

AGENDA FOR THE SPECIAL MEETING OF THE
TEHAMA CITY COUNCIL ON TUESDAY, OCTOBER 25, 2022

As a result of COVID and small city hall, this will be a hybrid ZOOM (virtual) meeting. Directions for participating are at the bottom of agenda. Councilmembers may attend in person or by ZOOM.

Call meeting to order – 6:00 P.M. Teleconference / ZOOM meet

Open Meeting Comments

Special Meeting Business.

- Adopt Resolution 2022-10-2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEHAMA AUTHORIZING APPLICATION FOR AND RECEIPT OF, PERMANENT LOCAL HOUSING ALLOCATION PROGRAM FUNDS.
- Approve agreement between the County of Tehama and the City of Tehama for joint participation in the permanent local housing allocation funding program for the fiscal years 2020-2025, and to delegate the county of Tehama as the administering local government for the program.

Adjourn

Call in number if using telephone rather than computer: 1 (669) 900-6833

ZOOM Meeting ID: 916 7766 4578 Passcode: 723098

You may call in to the ZOOM meeting and wait to comment until Mayor asks if there are any open meeting comments.

City of Tehama services are provided on an Equal Opportunity basis. Reasonable accommodations for alternative means of communications or access for individuals with disabilities will be made upon request. Call 1-530-384-1501 to request accommodation.

**CITY OF TEHAMA
CITY COUNCIL RESOLUTION 2022-10-2**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEHAMA AUTHORIZING
APPLICATION FOR, AND RECEIPT OF, PERMANENT LOCAL HOUSING ALLOCATION
PROGRAM FUNDS**

The City Council of the City of Tehama (“Applicant”) hereby consents to, adopts and ratifies the following resolution:

- A. WHEREAS, the State of California, Department of Housing and Community Development is authorized to provide up to **\$335** million in calendar year 2021 funds and **\$131 million** in remaining calendar year 2019 and calendar year 2020 funds under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2))).
- B. WHEREAS the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated **08/17/2022** under the Permanent Local Housing Allocation (PLHA) Program;
- C. WHEREAS Applicant is an eligible Local government applying for the program to administer one or more eligible activities, or a Local or Regional Housing Trust Fund to whom an eligible Local government delegated its PLHA formula allocation.
- D. WHEREAS the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement and other contracts between the Department and PLHA grant recipients;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
- 2. Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA, of **\$393,581**, in accordance with all applicable rules and laws.
- 3. Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

4. Applicant certifies that it has delegated the **County of Tehama** to submit an application on its behalf and administer the PLHA grant award for the formula allocation of PLHA funds. Applicant authorizes the *Executive Director of the Tehama County Health Services Agency or their designee* to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.
5. Applicant has entered into a legally binding agreement with the **County of Tehama**, attached hereto as Exhibit A.
6. Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.
7. Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) and (C).
8. Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.
9. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

PASSED AND ADOPTED at a special meeting of the **City Council of the City of Tehama** this 25th day of October, 2022 by the following vote:

AYES: _____ ABSTENTIONS: _____ NOES: _____ ABSENT: _____

Signature of Approving Officer
Robert Mitchell, Mayor

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Carolyn Steffan, Officer of the City of Tehama does hereby attest and certify that the [foregoing / attached] Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the **City Council of the City of Tehama** which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: _____

Signature of Attesting Officer
Carolyn Steffan, City Clerk, Administrator

**AN AGREEMENT BETWEEN THE COUNTY OF TEHAMA and THE CITY OF
TEHAMA, FOR JOINT PARTICIPATION IN THE
PERMANENT LOCAL HOUSING ALLOCATION FUNDING PROGRAM FOR
FISCAL YEARS 2020-2025, AND TO DELEGATE THE COUNTY OF TEHAMA
AS THE ADMINISTERING LOCAL GOVERNMENT FOR THE PROGRAM**

THIS AGREEMENT is made and entered into this 8th day of November, 2022, by and between the County of Tehama, a political subdivision of the State of California, hereinafter called "County"; and the City of Tehama, a municipal corporation of the State of California, located in the County of Tehama, hereinafter referred to as "City", jointly referred to as "Parties".

WITNESSETH

WHEREAS, the State of California Department of Housing and Community Development ("State") is authorized to provide up to \$335 million in calendar year 2021 funds and \$131 million in remaining calendar year 2019 and calendar year 2020 to Cities and Counties for assistance under the SB 2 Permanent Local Housing Allocation Program ("PLHA Program") Formula 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 (SB2)));

WHEREAS, the State issued Permanent Local Housing Allocation Final Guidelines ("PLHA Program Guidelines") in October 2019;

WHEREAS, the State issued a Notice of Funding Availability ("NOFA") dated August 17, 2022, under the Permanent Local Housing Allocation ("PLHA") Formula Component;

WHEREAS, each of the Parties is eligible to submit an application for and administer Permanent Local Housing Allocation Formula component funds;

WHEREAS, Section 300(c) of the PLHA Program Guidelines allows a local government to delegate another local government to submit an application and administer on its behalf its formula allocation of Program funds, provided that the local governments enter into a legally binding agreement and the funds are expended for eligible activities consistent with Program requirements;

WHEREAS, City of Tehama desires to participate jointly with the County in said Program;

WHEREAS, the County desires to participate jointly with the City of Tehama in said Program, and whereas the County agrees to administer the receipt of formula allocation Program funds on behalf of both Parties and act as the Applicant to the State for the funding;

NOW THEREFORE, in consideration of the mutual promises, recitals and other provisions hereof, the Parties agree as follows:

SECTION I. GENERAL

- A. Responsible Officers.** The Executive Director of the Tehama County Health Services Agency (hereinafter referred to as “Director”) is hereby authorized to act as applicant for the PLHA Program and to administer funding and activities under the Program. The City Administrator of the City of Tehama is hereby authorized to act as the responsible officer for the City under the Program.
- B. Full Cooperation.** Parties agree to fully cooperate and to assist each other in undertaking eligible programs or projects as defined in Section 301 of PLHA Program Guidelines, including but not limited to capitalized reserves for services connected to permanent supportive housing (PLHA Activity 5), operating and capital costs for navigation centers and emergency shelters, and supportive/case management services that allow people to obtain and retain housing (PLHA Activity 6).
- C. Threshold Requirements for Participation.** Parties understand and agree to comply with State's threshold requirements for participation in the formula allocation program as follows:

 - a. Housing Element compliance:** The County as Applicant and the delegating City must have a Housing Element that has been adopted by the local government's governing body and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585.
 - b. Housing Element Annual Progress Report (APR) compliance:** The County as Applicant and the delegating City must submit to the State the APR required by GC Section 65400 for the current or prior year.
- D. Term of Agreement-Automatic Renewal Provision.** The term of this Agreement shall be for a period encompassing five (5) years of formula allocations (2019-2023), made available in NOFAs issued by the State beginning in February 2020 and extending through 2024, and shall include the years stipulated in the State standard agreement. In addition, this Agreement provides for automatic renewal of participation in successive five-year periods, unless either of the Parties provides written notice of at least 60 days prior to the end of the term that it elects not to participate in a new five-year period. Before the end of the first five-year term, the County will notify the City of Tehama in writing of its right not to participate in the joint Program for a successive five-year term. This Agreement remains in effect until the PLHA Program funds received with respect to the five-year planning period are fully committed, expended, and all required reports have been submitted and the required reporting period has ended.

- E. Scope of Agreement.** This agreement covers the PLHA formula program funding administered by the State where each of the Parties is awarded and accepts funding from the State.

SECTION II. PREPARATION AND SUBMITTAL OF PLHA FUNDING APPLICATION AND PLAN

- A. PLHA Application and Plan.** Pursuant to the requirements listed in Section 302(c) of the PLHA Program Guidelines, the County shall prepare its own application requesting the formula funds, and a Plan which details how the allocated funds will be used for eligible activities, how investments will be prioritized to increase the supply of housing for households with incomes at or below 60% of Area Median Income, and how the Plan is consistent with the programs set forth in its Housing Element. The County will also provide evidence that the Plan was authorized and adopted by resolution by the Board of Supervisors of the County of Tehama and that the public had an adequate opportunity to review and comment on its content. The County will also prepare an application on behalf of the City of Tehama requesting the formula funds, and a Plan which details how the allocated funds will be used for eligible activities, how investments will be prioritized to increase the supply of housing for households with incomes at or below 60% of Area Median Income, and how the Plan is consistent with the programs set forth in the County of Tehama's Housing Element. The County will also provide evidence that the Plan was authorized and adopted by resolution by the Board of Supervisors of the County of Tehama and that the public had an adequate opportunity to review and comment on its content.
- B. Application Submittal.** The County agrees to commit sufficient resources to completing and submitting the PLHA Applications and Plans to State in time for the Parties to be eligible to receiving funding beginning in 2022, including unclaimed allocations from previous years, dependent upon State's execution of a Standard Agreement with County.

SECTION III. PROGRAM ADMINISTRATION

- A. Responsibilities of Parties.** The Parties agree, in the delegation of the County as the administering local government for the PLHA Program, that the County shall be responsible for execution of the Standard Agreements with State and the proper performance of the PLHA Plans. County agrees to perform necessary administrative tasks such as, but not limited to, environmental clearance under CEQA or NEPA, establishment of loan underwriting policies and terms, execution and management of any loans and grants made using PLHA funds, conducting Requests for Proposals and Requests for Qualifications for PLHA funds, monitoring of programs and projects as needed to fulfill PLHA requirements, and submittal of annual reports to State on PLHA-funded activities. The County shall be

responsible for submitting annual streamlined applications to the State for PLHA funds. The City of Tehama agrees to fully cooperate with the County in all things required and appropriate to comply with the provisions of the Standard Agreement with State. The Parties agree to meet as needed to provide adequate opportunity for communication and decision-making.

- B. Program Administration Funding.** In consideration of the County's agreement to be the administering local government for the PLHA Program and its assumption of the responsibilities inherent in this role, the Parties agree that the allowable Program Administration for the funding, which is equal to a maximum of 5% of each year's allocation for each local government jurisdiction, shall be retained exclusively by the County of Tehama for these administrative purposes.
- C. Maintenance of Records.** The County shall maintain records of activities for any projects undertaken pursuant to the PLHA Program, and said records shall be available for inspection by staff and/or auditors representing the City of Tehama, on reasonable notice during the normal business hours of County.

SECTION IV. USE OF PLHA FUNDS

- A. Joint Participation in Funding of Projects.** The Parties agree it is in the best interest of the public that the allocations made available to each local government jurisdiction be combined into a pool of funds to be used throughout either jurisdiction, pursuant to the criteria described in Section IV. D. of this Agreement. The Parties agree this method will allow for more timely development of the housing units assisted by the funding, and therefore address the current shortage of affordable housing throughout both jurisdictions, which is of vital importance and a high priority to all Parties.
- B. Use of Funding During the First Five-Year Term.** Use of funds in the first five-year term will focus on addressing the needs of persons experiencing or at risk of homelessness in Tehama County. Uses will include maintaining capitalized reserves for services connected to permanent supportive housing (PLHA Activity 5), operating and capital costs for navigation centers and emergency shelters, and supportive/case management services that allow people to obtain and retain housing (PLHA Activity 6).
- C. Projects Included in PLHA Plan.** In order to develop the PLHA Plan, the Parties have agreed upon the need for emergency/interim housing, permanent supportive housing, and supportive services for households experiencing or at risk of homelessness. In accordance with these needs, the Parties have shared the status of potential projects in Tehama County which may be targeted for PLHA funding. Due to the preliminary nature of potential projects, the Parties agree that these are subject to change.

D. Project Assistance Criteria. As the Parties have agreed to combine their allocations into a pool of funds to be used throughout the County, the following criteria shall be considered by the County as funding decisions are made for the use of the PLHA funds.

- a. **Meeting PLHA Commitment Requirements:** Pursuant to Section 300(e) of the PLHA Program Guidelines, the County shall consider how individual project readiness and project funding needs will impact the County's ability to remain in compliance with the commitment requirements of PLHA.
- b. **Project Funding Needs:** The County shall select projects based on unmet needs of the target populations and demonstrated ability of project operators to address the unmet needs of the target populations. Projects with a demonstrated need for the PLHA funding to ensure or enhance project viability will be prioritized.
- c. **Provision of Services:** The County reserves the right to provide services directly or to seek third-party contractors to provide services in accordance with the needs of the target populations and the PLHA Program requirements. PLHA-funded contractors will be selected using County Request for Proposals and/or Request for Qualifications processes. Contractors shall be selected based on the demonstrated experience and capacity of applicants to administer a project and to comply with PLHA funding requirements.
- d. **Targeting to the Lowest Income Households:** PLHA funds can be used for households at a variety of income levels but are especially intended to be used to meet the housing needs of households at or below 60% of Area Median Income. Projects which have units or services targeted for these households will be prioritized for funding.

E. Access to Services. The Parties agree that services funded through the PLHA Program will be available to all persons in Tehama County who meet a funded project's eligibility criteria. PLHA-funded projects will be based in locations with the infrastructure and service connections needed to conduct program activities safely and efficiently. Projects that demonstrate a commitment to conducting activities that promote access to services will be prioritized for funding. Such activities may include, but not be limited to, mobile outreach, satellite service locations, and provision or coordination of transportation to service locations for members of the target populations.

F. Funding Assistance in the Form of Loans. The Parties agree that any funding provided to a housing developer for a project will be provided in the form of a low-interest deferred loan, with the loan amount and loan terms (including conditions for the payment of accrued interest and principal from residual receipts), delineated at the time the loan

commitment is approved by the County Board of Supervisors. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust in favor of the County of Tehama. A recorded Regulatory Agreement shall restrict occupancy and rents for a term of at least 55 years.

G. Funding Assistance in the Form of Subgrants. The Parties agree that any funds allocated for any Activity to another entity in the form of subgrants will be provided using a selection process that shall avoid conflicts of interest and shall be accessible to the public. The County of Tehama will remain fully accountable and responsible for compliance with PLHA guidelines and statute, including any penalties for non-compliance, when providing subgrants of PLHA funds to another entity.

H. Use of Program Income. The Parties agree that program income generated as a result of the receipt of PLHA funds will be retained by the County and utilized to fund future PLHA-eligible activities. Program income will include payments from residual receipts, accrued interest, and any monitoring fees the County chooses to charge.

NOW THEREFORE, the Parties hereto have caused this Agreement to be executed and attested by their proper officer thereunder duly authorized and their official seals to be hereunto affixed, all as of the day first above written.

County Counsel Certification

The Office of the County Counsel hereby certifies that the terms and provisions of this Agreement are fully authorized under State and local laws, and that this Agreement provides full legal authority for the County to undertake all responsibilities as the delegated local government to administer the PLHA funding.

The City of Tehama concurs with the approval of the form by the County Counsel of the County of Tehama.

COUNTY OF TEHAMA:

APPROVED AS TO FORM: /

By: _____
Jayme Bottke
Executive Director of the
Tehama County Health Services Agency

By: _____
Margaret E. Long, County Counsel
Office of the Tehama County Counsel

CITY OF TEHAMA:

By: _____
Carolyn Steffan
City Clerk / Administrator