inspections not to conform to the applicable requirements be corrected and to withhold payments to the sub-recipient or City until it is corrected.

10. 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 AE, 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 City shall notify AE immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or AE, 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 AE.

11. Mandated Adult, Child, or Elder Abuse and Neglect Reporting

- A. City shall establish a policy and procedure acceptable to the county welfare department to ensure all persons associated with the City and or the contracted project report abuse and neglect to the county welfare department. City's providing direct client services to adults, children, or elders are mandated reporters as defined in California Penal Code section 11165.9 and California Welfare & Institution Codes sections 15610.17 and 15630.
- B. Report suspected Elder Adult (65 or older) and Disabled Dependent Adult (18-64) abuse or neglect to Merced County Adult Protective Services (APS) by calling the twenty-four (24) hour abuse hotline (209) 385-3105.
- C. Report suspected Child abuse or neglect to Merced County Child Protective Services (CPS) by calling the twenty-four (24) hour abuse hotline (209) 385-3104.