

PERMANENT LOCAL HOUSING ALLOCATION AGREEMENT BETWEEN THE CITY OF LA HABRA AND THE COUNTY OF ORANGE

This **Permanent Local Housing Allocation Agreement** (“Agreement”) is entered into this 14th day of July, 2020 by and between the **City of La Habra**, a California municipal corporation, hereinafter referred to as “City” and the **County of Orange**, a political subdivision of the State of California, hereinafter referred to as “County”.

RECITALS

The **State of California, Department of Housing and Community Development** (“Department”) is authorized to provide up to \$195 million to cities and counties for assistance under the SB 2 Permanent Local Housing Allocation Program Entitlement Jurisdiction Component from the Building Homes and Jobs Trust Fund (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))).

The Department issued **Permanent Local Housing Allocation Final Guidelines** (“PLHA Program Guidelines”) in October 2019.

The Department issued a Notice of Funding Availability (“NOFA”) dated February 26, 2020, under the **Permanent Local Housing Allocation** (“PLHA”). The NOFA listed the County as an Entitlement Local Government with a PLHA funding allocation of \$1,272,164 for Fiscal Year 2019-2020 and a total estimated five-year PLHA funding allocation of \$7,632,984 for Fiscal Years 2019-2020 through 2023-2024.

The PLHA Program Guidelines permit eligible applicants for PLHA funds to subgrant some or all of its PLHA funds to another entity or entities. Pursuant to PLHA Program Guidelines section 302(c)(3), “entity” means a housing developer or program operator, but does not mean an administering local government to whom a local government may delegate its PLHA allocation. Therefore, the City will be acting as an entity under a legally binding five-year agreement to distribute PLHA funds on behalf of certain eligible applicants.

Under PLHA Program Guidelines section 301 (c), two or more local governments may expend PLHA funds on an eligible jointly funded project, provided the project is an eligible activity pursuant to Health and Safety Code section 50470 (b)(2)(B)(ii)(IV) and will be located within the boundaries of one of the local governments. The County, its North **Service Planning Area** (“SPA”) Urban County Cities (Brea, Cypress, La Palma, Los Alamitos, Stanton and Villa Park), along with the North SPA entitlement jurisdictions (Buena Park, Fullerton, La Habra, Orange, Placentia and Yorba Linda) will all contribute some or all of their PLHA funding to the Buena Park and Placentia Navigation Centers.

In order to streamline the distribution of PLHA funds to the two navigation centers, the City has been designated as the Treasurer for the jointly funded project in the North SPA. The eligible activities will benefit people who are experiencing or are at risk of homelessness.

Under the terms of this Agreement, the County desires to delegate to the City the authority to distribute certain PLHA funds on the County's behalf. The City is willing to assume the authority to distribute certain PLHA funds on the County's behalf under the terms of this Agreement.

Therefore, the City and County agree as follows:

1. This Agreement shall constitute the legally binding agreement between the City and the County acting as the Urban County as required under PLHA Program Guidelines for the City to distribute PLHA funds on the County's behalf.

2. The County represents and warrants that:

a. it is eligible to submit the Five-year Plan to the Department as part of a complete application in which it proposes to use allocated funds for at least one eligible Activity. The Plan will detail the way it will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI) and the Plan shall have a term of five years;

b. it has adopted a Department-compliant Housing Element, and will submit an **Annual Performance Report** ("APR"), as required by Government Code section 65400 for the prior year by the application deadline date, and will continue to submit its APR annually by April 1 annually for the five year term of this agreement to ensure continued compliance; and,

c. it will submit a certification in an approved resolution with the PLHA application allowing some of its funds to be provided to another entity pursuant to PLHA Program Guidelines section 300(d), and that its selection process avoided conflicts of interest and was accessible to the public. For the purposes of this paragraph, "entity" means a housing developer or program operator; "entity" does not mean an administering local government to whom a local government delegates its PLHA formula allocation.

3. The City is authorized to distribute PLHA funds on the County's behalf attributable to urban county cities Brea, Cypress, La Palma, Los Alamitos, Stanton, and Villa Park for activities eligible for PLHA funds for Fiscal Year 2019-2020 in the amount of \$579,334, and through 2023-2024 at the Department-published PLHA Allocation amounts for those cities in each fiscal year. The Department currently estimates the PHLA Allocation for urban county cities Brea, Cypress, La Palma, Los Alamitos, Stanton, and Villa Park for Fiscal Years 2019-2020 through 2023-2024 is \$3,476,004. In the event actual PLHA Allocations for these cities during the Five-year PLHA Plan period differ from the current estimate, the City's total payments under this Agreement shall not exceed \$5,000,000.

4. The City shall submit a written invoice to the County, on a form approved by the County, in a total amount for fiscal year 2019-2020 of \$579,334. In subsequent fiscal years the maximum allowable invoice will be based on the published PLHA Allocation amount released under the PLHA NOFA for each subsequent fiscal year. The Department currently estimates PHLA Allocation for Fiscal Years 2019-2020 through 2023-2024 is \$3,476,004. In the event

actual PLHA Allocations differ from the current estimate, total payments under this Agreement shall not exceed \$5,000,000. The County shall make payment to the City within 30 days of receiving the invoice from the City for the PLHA Program.

5. In addition to any other act necessary to administer PLHA funds for the County consistent with PLHA Program Guidelines, the City may: subcontract with service providers to provide services at the Buena Park Navigation Center and/or the Placentia Navigation Center for people who are experiencing or are at risk of homelessness. The services provided by subcontractors may include but are not limited to the following: rapid rehousing; rental assistance; supportive/case management services that allow people to obtain and retain housing; operating and capital costs for navigation centers and emergency shelters; and, the new construction, rehabilitation, and preservation of permanent and transitional housing in a manner consistent with the Housing First practices described in California Code of Regulations, title 25, section 8409, subdivision (b)(1)-(6) and in compliance with Welfare and Institutions Code section 8255, subdivision (b)(8). Any subcontract for the new construction, rehabilitation, and preservation of permanent supportive housing shall incorporate the PLHA Program Guidelines components of Housing First, as provided in Welfare and Institutions Code section 8255, subdivision (b).

6. At all times during the term of this Agreement the County and the City shall be in compliance with PLHA Program Guidelines, including but not limited to:

- a. maintaining a Department-compliant Housing Element; and,
- b. submitting to the Department by April 1 of each year a Housing Element APR as required under Government Code section 65400 on the County's prior year Housing Element activities.

7. During the term of this Agreement the County shall:

- a. approve a Plan consistent with PLHA Program Guidelines;
- b. annually ensure activities being undertaken with PLHA funds continue to comply with PLHA guidelines;
- c. In succeeding years, obtain the approval of the Department for any amendments made to the Plan, as set forth in Section PLHA Program Guidelines section 302(c)(5); and,
- d. submit to the Department annual PLHA year-end annual report beginning in 2021 pursuant to Health and Safety Code section 50470 (b)(2)(B)(ii)(III) each year by July 31 for the term of the Standard Agreement.

8. Beginning no later than July 10, 2021, the City shall submit annual fiscal year-end project status reports to the County to assist in the County's completion of annual PLHA year-end reports.

9. On the County's behalf, the City shall:

a. administer PLHA funds awarded to the County attributable to urban county cities Brea, Cypress, La Palma, Los Alamitos, Stanton, and Villa Park for fiscal years 2019-2020 through 2023-2024 and any program income generated from the expenditure of such funds.

b. cooperate with the County, including its subcontractors, in the application for and administration of the County's PLHA funds;

c. process invoices and provide back up documentation monthly to the County for the distribution of PLHA awarded funds to the jointly funded project's designated subcontractors for expenses incurred no more than one year prior to commitment of funds pursuant to PLHA Program Guidelines section 304 (d);

d. provide a description of activities undertaken and targeted beneficiaries, number and demographics of clientele serviced, household incomes, as well as the status of reaching its activity goals annually to assist County in end of year report of accomplishments;

e. issue a close out report to the County within 60 days of the City's cessation of services under this Agreement; and,

f. maintain documentation of its records related to this Agreement and the City's use of PLHA funds, including but not limited to financial records and program files, throughout this Agreement and for a minimum of five years after this Agreement terminates. Financial records related to this Agreement or the City's use of PLHA funds shall be developed and maintained in accordance with generally accepted accounting principles. The City shall make its records related to this Agreement and the City's use of PLHA funds accessible to the Department and the County upon request. The rights and obligations of the parties and the Department under this subdivision shall survive the Agreement's termination.

10. The term of this agreement is five years, beginning on June 23, 2020 and ending on June 30, 2025.

11. City Indemnification.

a. The City shall indemnify, hold harmless, and defend with counsel approved in writing by the County, the County and its officers, agents, elected and appointed officials, and employees against all liability, claims, losses, demands and actions for injury to or death of persons or damage to property arising out of or alleged to arise out of or in consequence of this Agreement including attorneys' fees, provided such liability, claims, demands, losses or

actions are due to the acts or omissions of the City, its officers, agents or employees in the performance of this Agreement.

b. The City shall indemnify, hold harmless, and defend with counsel approved in writing by the County, the County and its officers, agents, elected and appointed officials, and employees against any liability, claims, losses, demands, and actions including attorneys' fees incurred by the County as a result of a determination by the Department that activities undertaken by the City under the Agreement failed to comply with any laws, regulations, or policies applicable thereto.

c. The rights and obligations of the parties under this paragraph shall survive the Agreement's termination.

12. County Indemnification.

a. The County shall indemnify, hold harmless, and defend with counsel approved in writing by the City, the City and its officers, agents and employees against all liability, claims, losses, demands and actions for injury to or death of persons or damage to property arising out of or alleged to arise out of or in consequence of this Agreement including attorneys' fees, provided such liability, claims, demands, losses or actions are due to the acts or omissions of the County, its officers, agents or employees in the performance of this Agreement.

b. The County shall indemnify, hold harmless, and defend with counsel approved in writing by the City, the City against any liability, claims, losses, demands, and actions including attorneys' fees incurred by the City as a result of a determination by the Department that activities undertaken by the County under the Agreement failed to comply with any laws, regulations, or policies applicable thereto.

c. The rights and obligations of the parties under this paragraph shall survive the Agreement's termination.

13. The City or the County may terminate this Agreement immediately without penalty for cause or after 30 days' written notice without cause. Cause for the purposes of this paragraph includes, but is not limited to, any material breach of contract, any misrepresentation or fraud, or the Department's determination the County is no longer eligible for PLHA funds.

14. Notices or other communications which may be required or provided under the terms of this Agreement shall be given as follows:

County
OC Community Resources
Housing and Community Development
and Homeless Services
1300 S. Grand Ave., Bldg. B, 3rd Floor
Santa Ana, CA 92705-4407
Attention: Program Manager

City
City of La Habra
110 E. La Habra Blvd.
La Habra, CA 90631
Attention: City Manager

All notices shall be in writing and deemed effective when delivered in person or deposited in the United States mail, first class, postage prepaid and addressed as above. Notwithstanding the above, the Parties may also provide notices by facsimile transmittal, and any such notice so given shall be deemed to have been given upon receipt during normal business hours or, in the event of receipt after business hours, on the following business day. Any notices, correspondence, reports and/or statements authorized or required by this Agreement, addressed in any other fashion shall be deemed not given.

15. This Agreement may be executed in two or more counterparts, each of which shall be deemed original, but all of which together shall constitute but one and the same instrument.

The City has caused this Agreement to be executed by its City Manager and attested by its City Clerk; the County has caused this Agreement to be executed by the Director of OC Community Resources; each having been duly authorized by the City Council and the County Board of Supervisors, respectively.

City of La Habra, a municipal corporation in the State of California

Attest:

DocuSigned by:
By: Jim Sadro
Name: Jim Sadro

DocuSigned by:
By: Laurie Swindell
Name: Laurie Swindell

Title: City Manager
Date: 6/24/2020

Title: City Clerk
Date: 6/25/2020

Approved as to Form:

DocuSigned by:
By: Richard D. Jones Date: 6/24/2020
Richard D. Jones, City Attorney

County of Orange, a political subdivision of the State of California

DS
RL
DocuSigned by:
By: Julia Bidwell
Name: Dylan Wright

Title: Director, OC Community Resources
Date: 7/22/2020

Approved as to Form:

DocuSigned by:
By: James Harman Date: 6/24/2020
Deputy County Counsel