



Regional Housing Authority of Sutter and Nevada Counties

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June 11, 2014

TO: Chairperson Diane Hodges
Commissioner Martha Griese
Commissioner Stan Cleveland Jr.
Commissioner Charles Epp
Commissioner Terry Lamphier
Commissioner Tej Maan
Commissioner Suzanne Gallaty
Commissioner Brian Foss

Sutter County Board of Supervisors
Nevada County Board of Supervisors
Colusa County Board of Supervisors
City Council, Live Oak
City Council, Yuba City
Appeal-Democrat
Duane Oliveira, Legal Counsel
SCEA
Terrel Locke, City of Yuba City
Aaron Busch, City of Yuba City
The Union
Melody Lane

**NOTICE OF REGULAR MEETING
June 18, 2014**

You are hereby notified that the Commissioners of the Regional Housing Authority of Sutter and Nevada Counties are called to meet in Regular Session at **12:15 PM on Wednesday, June 18, 2014 at River City Manor, 655 Joann Way, Yuba City, CA 95993.**


Linda J. Nichols
Executive Director

AGENDA
REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
River City Manor, 655 Joann Way, Yuba City, CA 95993
June 18 2014, 12:15 PM

- A. CALL TO ORDER: ROLL CALL

- B. PUBLIC PARTICIPATION: Members of the public shall be provided with an opportunity to address the Board on items of interest that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring something before the Board that is not on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.

- C. AWARDS AND PRESENTATIONS: None

- D. EXECUTIVE SESSION: May be held under California Government Code regarding pending and/or anticipated litigation, property acquisition, and/or personnel issues.

- E. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that the Board votes on the motion, unless members of the Board request specific items to be discussed or removed from the Consent Calendar for individual action.

None

- F. OLD BUSINESS: Discussion/Possible Action:
 - 1. Approval to enter into an Agreement with Williams for Administration of Programs pg. 1

- G. NEW BUSINESS: Discussion/Possible Action:
 - 2. Approval to Enter into a Memorandum of Agreement for Kristen Court Apartments pg. 33
 - 3. Authority to initiate a credit rating process with Standard and Pores pg. 38
 - 4. Approval of School Lease pg. 42
 - 5. Resolution 14-1338, Rural Development Collection Loss Write-Off pg. 54

H. ADMINISTRATIVE REPORT:

6. Administrative Update

I. HOUSING COMMISSIONERS' COMMENTS:

J. NEXT MEETING:

K. ADJOURNMENT:

Ag061814

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

STAFF REPORT

Date: June 18, 2014
To: Board of Commissioners
From: Linda Nichols, Executive Director

SUBJECT: Revised Agreement for Housing Rehabilitation and First-Time Homebuyer Services with the City of Williams

RECOMMENDATION: Approve the revised Agreement with the City of Williams, and authorize the Executive Director to execute the Agreement and any other documents necessary to carry out the terms of the Agreement.

FISCAL IMPACT: \$96,786 additional revenue for the Agency

Background

The City of Williams recently obtained a 2013 State CDBG grant for its housing rehabilitation and first time homebuyer programs. As with many small cities, Williams is limited in staff and is looking for an outside firm to operate its housing programs. RHASNC staff recently met with the City to discuss options for administering the programs and as a result, the City would like to contract with RHASNC for housing program administration services as a CDBG subrecipient. RHASNC would also assist the City with its CDBG general setup as well as advise the City on current housing loan portfolio issues.

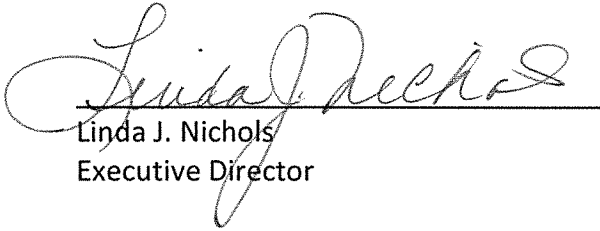
The attached agreement provides for the administration of nearly \$480,000 in housing rehabilitation and first time homebuyer loan funds for a contract price of \$96,786 (23% billing rate for OOR, 8% billing for FTHB). The agreement utilizes the newly created template issued by the State Department of Housing and Community Development (HCD) for subrecipients and incorporates the funding amounts and timelines stated in the City's 13-CDBG Standard Agreement.

The agreement has been revised to incorporate all changes suggested by legal counsel.

Recommendation

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the revised Agreement with the City of Williams, and authorize the Executive Director to execute the Agreement and any other documents necessary to carry out the terms of the Agreement.

Prepared by:



Linda J. Nichols
Executive Director

Attachment(s):

- DRAFT Intergovernmental Agency Agreement between Regional Housing Authority of Sutter and Nevada Counties and the City of Williams, including Attorney revisions

**INTERGOVERNMENTAL AGENCY AGREEMENT
BETWEEN THE CITY OF WILLIAMS AND REGIONAL
HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
FOR HOUSING CONSULTANT SERVICES**

THIS AGREEMENT, is entered into as of June 18, 2014, between the CITY OF WILLIAMS, referred to as CITY, and REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES, referred to as AGENCY, with reference to the following:

A. WHEREAS, CITY has entered into Standard Agreement No. **13-CDBG-8945** referred to as STANDARD AGREEMENT and attached as Exhibit E, to receive funding from the Community Development Block Grant, referred to as CDBG, from the State of California, Department of Housing and Community Development, referred to as HCD, to finance the City of Williams Housing Rehabilitation and Homeownership Assistance Programs, referred to as PROGRAMS; and

B. WHEREAS, AGENCY meets the requirements as outlined by the CDBG Program and CITY's procurement requirements and has expertise in carrying out housing rehabilitation and homeownership assistance programs; and

C. WHEREAS, CITY wishes to enter into a professional services agreement with AGENCY for purposes of implementing the PROGRAMS mentioned above utilizing CDBG funds; and

ACCORDINGLY, IT IS AGREED:

1. **TERM:** This Agreement shall become effective upon the execution of this Agreement by the City of Williams and shall expire on September 30, 2018, the closeout date of the STANDARD AGREEMENT, or the latest amendment of the closeout date thereto unless otherwise terminated as provided in this Agreement.

2. **SERVICES:**

a. **CDBG-Eligible:** AGENCY agrees to provide professional services for the PROGRAMS as described in Scope of Work Attachments A-1 and A-2, and to be compensated by CITY as outlined below in Paragraph 3, PAYMENT FOR SERVICES.

b. **City of Williams:** AGENCY agrees to provide program administration services for the PROGRAMS as described in Scope of Work Attachments A-1 and A-2, and to be compensated by CITY as outlined below in Paragraph 3, PAYMENT FOR SERVICES

3. **PAYMENT FOR SERVICES:** CITY shall pay AGENCY a sum not to exceed \$96,786. This amount is an administrative fee based on 23% of each housing rehabilitation project and 8% of each homeownership assistance loan. Payment for services provided pursuant to this

Agreement subject to the following conditions:

- a. City of Williams Housing Rehabilitation Program
 - i. Up to \$15,634 of CDBG funds will be spent only for CDBG-eligible General Administration Program costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-1) and PROGRAM GUIDELINES (Attachment C).
 - ii. Up to \$74,262 of CDBG funds will be spent only for CDBG-eligible Activity Delivery costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-1) and PROGRAM GUIDELINES (Attachment C).
 - iii. The cost breakdown of services provided to the PROGRAMS is defined in AGENCY BUDGET, attached as Exhibit B.

- b. City of Williams Homeownership Assistance Program
 - i. Up to \$0 of CDBG funds will be spent only for CDBG-eligible General Administration Program costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-2) and PROGRAM GUIDELINES (Attachment C).
 - ii. Up to \$6,890 of CDBG funds will be spent only for CDBG-eligible Activity Delivery costs, as defined by HCD and outlined in SCOPE OF WORK (Attachment A-2) and PROGRAM GUIDELINES (Attachment C).
 - iii. The cost breakdown of services provided to the PROGRAMS is defined in AGENCY BUDGET, attached as Exhibit B.

- c. General Conditions
 - i. The compensation to be provided to AGENCY under this Agreement will be reduced due to any inability to provide services, whether such an inability is due to AGENCY activities or other activities or circumstances beyond the control of AGENCY.
 - ii. CITY must approve budget changes in writing prior to any budget adjustment or amendment. The budget adjustment and amendment process is outlined in AGENCY BUDGET.
 - iii. Following the close of each quarter (March, June, September, December), AGENCY shall submit invoice statements stating the services provided and the actual costs of the previous quarter.
 - iv. Invoices shall be in the form and contain the information requested by CITY and shall be subject to approval by CITY, which approval shall not be unreasonably withheld. CITY will make payments within thirty (30) days of receipt of approved invoice. CITY will notify AGENCY of any objections,

questions, or complaints regarding any particular invoice within fifteen (15) days of receipt of such invoice. If CITY determines that any amounts were improperly billed and/or paid to AGENCY, or AGENCY was improperly underpaid, adjustments by such amounts may be made in the payment on the current or a later invoice with explanation provided. No interest or penalties shall accrue for late payments.

4. **PERFORMANCE REQUIREMENTS:** AGENCY shall be held to the same goals, milestones, performance measurements, laws, regulations, and requirements as entered into by CITY in the STANDARD AGREEMENT and outlined in the SCOPE OF WORK.

5. **REPORTING REQUIREMENTS:** AGENCY shall assist CITY in fulfilling all reporting requirements as entered into by CITY in the STANDARD AGREEMENT.

6. **COMPLIANCE WITH LAW:** AGENCY shall provide services in accordance with all of the provisions of Federal, State, and local laws; current and future enacted Federal, State, and local governmental guidelines, policies and available funding covenants; and the rules and regulations governing the HCD CDBG Program (42 U.S.C. 5301, 24 CFR Part 570, Subpart I, and California Administrative Code Sections 7050 through 7124). With respect to AGENCY'S employees, AGENCY shall comply with all laws and regulations pertaining to wages and hours, State and Federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment. In addition, AGENCY agrees to fully comply with all Federal, State and local laws, regulations, and directives that apply to the work involved in the project, including but not limited to the applicable laws and regulations specified in the STANDARD AGREEMENT and COMPLIANCE REQUIREMENTS attached as Exhibit "D".

7. **RECORDS:** AGENCY shall maintain complete and accurate records required by the Federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities to be funded under this Agreement. In addition, AGENCY shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All books, records, accounts, documentation, and all other materials relevant to the State Standard Agreement shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, AGENCY shall make all such records available to the Auditor and to his agents and representatives during AGENCY'S normal business hours, for the purpose of auditing and/or copying such records for a period of five (5) years from the expiration date of this Agreement or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.

8. **MONITORING:** CITY will monitor AGENCY during the term of this Agreement for compliance with any or all applicable requirements as outlined in Paragraph six of this Agreement and for attainment of expenditure milestones and PROGRAMS' goals outlined in SCOPE OF WORK.

9. INSURANCE: Prior to approval of this Agreement by CITY, AGENCY shall file with the CITY Clerk evidence of the required insurance as set forth in INSURANCE REQUIREMENTS attached as Exhibit "F".

10. AGENCY STATUS:

d. This Agreement is entered into by both parties with the express understanding that AGENCY will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute AGENCY or any of its agents, employees or officers as an agent, employee or officer of CITY.

e. AGENCY agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of CITY. Subject to any performance criteria contained in this Agreement, AGENCY shall be solely responsible for determining the means and methods of performing the specified services and CITY shall have no right to control or exercise any supervision over AGENCY as to how the services will be performed. As AGENCY is not CITY'S employee, AGENCY is responsible for paying all required State and Federal taxes. In particular, CITY will not:

- i. Withhold FICA (Social Security) from AGENCY'S payments.
- ii. Make State or Federal unemployment insurance contributions on AGENCY'S behalf.
- iii. Withhold State or Federal income tax from payments to AGENCY.
- iv. Make disability insurance contributions on behalf of AGENCY.
- v. Obtain unemployment compensation insurance on behalf of AGENCY.

f. Notwithstanding this independent contractor relationship, CITY shall have the right to monitor and evaluate the performance of AGENCY to assure compliance with this Agreement.

11. INDEMNIFICATION:

a. To the fullest extent permitted by law, AGENCY shall hold harmless, defend and indemnify CITY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including CITY property, arising from, or in connection with, the performance by AGENCY or its agents, officers and employees under this Agreement. Such indemnification obligations shall not be limited in any way by any limitation or the amount or type of damages, compensation or benefit payable by or for either party under worker's or workmen's compensation, disability benefits or other employee entitlements. This indemnification specifically includes any claims that may be

made against CITY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against CITY alleging civil rights violations by AGENCY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on CITY for AGENCY'S failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

b. To the fullest extent permitted by law, CITY shall hold harmless, defend and indemnify AGENCY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including AGENCY property, arising from, or in connection with, the performance by CITY or its agents, officers and employees under this Agreement. Such indemnification obligations shall not be limited in any way by any limitation or the amount or type of damages, compensation or benefit payable by or for either party under worker's or workmen's compensation, disability benefits or other employee entitlements. This indemnification specifically includes any claims that may be made against AGENCY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against AGENCY alleging civil rights violations by CITY under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on AGENCY for CITY'S failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

12. CONFLICT OF INTEREST:

a. AGENCY agrees at all times in performance of this Agreement to comply with the law of the State of California regarding conflicts of interests or appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including AGENCY for this purpose, from the making of any decision on behalf of CITY in which such officer, employee or AGENCY has a direct or indirect financial interest. A violation can occur if the public officer, employee or AGENCY participates in or influences any CITY decision which has the potential to confer any pecuniary benefit on AGENCY or any business firm in which AGENCY has an interest, with certain narrow exceptions.

b. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial contract, subcontract, or agreement with respect to a CDBG-assisted activity, or its proceeds, either for themselves or those

with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter.

c. AGENCY agrees that if any facts come to its attention, which raise any questions as to the applicability of conflicts of interest laws, it will immediately inform CITY designated representative and provide all information needed for resolution of this question.

13. TERMINATION:

a. Without Cause: ~~CITY~~ Either party will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. CITY will pay to AGENCY the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from AGENCY of any and all plans, specifications and estimates, and other documents prepared by AGENCY in accordance with this Agreement. No sanctions will be imposed.

b. With Cause: This Agreement may be terminated by either party should the other party:

- i. be adjudged a bankrupt, or
- ii. become insolvent or have a receiver appointed, or
- iii. make a general assignment for the benefit of creditors, or
- iv. suffer any judgment which remains unsatisfied for thirty (30) days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- v. materially breach this Agreement. Material breach includes but is not limited to AGENCY or CITY failing to perform obligations under this Agreement, and AGENCY or CITY failing to perform obligations in accordance with the PROGRAMS' time schedules set forth in STANDARD AGREEMENT.

For any of the occurrences except item v., termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the reasonable satisfaction of the non-defaulting party within fifteen (15) days of the receipt of written notice specifying the breach. If the breach is not remedied within that fifteen (15) day period, the non-defaulting party may terminate the agreement on further written notice specifying the date of termination. If the nature of the breach is such that it cannot be cured within a fifteen (15) day period,

the defaulting party may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination. CITY will pay to AGENCY the compensation earned for work performed and not previously paid for to the date of termination. CITY will not pay lost anticipated profits or other economic loss, nor will CITY pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination.

c. **Effects of Termination:** Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

d. **Suspension of Performance:** Independent of any right to terminate this Agreement, the authorized representative of CITY for which AGENCY'S services are to be performed, may immediately suspend performance by AGENCY, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by AGENCY to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

14. **ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement between AGENCY and CITY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

15. **HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

16. **NOTICES:**

a. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

CITY:

James P. Saso

City Administrator

P.O. Box 310

Williams, CA 95987

Phone No.: (530) 473-2955

Fax No.: (530) 473-2445

AGENCY:
Linda J. Nichols
Executive Director
1455 Butte House Road
Yuba City, CA 95993
Phone No.: (530) 671-0220 ext. 119
Fax No.: (530) 674-8505

b. Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth (5th) day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

17. CONSTRUCTION: This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.

18. NO THIRD PARTY BENEFICIARIES INTENDED: Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

19. GOVERNING LAW: This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Williams, California. AGENCY waives the removal provisions of California Code of Civil Procedure section 394.

20. WAIVERS: The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

21. EXHIBITS AND RECITALS: The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

22. CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY: This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

23. **FURTHER ASSURANCES:** Each party will execute any additional documents and perform any further acts which may be reasonably required to effect the purposes of this Agreement.

24. **ASSURANCES OF NON-DISCRIMINATION:** AGENCY shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by State or Federal law or regulation.

25. **ASSIGNMENT/SUBCONTRACTING:** Unless otherwise provided in this Agreement, CITY is relying on the personal skill, expertise, training and experience of AGENCY and AGENCY'S employees and no part of this Agreement may be assigned or subcontracted by AGENCY without the prior written consent of CITY.

26. **DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within thirty (30) days, either party may pursue litigation to resolve the dispute.

27. **PROFESSIONAL MANNER:** AGENCY shall provide the services contemplated by the Agreement in a professional manner and quality satisfactory to the CITY.

28. **DOCUMENT OWNERSHIP:** All finished or unfinished documents, data, studies, computer programs, methodological explanations, surveys, models, photographs, and reports prepared by AGENCY under the Agreement shall be considered the property of the CITY. Upon completion of the services to be performed or upon termination of the Agreement, these materials shall be turned over to the CITY, provided that in any case AGENCY may, at no additional expense to the CITY, make and retain copies thereof as it desires. AGENCY further agrees to keep those materials, which may not be public records under the laws of the State of California confidential.

29. **FUNDING CLAUSE:** AGENCY acknowledges that CITY is dependent upon certain Federal and State funding to pay for the PROGRAMS provided for in this Agreement. AGENCY acknowledges that CITY has applied for CDBG funding, but CITY has not received an award for this project at the time this agreement is executed. If for any reason CITY is not awarded CDBG funding, this agreement is void and the AGENCY is not entitled to any compensation or damages. If CITY is awarded the CDBG funding from HCD to fund the PROGRAMS, this Agreement will become effective. If such funding is discontinued or reduced, CITY may exercise its sole discretion to reduce the amount of Housing Rehabilitation and/or Homeownership Assistance Program funds or terminate the Agreement by giving the AGENCY 30 calendar days notice of the reduction or termination.

30. **IMPROPER USE OF FUNDS:** To the fullest extent permitted by law, AGENCY shall hold harmless, defend and indemnify CITY from any liability, action or losses incurred by CITY as a result of AGENCY'S improper use of funds under this Agreement.

31. **CLOSE-OUTS:** AGENCY'S obligation to CITY shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to CITY), and determining the custodianship of records.

32. **ATTORNEY FEES:** If either party shall initiate legal proceedings to enforce or construe the terms of this agreement, or for damages, the prevailing party shall be entitled to its attorney's fees.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

CITY

Date: _____

BY: _____

James P. Saso, City Administrator

ATTEST: City Clerk
City of Williams

By: _____

Deputy Clerk

AGENCY

Date: _____

BY: _____

Linda J. Nichols, Executive Director

Approved as to Form _____ Approved as to Form

City Attorney _____ AGENCY Attorney

By: _____

By _____

Duane S. Oliveira

Date: _____

Date: _____

13

EXHIBIT "A-1" – SCOPE OF WORK
City of Williams Housing Rehabilitation Program (PROGRAM)

NATIONAL OBJECTIVE

The purpose of the PROGRAM is to complete rehabilitation of eligible housing units located in the City of Williams. The units must be occupied by members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

PROGRAM GOALS

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Complete an estimated ten (10) single-family housing rehabilitation projects as required to fully expend CITY's housing rehabilitation loan fund.

PROGRAM SERVICES

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in PROGRAM GUIDELINES in implementation of PROGRAM activities.

1) Refinement of housing rehabilitation program plans, procedures and forms: subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the housing rehabilitation program design and procedures (including but not limited to the priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

2) Outreach: AGENCY will conduct sufficient advertisement of the housing rehabilitation program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the housing rehabilitation program goals.

3) Intake/assessment of eligibility: AGENCY will assist property owners and residents in the completion of applications to permit eligibility determinations for rehabilitation assistance. AGENCY will make provision for translation services to meet the needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, AGENCY will make provisions for completing the application at the applicant's residence or other acceptable procedures for ensuring equal access to services.

Initial eligibility determination of households/structures will be made by the AGENCY on the basis of satisfaction of income requirements, the apparent need for rehabilitation measures to

correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design.

4) Work write-ups: for each eligible unit to be assisted, AGENCY will complete a detailed work write-up of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. This write-up will be initialed and dated by the homeowner.

5) Solicitation and selection of contractors: AGENCY will assist approved applicants in the identification, proper solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. AGENCY will provide forms and sample contract formats for the applicants to use in contracting with the contractors and will assist the applicant in ensuring that the description of the work contained in any contracts with contractors is accurate and complete.

6) Loan Review Committee: CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the housing rehabilitation program without the approval of a majority of the members of the loan review committee.

7) Loan closing: With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the CDBG expenditures and the satisfaction of the CDBG national objective, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

8) Periodic and final inspections: AGENCY will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding properly and satisfactorily, will authorize (with the owner's written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor.

9) Approval of contractor payments: as rehabilitation progresses and as invoices are submitted by contractors, AGENCY will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from CITY, and disbursement to the contractors.

10) Loan servicing/loan portfolio management: AGENCY will assist CITY in managing the housing rehabilitation loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both

the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

11) Maintenance of case files and other records: for each applicant, AGENCY will maintain case files, including application and documentation of eligibility, work write-ups, the assistance agreement between the property owner and CITY (along with repayment provisions, documentation of liens and any other forms of security), contractor selection criteria, copy of contract between owner and contractors, documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). AGENCY will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated (per 24 CFR 570.606 and 24 CFR part 24). AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

PROJECT SCHEDULE

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in a timely manner.

OTHER PROGRAM REQUIREMENTS

- 1) **Affordability provisions [24 CFR 570. 208(a)(3)]:** for activities benefiting low- and moderate-income persons, AGENCY must adopt and make public the CITY's standards for determining that for rental housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."
- 2) **Davis-Bacon requirements and other Labor Standards [24 CFR 570.603]:** these statutes require the payment of prevailing wages for CDBG-assisted construction work, including construction or rehabilitation of residential property containing eight units or more, in excess of \$2000. The Contract Work Hours and Safety Standards Act also applies to such activities.
- 3) **Historic Preservation [16 U.S.C. 470 et seq. and 36 CFR Part 800]:** these requirements mandate (a) consultation with specified agencies having responsibility for historic preservation to identify properties listed (or eligible for inclusion) in the National Register of Historic Places that may be subject to adverse effects by the proposed CDBG activities, and (b) compliance with procedures or other requirements to avoid or mitigate such adverse effects.

- 4) **National Flood Insurance Program [24 CFR 570.605]:** if a community has had notice for more than a year that an area has been identified by FEMA as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes within that area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

- 5) **Relocation, Real Property Acquisition, and One-For-One Housing Replacement [24 CFR 570.606]:** The acquisition of real property for a CDBG-assisted project and the displacement of any person (family, individual, business, non-profit organization or farm) as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project must comply with 24 CFR 670.606 and 49 CFR part 24. AGENCY must also conduct its CDBG activities so as to minimize displacement, and if displacement occurs, the displaced persons or entities must be provided assistance consistent with the Uniform Relocation Act, as amended, or Section 104(d), as applicable. In addition, there must be a one-for-one replacement of any occupied (or vacant, occupiable) low- and moderate-income dwelling that is demolished or converted to another use in connection with a CDBG-funded activity.

- 6) **Lead-based Paint [24 CFR 570.608 and 24 CFR Part 35]:** There is a general prohibition against the use of any lead-based paint in connection with any CDBG activity involving the construction or rehabilitation of residential structures. If the structure was constructed prior to 1978, the tenants or purchasers must be notified of the hazards of lead-based paint poisoning; and, depending on the level of Federal assistance made available to the structure, paint inspection, risk assessment, treatment and/or abatement must be provided.

EXHIBIT "A-2" – SCOPE OF WORK

City of Williams Homeownership Assistance Program (PROGRAM)

NATIONAL OBJECTIVE

The purpose of the PROGRAM is to provide low-interest loans to homebuyers purchasing a home located in the City of Williams. The homebuyer(s) must be members of the Low to Moderate Income Group (LMI) as defined by the U.S. Department of Housing and Urban Development (HUD) and HCD.

PROGRAM GOALS

AGENCY shall be held to the same goals, milestones, performance measurements, and requirements as entered into by CITY in STANDARD AGREEMENT and more thoroughly explained in the grant application. AGENCY will assist CITY in the achievement of the following PROGRAM goals by the contract expiration date:

1. Close on an estimated five (5) homeownership assistance loans as required to fully expend CITY's homeownership assistance loan fund.

PROGRAM SERVICES

COMPENSABLE SERVICES: AGENCY will perform the following compensable services as outlined in PROGRAM GUIDELINES in implementation of PROGRAM activities.

1) Refinement of homeownership assistance program plans, procedures and forms: subject to review and approval by CITY, AGENCY will establish, or make any necessary revisions to, the homeownership assistance program design and procedures (including but not limited to the priorities among applicants, underwriting criteria, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

2) Outreach: AGENCY will conduct sufficient advertisement of the homeownership assistance program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the homeownership assistance program goals.

3) Completion of loan applications; underwriting assessment: AGENCY will assist homebuyers in completing loan applications, and will perform an assessment of each loan application to determine the CDBG eligibility of the loan and compliance with the appropriate CDBG national objective. Initial eligibility determination of households will be made by the AGENCY on the basis of satisfaction of income requirements, eligibility of the property being purchased, and any other pertinent criteria set forth in the approved program design.

AGENCY will complete all work necessary to determine loan feasibility including obtaining appraisal, estimates of market value, credit reports and title reports, set up of lead risk

assessment, if applicable, evaluating the financial condition of the applicant and summarizing any critical issues.

4) Loan Review Committee: CITY will establish and maintain a loan review committee. The loan review committee will review all loan recommendations presented to it by the AGENCY. No loan will be made under the homeownership assistance loan program without the approval of a majority of the members of the loan review committee.

5) Loan closing: With the authorization of the City Loan Review Committee, the AGENCY will execute all necessary documents and will coordinate with CITY the drawdown of funds as necessary to cover the expenses of approved applicants for activities authorized by executed loan agreements. The loan documents executed with applicants will include explicit provisions describing a) the occupancy requirements and other standards to maintain the eligibility of the CDBG expenditures and the satisfaction of the CDBG national objective, and b) the conditions and procedures under which late payment penalties, default and/or foreclosure will occur.

6) Loan servicing/loan portfolio management: AGENCY will assist CITY in managing the homeownership assistance loan portfolio through the following tasks: reviewing loan status reports provided by CITY to determine loan clients in violation of the terms of their loan, corresponding with loan recipients who are in violation of the terms of their loan, suggesting remedies to both the CITY and loan recipient to correct any violations, and reviewing employment and income status at the request of CITY.

7) Maintenance of case files and other records: for each applicant, AGENCY will maintain case files, including application and documentation of applicant eligibility, property eligibility, the assistance agreement between the homebuyer and CITY (along with repayment provisions, documentation of liens and any other forms of security), and any other required documentation. AGENCY will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section 7. of this Agreement.

PROJECT SCHEDULE

Unless amended by mutual written agreement by AGENCY and CITY, AGENCY will perform the described homeownership assistance program tasks in a timely manner.

EXHIBIT "B" – AGENCY BUDGET

City of Williams Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

ITEMIZED BUDGET

The following line item budget is the basis for determining the amount of AGENCY costs eligible for reimbursement by CITY. (See SCOPE OF WORK for a description of each reimbursable activity.)

Line Items	CDBG General Administration	CDBG Activity Delivery	Total CDBG Budget
Housing Rehabilitation Program Mgmt.	\$15,634	\$74,262	\$89,896
Homeownership Assistance Program Mgmt.	\$0	\$6,890	\$6,890
TOTAL	\$15,634	\$81,152	\$96,786

Budget amounts for General Administration and Activity Delivery are based on a maximum 23% of the Housing Rehabilitation Activity Budget of \$390,854, and a maximum 8% of the Homeownership Assistance Activity Budget of \$86,133.

Each invoice submitted to CITY by the AGENCY must include the following:

1. Running total of expenditures to date by line item for CDBG compensable services.
2. Documentation of services provided or expenditures, including copies of invoices, contracts, receipts, bills, time sheets, or other references documenting the charges billed to the CITY or incurred by AGENCY.

BUDGET ADJUSTMENTS

A budget adjustment is defined as a change in value for reimbursable line items without a change in the dollar value for reimbursable services rendered by AGENCY. CITY may consider AGENCY budget adjustments after submittal of a formal proposal, including the following documentation:

1. Progress report outlining expenditures, milestones achieved to date and any outstanding balance;
2. Proposed budget outlining projected costs for the entire duration of the contract, highlighting where actual costs are expected to differ from the original budget;
3. Explanations and justifications for changes in each line item; and
4. Plan outlining expected uses of additional funds received.

BUDGET AMENDMENTS

A budget amendment is defined as a change in value for reimbursable line items and a change in the dollar value for reimbursable services rendered by AGENCY. CITY may consider AGENCY budget amendments after submittal of a formal proposal, including the same documentation required for a budget adjustment as listed above; however, a budget amendment also requires a formal contract amendment approved in a resolution by the CITY.

CHARGE RATE SCHEDULE

AGENCY will request reimbursement for this agreement based on an actual cost for actual work basis. Reasonableness, allowability and allocability of costs not to exceed the budget noted above.

EXHIBIT "C" – PROGRAM GUIDELINES

City of Williams Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

Approved/Adopted Program Guidelines will be inserted here

EXHIBIT "D" – COMPLIANCE REQUIREMENTS
ALL CONTRACTS AND SUBCONTRACTS

1. **NONDISCRIMINATION CLAUSE:**

a. During the performance of this Agreement, AGENCY and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. AGENCY and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. AGENCY and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. AGENCY and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

b. AGENCY shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the agreement.

2. **EQUAL OPPORTUNITY:**

a. **The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances:** During the performance of this Agreement, AGENCY assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any grant activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

b. **The Training, Employment and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance:**

i. The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income

residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project. The order of priority provided by Section 3 is defined in 24 CFR 135.34(a)(2).

ii. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

iii. AGENCY will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or worker's representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

iv. AGENCY will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the State, take appropriate action pursuant to the contract upon a finding that AGENCY or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless AGENCY or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

v. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the project, binding upon AGENCY, its successors and assigns. Failure to fulfill these requirements shall subject AGENCY, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

c. Americans with Disabilities Act (ADA) of 1990: By signing this Agreement, AGENCY assures CITY that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issues pursuant to the ADA.

3. ANTI-LOBBYING CERTIFICATION:

- a. The undersigned certifies, to the best of his or her knowledge or belief, that:
 - i. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 - ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- b. AGENCY shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity and that all subrecipients shall certify and disclose accordingly.
- c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

4. CONFLICT OF INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF AGENCY, MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS: No member, officer, or employee of AGENCY, or its designees or agents, no member of the governing body of the locality in which the programs are situated, and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the programs during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for grant activities to be performed in connection with the programs assisted under this Agreement. AGENCY shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

5. CONFLICT OF INTEREST OF CERTAIN FEDERAL OFFICIALS: No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

6. AGENCY AND SUBCONTRACTS:

a. AGENCY shall not enter into any agreement, written or oral, with any contractor without the prior determination by the State of the contractor's eligibility. A contractor or subcontractor is not eligible to receive grant funds if the contractor is not licensed in a good standing in California, or is listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

b. This Agreement between CITY and AGENCY shall require AGENCY and its subcontractors, if any, to:

i. Comply with the applicable State and Federal requirements described in Attachments A and B of STANDARD AGREEMENT which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace.

ii. Maintain at least the minimum State-required Worker's Compensation Insurance for those employees who will perform the grant activity or any part of it.

iii. Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by AGENCY or any subcontractor in performing the grant activity or any part of it.

iv. Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from the date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement or the STANDARD AGREEMENT and any amendments, whichever is later.

v. Permit the State, Federal government, the Bureau of State Audits, the Department of Housing and Community Development and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to this Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS: Where required, AGENCY shall comply with, and require contractors and subcontractors to comply with, each of the following:

26

- a. Federal, State and local regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, or any other matters applicable to this Agreement.
- b. Sections 103 and 107 of the contract Work Hours and Safety Standards Act (40 U.S.C. 327-220) as supplemented by DOL Regulations (29 C.F.R., Part 5);
- c. Executive Order 11246 and all implementing regulations of the DOL;
- d. Rehabilitation Act of 1973, (24C.F.R., Part 8);
- e. Drug-Free Workplace Act of 1990, (Calif. Govt. Code Sec. 8350 et seq.).
- f. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871)

8. **UNIFORM ADMINISTRATIVE REQUIREMENTS:** AGENCY shall comply with all applicable uniform administrative requirements in accordance with 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," as modified by 24 CFR 570.502(a). Agency is also required to adhere to all requirements of OMB Circular A-87, "Cost Principles for State and Local Governments", and OMB Circular A-133, "Audits of State and Local Governments and non-Profit Organizations."

9. **PROCUREMENT:**

- a. AGENCY shall comply with CDBG Program policy concerning the purchase of equipment and shall maintain inventory records of all non-expandable personal property as defined by such policy as may be procured with CDBG funds provided herein.
- b. AGENCY shall procure all materials, property, or services in accordance with the requirements of 24 CFR, Part 85.36, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

10. **REVERSION OF ASSETS:** Upon expiration of the STANDARD AGREEMENT, if AGENCY has any CDBG funds on hand as well as any accounts receivables attributable to CDBG funds, must be transferred to CITY. Any real property acquired with CDBG funds must be transferred to CITY upon expiration of this Agreement.

11. **GRANTOR RECOGNITION:** AGENCY shall ensure recognition of the role of the State CDBG Program in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to the funding source. In addition,

AGENCY will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

12. CLIENT DATA: AGENCY shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to CITY monitors or their designees for review upon request.

13. DISCLOSURE: AGENCY understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of CITY'S or AGENCY'S responsibilities, with respect to services provided under this Agreement is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

EXHIBIT "E" – STANDARD AGREEMENT

City of Williams Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

EXHIBIT "F" – INSURANCE REQUIREMENTS

City of Williams Housing Rehabilitation and Homeownership Assistance Programs (PROGRAMS)

AGENCY shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property, which may arise from, or in connection with, performance under the Agreement by AGENCY, its agents, representatives, employees or subcontractors, if applicable.

A. Minimum Scope & Limits of Insurance

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$1,000,000.
2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability Insurance as required by law. Deductibles and Self-Insured Retentions

B. Specific Provisions of the Certificate

1. The Certificate of Insurance for General Liability and Comprehensive Automobile Liability Insurance must meet the following requirements:
 - a. *Name the CITY, its officers, agents, employees and volunteers, individually and collectively, as additional insureds.*
 - b. *State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by CITY shall be excess.*
 - c. *Provide that coverage shall not be suspended, voided, canceled, reduced in coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to CITY.*
2. The Certificate of Insurance for Workers' Compensation must include the following waiver of subrogation:
 - a. *Waiver of Subrogation. AGENCY waives all rights against CITY and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

C. Deductibles and Self-Insured Retentions

The CITY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

D. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A (-) from a company admitted to do business in California. Any waiver of these standards is subject to approval by CITY Risk Manager or CITY Risk Manager's designee.

E. Verification of Coverage

Prior to approval of this Agreement by CITY, AGENCY shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in a form acceptable to CITY. CITY reserves the right to require certified copies of all required insurance policies at any time.

AMENDMENT #1

Date: June 18, 2014

The Intergovernmental Agency Agreement between the City of Williams (City) and the Regional Housing Authority of Sutter and Nevada Counties (Agency) is hereby amended as follows:

Section 3. "Payment for Services", the following section shall be added:

- d. Other Services**
 - i. Agency will provide additional general administrative services and/or portfolio management services at the rate of \$63 per hour as requested by the City. This fee will be in addition to the amounts paid to the Agency under items a. City of Williams Housing Rehabilitation Program, and b. City of Williams Homeownership Assistance Program.

All other terms and conditions shall remain the same as set forth in the original Agreement.

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

By: _____

Date: _____

CITY OF WILLIAMS

By: _____

Date: _____

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

STAFF REPORT

Date: June 18, 2014
To: Board of Commissioners
From: Linda Nichols, Executive Director

SUBJECT: Memorandum of Agreement between Pacific West Communities, Inc. and Regional Housing Authority of Sutter and Nevada Counties (RHASNC) for Development of Kristen Court Apartments

RECOMMENDATION: Approve the Agreement with Pacific West Communities, Inc., and authorize the Executive Director to execute the Agreement and any other documents necessary to carry out the terms of the Agreement.

FISCAL IMPACT: \$5,000 reimbursement for overhead expenses, portion of potential Developer Fee

Background

In follow up to the recent RHASNC Board action to accept a land donation for the development of the Kristen Court Apartments ("the Project") from AMG, the attached Memorandum of Understanding between RHASNC and Pacific West Communities, Inc. solidifies the co-developer relationship and is necessary for the Project to move forward. Specifically, the agreement must be in place prior to the application for federal and State tax credits that is due July 1, 2014.


The Project consists of the financing, development and construction of a 56 unit income-restricted family apartment project located on N Street and Ida Street in Live Oak, and will be subject to a 55-year tax credit regulatory agreement that ensures the Project remains affordable. The Project will be restricted to tenants who have incomes that are 30-60% of the Area Median Income. Rents for the Project are adjusted accordingly depending on which income bracket a tenant falls under.

Recommendation

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the Memorandum of Agreement with Pacific West Communities, Inc., and authorize the Executive Director to execute the Agreement and any other documents necessary to carry out the terms of the Agreement.

This agreement will be reviewed and approved by legal counsel of both agencies prior to execution.

Prepared and submitted by:



Linda J. Nichols
Executive Director

Attachment(s):

- Memorandum of Agreement between Pacific West Communities, Inc. and RHASNC

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 19th day of June, 2014 by and between *Pacific West Communities, Inc.*, an Idaho corporation (hereafter "PWC") and *the Regional Housing Authority of Nevada and Sutter Counties, a public body corporate and politic* (hereafter "Housing Corporation").

RECITALS

PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the project, and syndicate tax credits. The Housing Corporation has similar experience as well as the ability to operate and manage affordable housing.

The Housing Corporation currently owns a 3.78 acre site at the southeast corner of N Street and Ida Street located in the city of Live Oak, Sutter County, California (hereafter "Site"). The parties wish to work together to develop an affordable housing project (hereafter "Project") on the Site and wish to memorialize the terms and conditions of such joint relationship.

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to the Housing Corporation. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing credits that PWC, in its sole discretion, deems sufficient for financing of the Project.
2. PWC and the Housing Corporation shall work jointly to prepare and submit any financing applications required for the development of the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing the award of financing sufficient for Project development, PWC and the Housing Corporation shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.
4. PWC shall work with DG Group Architecture, PLLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and the Housing Corporation. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC and the Housing Corporation shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. The Housing Corporation shall also be entitled to a fee of \$5,000 that will represent payment for overhead expenses incurred. For its services pertaining to the development and design of the Project, the Housing Corporation shall be paid a fee equal to 20% of the developer fee for the Project. PWC shall be paid a fee equal to 80% of the

developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made.

6. Housing Corporation shall agree to provide a contribution in an amount equal to 10% of its total developer fee including both deferred and non-deferred portions (hereafter the "Contribution") to the Project to assist with development and construction. The Contribution shall be made only after Housing Corporation has been paid, at a minimum, a portion of their developer fee equal to the Contribution.
7. Upon completion of construction and passing of all inspections, a limited partnership established by an affiliate of PWC and the Housing Corporation shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be shared 80% to the general partner affiliate of PWC and 20% to Housing Corporation.
8. PWC shall select a third party management company to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. Housing Corporation may elect to provide certain management operations such as maintenance and landscaping.
9. In the event that the partnership elects to sell the project, the Housing Corporation shall have, after 15 years from the project's placed-in-service date, the right of first refusal to purchase the project. Said right shall not terminate unless the Housing Corporation elects to do so in writing. If the Housing Corporation elects to sell the project, the Housing Corporation will receive 20% of the benefits from that sale.
10. PWC and the Housing Corporation shall at all times perform their functions in a manner consistent with federal and state laws that govern 501(c)(3) non-profit corporations. Neither PWC nor the Housing Corporation shall perform any act that potentially jeopardizes the Housing Corporation non-profit status.
11. This agreement shall terminate if sufficient financing to develop the Project is not awarded by December 31, 2015.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

By: _____

Name: _____

Title: _____

Date: _____

PACIFIC WEST COMMUNITIES, INC.

By: _____
Caleb Roope

Title: _____
President

Date: _____

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

STAFF REPORT

Date: June 18, 2014
To: Board of Commissioners
From: Linda Nichols, Executive Director

SUBJECT: Standard and Poor's (S&P) Ratings Services to Provide enhanced bonding rating financing for future projects.

RECOMMENDATION: Approve the Executive Director to execute the required documents and any other agreements necessary to facilitate the credit rating process.

FISCAL IMPACT: N/A - Any costs associated with the rating will be paid from CalAHA funds

Background

S&P has offered to members of the California Affordable Housing Agency ("CalAHA") a reduced price (30% discount) for their Housing Authority credit assessment and issuer credit rating services. As a result it was approved by the CalAHA Board to provide funding for two Housing Authorities to proceed with S&P, initially with a confidential credit assessment and then with a private issuer credit rating if so desired subsequent to the initial credit assessment.

As a member of CalAHA we have in the past participated in bond sales for the acquisition of properties. As a currently unrated agency we are limited to investors of higher risk thus a greater cost in issuance, terms and rates. A rating by a high quality rating agency would open up investments with better terms, and also enlarge the pool of potential investors. As an agency that is growing, it would be in our best interest to have a credit rating that would provide a better return on funds and expand our opportunities for investors.

The reason for a credit assessment and ultimately an issuer credit rating is to provide the capital markets (defined as venues from which you raise capital, including bank financing, bond financing, and other) with a highly respected and unbiased third party evaluation of your financial capacity as a borrower. Credit ratings that are investment grade (defined as "BBB-" rated or better by S&P) are viewed by the capital markets as highly attractive, having liquidity in


the secondary markets, and therefore, resulting in lower overall costs of borrowing by those that have received such ratings. The savings to RHASNC, as an example only, as a result of having the "A" rating would total over \$1.5 million over a 30-year term.

The credit rating of two member agencies (RHASNC and Butte Housing Authority (BHA)) would be a pilot model going forward and the cost of the rating would be paid by the membership. CalAHA approved in its June 9th meeting to fully support the rating of RHASNC and BHA. The CalAHA resolution is attached for your information.

Recommendation

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the Standard and Poor's Credit Rating Assessment with CalAHA as the sponsor, and authorize the Executive Director to execute the required documents and provide the information necessary to facilitate acquiring a S&P rating.

Prepared and submitted by:


Linda J. Nichols
Executive Director

Attachment(s):

- Copy of CalAHA resolution in support of credit rating process

RESOLUTION NO. 2014-03

A RESOLUTION OF THE CALIFORNIA AFFORDABLE HOUSING AGENCY AUTHORIZING ITS PRESIDENT TO ACCEPT THE OFFER BY STANDARD & POOR'S TO ALLOW TWO MEMBER AGENCIES TO INITIATE A CREDIT RATING PROCESS AT A DISCOUNTED RATE AND DESIGNATING THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE AND THE REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES AS THE TWO DESIGNATED MEMBER AGENCIES

WHEREAS, pursuant to the provisions of the Joint Powers Act, comprising Articles 1-4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, certain public agencies have entered into a joint exercise of powers agreement, dated as of March 1, 2001, as amended, pursuant to which the California Affordable Housing Agency (the "Agency") was organized; and

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act"), the Agency is authorized to issue revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, Standard & Poor's has offered to allow up to two member agencies to participate in a credit rating process at a discounted rate; and

WHEREAS, the Housing Authority of the County of Butte and the Regional Housing Authority of Sutter and Nevada Counties have expressed willingness to act as the two participating agencies.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Board of Directors of the California Affordable Agency as follows:

Section 1. The Agency hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Agency authorizes its President to accept the offer by Standard & Poor's to allow two member agencies to initiate a credit rating process at a discounted rate.

Section 3. The Agency hereby designates the Housing Authority of the County of Butte and the Regional Housing Authority of Sutter and Nevada Counties as the two designated agencies authorized to participate in the credit rating process.

Section 4. The Agency President and General Counsel are hereby authorized to assist the member agencies throughout the credit rating process.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 9th day of June, 2014.

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Directors
California Affordable Housing Agency

Attest:

Secretary, Board of Directors
California Affordable Housing Agency

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

STAFF REPORT

Date: June 18, 2014
To: Board of Commissioners
From: Linda Nichols, Executive Director

SUBJECT: Lease for School site located at 445 Bernard Street in Richland Campus

RECOMMENDATION: Approve the Executive Director to execute the required lease documents and amendments.

FISCAL IMPACT: \$10,800 in annual lease payments including water and sewer fees

Background

The Yuba City Unified School District (District) has been at the facility since 1973 and runs a nationally accredited institution that serves the residents of Richland as well as the surrounding neighborhood. We have an excellent working relationship with the District and we are pleased to continue the program on our site.

In November of 2010 the Regional Housing Authority of Sutter and Nevada Counties (RHASNC) revised the lease agreement with the District which operates a early learning center and pre-school in a building owned by RHASNC. The lease was on an annual basis and the lease fees cover primarily the cost of water, insurance and sewer fees paid by RHASNC.


The current lease expires in July and the District has provided edits to the existing lease. Specifically the change includes language on capital improvements made by the District and requests an extension of the lease to a three year lease versus an annual lease renewal among other revisions detailed the attached lease.

Board's legal counsel Duane Olivera has reviewed the proposed changes and his recommended revisions are included in red on the attached lease.

Recommendation

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the lease agreement with legal counsel edits, and authorize the Executive Director to execute the lease and any other documents necessary to carry out the terms of the lease.

Prepared and submitted by:



Linda J. Nichols
Executive Director

Attachment(s):

- School Lease with edits

LEASE AGREEMENT

This Lease Agreement ("Lease"), dated *July 1, 2014*, is entered into between the REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES ("RHASNC") and YUBA CITY UNIFIED SCHOOL DISTRICT ("DISTRICT").

RECITALS

- A. RHASNC is the current owner of certain improved real property located at 445 Bernard Drive, Yuba City, California 95991.
- B. DISTRICT desires to lease from RHASNC, and RHASNC desires to lease to DISTRICT, a portion of the real property described below.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants herein, the parties agree as follows:

AGREEMENT

- 1. Premises
RHASNC leases to DISTRICT, and DISTRICT leases from RHASNC, the improved real property located at 445 Bernard Drive, Yuba City, CA 95991, as specifically described and attached as Exhibit 1, attached hereto and incorporated by reference (the "Property").
- 2. Term
The term of this Lease is for three (3) years, commencing immediately ("Initial Term").

At the expiration of the Initial Term, this Lease shall automatically renew for a new three (3) year term commencing on July 1, unless either party gives ninety (90) days written notice to the other party of its intention to terminate the Lease at the expiration of the lease term.

- 3. Monthly Charges
A monthly charge will be assessed in the amount of Eight Hundred Dollars (\$800.00) ("Rent").

All charges are to be paid in advance to RHASNC on or before the first of the month at this address:

1455 Butte House Road, Yuba City, CA 95953 (530) 671-0220

or at another location designated by RHASNC. The first payment shall be due on July 1, 2014.

4. Use

The Property is to be used for the operation of a Preschool Program, related training, after-school and weekend activities, and any other related school or program purpose. DISTRICT shall comply with all statutes, ordinances, regulations, and other requirements of all governmental entities that pertain to the occupancy or use of the Property and with all rules and regulations that are adopted by RHASNC for the safety, care, and cleanliness of the Property and the preservation of good order on the Property.

5. Alterations and/or Capital Improvements

Any material alteration or capital improvement to the exterior or interior of the Property without the prior written consent of RHASNC shall be a breach of this Lease and, at the option of RHASNC, shall cause a termination of this Lease. DISTRICT and RHASNC agree that DISTRICT shall have the right to make sufficient alteration or capital improvement to the Property, as necessary, to obtain a license from the State of California Department of Social Services Community Care Licensing Division. Any alterations or capital improvements to the Property, unless performed by the DISTRICT's maintenance staff, shall be performed by contractors licensed by the State of California. All contractors shall be required to carry Workers Compensation Insurance on all employees. DISTRICT shall provide RHASNC with proof of Workers Compensation Insurance for any contractor who will be making alterations or capital improvements before the work is commenced. All alterations and capital improvements to the Property shall be approved by RHASNC in writing prior to commencement of any work by DISTRICT or its contractors.

All alterations and improvements shall comply with all applicable laws, ordinances, and regulations of any governmental authority with jurisdiction over the Property.

At least ten (10) days before any work commences or any materials are delivered for any alterations, additions, improvements, or repairs DISTRICT is making to the Property, DISTRICT shall give notice to RHASNC when the work is to commence or the materials are to be delivered. RHASNC shall then have the right to post and maintain on the Property any notices that are required to protect RHASNC and RHASNC's interest in the Property from any liens for work and labor performed or materials furnished in making the alterations, additions, improvements, or repairs; provided, however, that it shall be the duty of DISTRICT (and nothing contained in this section shall excuse performance of that duty) to keep the Property free and clear of all liens, claims, and demands for work performed, materials furnished, or operations conducted on the Property at the instance or request of DISTRICT.

6. Possession

Any delay in delivery of possession to DISTRICT shall postpone the commencement of Rent accordingly, but shall not otherwise affect this Lease, except that the start of the term shall be delayed until DISTRICT takes possession.

7. Insurance

DISTRICT shall pay for and maintain insurance throughout the life of this Lease with general liability coverage of One Million Dollars (\$1,000,000.00). DISTRICT is insured through the Tri-County Self Insurance Group.

In the event that this Lease is terminated prior to the expiration, without the agreement from all parties, the insurance policy and all rights under it or the insurance proceeds for the period during which the Lease was in full force and effect between the parties shall be assigned to RHASNC, at no cost to the DISTRICT, at RHASNC's election. In no event shall the DISTRICT be liable for, responsible for, or required to assign the proceeds or pay for any part of the premiums for the insurance policy, or any costs associated with the insurance policy for any period during which DISTRICT is not in use of the property under this Lease. Any proceeds assigned to RHASNC shall be less any reimbursement to DISTRICT for funds expended by DISTRICT to pay for the damage for which the proceeds were issued and less any amount in excess of the amount necessary to pay to repair the damage for which the proceeds were issued.

RHASNC will maintain its own general liability and property damage insurance, throughout the life of this Lease.

Minimum coverage shall be per occurrence and for all risk of glass coverage for full cash value. DISTRICT will furnish RHASNC with proof of insurance showing the coverage to be in force and showing RHASNC as a named insured for all periods of the Term.

RHASNC and DISTRICT each waive the rights of subrogation that may arise against the other because of any act covered by insurance.

Any insurance policies required by this Lease shall not be amended or cancelled without thirty (30) days' prior written notice being given to RHASNC.

8. Default

Each of the following shall be an Event of Default under this Lease:

- A) If DISTRICT fails to make any payment required by the provisions of this Lease when due;
- B) If DISTRICT fails, within thirty (30) days after written notice, to correct any breach or default of the other covenants, terms, or conditions of this Lease;
- C) If DISTRICT vacates, abandons, or surrenders the Property prior to the end of the Term;

- D) If all or substantially all of DISTRICT's assets are placed in the hands of a receiver or trustee, and the receivership or trusteeship continues for a period of thirty (30) days, or if DISTRICT makes an assignment for the benefit of creditors or is adjudicated a bankrupt, or if DISTRICT institutes any proceedings under any state or federal bankruptcy act by which DISTRICT seeks to be adjudicated a bankrupt or seeks to be discharged of debts, or if any voluntary proceeding is filed against DISTRICT under any bankruptcy laws, and DISTRICT consents or acquiesces by pleading or default; or
- E) If either party assigns or sublets this Lease without the prior written consent of the other.

9. Remedies

Upon the occurrence of an Event of Default under this Lease by DISTRICT, RHASNC is entitled, at RHASNC's option, to the following:

- A. To reenter and take exclusive possession of the Property;
- B. To collect immediately the present value of the unpaid Rent reserved for the entire term, or to collect each installment of Rent as it becomes due; and/or
- C. To continue this Lease in force or to terminate it any time;

Any act that RHASNC is entitled to do in exercise of RHASNC's rights upon an Event of Default may be done at a time and in a manner deemed reasonable by RHASNC as consistent with California law.

10. Maintenance and Repairs

DISTRICT acknowledges that, at the time of execution of this Lease, the Property is in good and safe condition, agrees to maintain the Property in good and safe condition, including all interior surfaces of walls, windows, plate glass, doors, and ceilings, and all fixtures or equipment of this Lease, in the same condition as received, except for normal wear and tear and except for changes authorized by RHASNC. District agrees to make any necessary repairs, at their expense to both the interior and exterior of the buildings and to the fixtures. DISTRICT agrees to make no repairs at the expense of the RHASNC, except as specified in Paragraph 11 below. Both parties agree to coordinate efforts to secure grant funds for building/property improvements.

11. Capital Improvements

In the event that this Lease is terminated by RHASNC before ten (10) years has lapsed since the DISTRICT made a capital improvement to the property, in accordance with Paragraph 5, RHASNC shall reimburse the DISTRICT a prorated amount, calculated in two (2) steps, as follows:

Step 1: Cost of Capital Improvement divided by 10 Years = Yearly Cost of Capital Improvement

Step 2: Yearly Cost of Capital Improvement x Number of Years Since Capital Improvement = Reimbursement Amount

Capital Improvement shall be defined as a permanent structural improvement or the restoration of some aspect of the property that either: (i) enhances the property's overall value; or (ii) increases the property's useful life. NOTE: This Paragraph 11 shall only apply to capital improvements that exceed \$25,000

12. Hazardous Substances

DISTRICT assumes all risk of injury, serious injury or wrongful death occurring to any agent, employee, volunteer or other representative of DISTRICT, which may arise or occur during the lease of the Property and does, for itself and its heirs and executors, administrators and assigns, release, waive, discharge, and relinquish any and all claims, actions, controversies, damages, causes of action, liabilities, obligations, costs, losses or demands of any nature, whatsoever, whether at law or at equity, which may hereafter arise for itself and for its estate and does hereby fully release RHASNC its officers, agents or employees from any liability, responsibility, or cause from exposure to materials on the Property, except for injury or death caused by the negligence of RHASNC.

13. Estoppel Certificate

At any given time, within ten (10) days after request by RHASNC, DISTRICT shall execute, acknowledge and deliver to RHASNC, without a charge, a written statement certifying that this Lease is unmodified and in full force, or if there have been modifications, that it is in full force as modified. The statement shall also contain the date of commencement of this Lease, the dates on which the Rent and any other charges have been paid in advance, and any other information RHASNC reasonably requests. It is acknowledged by DISTRICT that any statement is intended to be delivered by RHASNC to, and relied upon by, prospective purchasers, mortgagees, deed of trust beneficiaries and assignees. If DISTRICT fails to deliver the Estoppel Certificate to RHASNC within ten (10) days after request by RHASNC, then RHASNC shall be appointed DISTRICT's attorney-in-fact to complete, sign and deliver the Estoppel Certificate on DISTRICT's behalf.

14. Severability

The invalidity of any portion of this Lease shall not affect the remainder, and any invalid portion shall be deemed rewritten to make it valid so as to carry out as near as possible the expressed intention of the parties.

15. Entry

RHASNC reserves the right to enter the Property upon forty-eight (48) hours' written notice to carry out any building management or business purpose in or about the

Property, without any abatement of Rent; however, RHASNC shall have the right to enter the Property without notice if an emergency situation shall arise giving need for said entry without notice. "Emergency" shall include, but not be limited to, fire, flood or any other physical damage to the Property that must be dealt with on an emergency or immediate basis.

16. Signs

DISTRICT shall not place or permit to be placed in, upon, about or outside the Property any sign, notice, or display of any kind, without the prior written consent of RHASNC which shall not be unreasonably withheld.

17. Holding Over

Any holding over after expiration of the Term shall not constitute a renewal or extension.

18. Destruction and Condemnation

- A. If the Property is damaged to an extent that cannot be lawfully repaired within sixty (60) days after the date of damage, this Lease may be terminated by written notice of either party and DISTRICT's obligation to pay the Rent shall cease immediately. If the Property can be repaired within the sixty (60) day period, RHASNC shall proceed with the repairs as necessary, subject to a proportionate reduction in the Rent, based on the extent to which the damage and repairs shall interfere with the use of the Property by DISTRICT. In case of damage to one third (1/3) or more of the Property, RHASNC may elect to terminate this Lease whether the Property is damaged or not.
- B. If all or any portion of the Property is condemned or is transferred in lieu of condemnation, RHASNC or DISTRICT may, upon written notice given within sixty (60) days after the taking or transfer, terminate this Lease, in which case, DISTRICT's obligation to pay Rent shall cease immediately. DISTRICT shall not be entitled to share in any portion of the award, and DISTRICT expressly waives any right or claim to any part of the award. DISTRICT shall, however, have the right to claim and recover, from the condemning authority only, but not from RHASNC, any amounts necessary to reimburse DISTRICT for the cost of removing stock and fixtures and relocation and moving expenses.

19. Indemnity

- A. DISTRICT agrees to indemnify, defend and hold RHASNC, and its trustees, agents and employees ("RHASNC's Indemnities") harmless against all losses, damages (including its attorney fees), liabilities, claims, demands, obligations, causes of action, judgments, costs, settlements, or expenses of any kind or character, that RHASNC's Indemnities may suffer or incur with respect to third party claims

resulting or arising from DISTRICT's lease of the Property, including without limitation, the following:

1. Any claim related to any accident, casualty, or personal or bodily injury occurring on the Property caused by the negligence or willful misconduct of DISTRICT or any of DISTRICT's agents, contractors, subcontractors, or employees;
2. Any violation by DISTRICT or any of DISTRICT's agents, contractors, subcontractors, or employees of any law now or hereinafter enacted; or
3. The negligence or willful misconduct of DISTRICT or any of DISTRICT's agents, contractors, subcontractors, employees, and/or invitees and licensees in connection with the use of the Property.

B. RHASNC agrees to indemnify, defend and hold DISTRICT and DISTRICT's agents, employees, and trustees ("DISTRICT's Indemnities") harmless against all losses, damages (including its attorney fees), liabilities, claims, demands, obligations, causes of action, judgments, costs, settlements, or expenses of any kind or character, that DISTRICT's Indemnities may suffer or incur with respect to third party claims resulting or arising from the following:

1. Any claim related to any accident, casualty, or personal or bodily injury occurring on the Property caused by the negligence or willful misconduct of RHASNC or any of RHASNC's agents, contractors, subcontractors, or employees;
2. Any violation by RHASNC or any of RHASNC's agents, contractors, subcontractors, or employees of any law now or hereinafter enacted; or
3. The negligence or willful misconduct of RHASNC or any of RHASNC's agents, contractors, subcontractors, employees, and/or invitees and licensees in connection with the use of the Property.

20. Notices

Any notice, with the exception of 10 day notice for repair, under this Lease shall be given by mailing the notice, postage prepaid, by certified mail, return receipt requested as follows:

To DISTRICT: Yuba City Unified School District
Attention: Deputy Superintendent
750 Palora Avenue
Yuba City, CA 95991
Tel: (530) 822-5200
Fax: (530) 671-2454

To RHASNC: Regional Housing Authority of Sutter and Nevada Counties
Attention: Linda Nichols
1455 Butte House Road
Yuba City, CA 95953
Tel: (530) 671-0220
Fax: (530) 673:1194

10 Day Notice for Repair may be emailed to the RHASNC Executive Director for approval. If deemed necessary by either party, a formal notice will be mailed as described above.

21. Attorneys' Fees
In any action or proceeding by either party to enforce this Lease, or any provision of this Lease, or for damages, the prevailing party shall be entitled to recover attorneys' fees and all other costs incurred.
22. Legal Effect
All obligations of DISTRICT are expressly made conditions of this Lease. A breach of this Lease, at the option of RHASNC, may terminate this Lease.
23. Titles
The titles to headings and paragraphs shall have no effect on interpretation of provisions.
24. Successors
The provisions of this Lease shall apply to and bind the heirs, successors, and assigns of the parties.
25. Waivers
The failure of RHASNC to enforce a provision of this Lease shall not be deemed a waiver for any purpose.
26. Janitorial Services
DISTRICT shall be responsible for janitorial services within the Property, including payment for the janitorial service.

27. Landscaping
District shall be responsible for landscaping services, including mowing, trimming, removal of trees, irrigation system, and general appearance of the Property, within the exterior space of the Property. This includes any fertilizers, pest controls, or seeding needed. DISTRICT shall pay any extra costs of materials, if needed specifically for the use and operation of the Property as a Preschool Program. This includes any fertilizers, pest controls, or seeding needed.
28. Utilities
DISTRICT shall be responsible for payment of garbage, gas, and electricity. RHASNC will pay for water and sewer.
29. Entire Agreement
This Lease, together with each attached exhibit, shall constitute the entire agreement of the parties, and may be modified only in writing signed by the parties. It is the intention of the parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, representations, or agreements, written or oral, between the parties hereto.
30. Time of The Essence
Time is of the essence in the performance of DISTRICT's obligations under this Lease.
31. Subordination
This Lease, at RHASNC's option, shall be subordinate to the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Property is a part, and to any advances made on the security of the Property, and to all renewals, modifications, consolidations, replacements, and extensions; provided, however that as to the lien of any deed of trust or mortgage, DISTRICT's rights to quiet possession of the Property shall not be disturbed if DISTRICT is not in default and so long as DISTRICT pays the Rent and observes and performs all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this Lease prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to DISTRICT, this Lease shall be deemed prior to that mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of that mortgage, deed of trust, or ground lease or the date of recording.
32. Governing Law and Venue
This Lease shall be governed by and construed in accordance with California law, regulatory requirements of Housing and Urban Development Department and any superseding Federal laws. Venue for purposes of arbitration, or any other legal proceeding, shall be in Sutter County, California.

Signatures:

DISTRICT:
Yuba City Unified School District

By: _____

Print Name: Jonathan Barth

Title: Assistant Superintendent, Business

Date: _____

RHASNC:
Regional Housing Authority of Sutter and Nevada Counties

By: _____

Print Name: Linda J. Nichols

Title: Executive Director

Date: _____



Regional Housing Authority of Sutter and Nevada Counties

1455 Butte House Road, Yuba City, CA 95993
Phone (530) 671-0220, Toll Free: (888) 671-0220
TTY: (866) 735-2929 Fax (530) 673-0775
Website: www.rhasnc.org

RESOLUTION 14-1338

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES AUTHORIZING RURAL DEVELOPMENT COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$735.26

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties operates farm work housing project Phases I, II and III pursuant to Rural Development regulations; and

WHEREAS, operations of farm work housing includes the collection of monthly rental amounts; and

WHEREAS, the Regional Housing Authority of Sutter and Nevada Counties makes every attempt to collect outstanding balances; and

WHEREAS, Exhibit A provides a list of uncollectible accounts for the period ending June 30, 2014 and is made a part of this resolution;

BE IT THEREFORE RESOLVED that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties authorizes the Executive Director to write-off as collection losses the tenant receivables listed on Exhibit A totaling \$735.26.

This Resolution is to take effect immediately.

This Resolution is presented at the Regular Meeting of the Board of Commissioners, passed and adopted this 18th day of June, 2014 by the following vote:

AYES:
NAYS:
ABSTAINED:
ABSENT:

ATTEST:

Linda J. Nichols,
Executive Director

(SEAL)

H:Reso\14-1338

54

**Rural Development Properties
Collection Loss Write Off
Period: June 2014**

<u>Name</u>	<u>Address</u>	<u>Date</u>	<u>Move In</u>	<u>Move Out</u>	<u>Monthly Rent</u>	<u>Rent Owed</u>	<u>Late Fee's</u>	<u>Damages</u>	<u>Utilities</u>	<u>Legal Fee's</u>	<u>Total Owed</u>	<u>Payback Agreement</u>
Olvera, Miriam	420 Miles Ave., #68, YC	03/21/12	04/10/14	\$ 1,154.00	\$ -	\$ -	\$ -	\$ 735.26	\$ -	\$ -	\$ 735.26	No
					\$ -	\$ -	\$ -	\$ 735.26	\$ -	\$ -	\$ 735.26	Total Write Off

Tenants listed with Payback Agreement's failed to honor the Agreement.

Utility costs incurred by PHA from tenant move-in date until transferred to tenant's name. Those charges are then billed to the tenant.

Deceased *

Exhibit A