



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C12

For the meeting of: November 7, 2017

Date: October 25, 2017

To: Board of Supervisors

From: Connie Beck, Director *CB*
Department of Health and Human Services

Subject: Master Lease Agreement by and Between County of Humboldt and Eureka 8th Street, LP

RECOMMENDATION(S):

That the Board of Supervisors:

1. Ratify two (2) originals of the attached master lease agreement with Eureka 8th Street, LP regarding DHHS' leasing of 15 units for DHHS-selected tenants signed by Director Connie Beck; and
2. Direct the Clerk of the Board to return two (2) fully executed original copies of the attached master lease agreement to the Department of Health and Human Services – Contract Unit for further processing.

SOURCE OF FUNDING:

Social Services, Mental Health and Public Health Funds

DISCUSSION:

On March 1, 2016 the Board approved a Joint Resolution of the City Council of the City of Eureka [the City] and the County of Humboldt to Collaborate on Reducing Homelessness (attachment 1A). The resolution states "the County, Department of Health and Human Services [DHHS] and the City shall work collaboratively with the community to create a sustainable strategy and human infrastructure to implement the Housing First approach."

Prepared by Laurel Johnson, SSAIII

CAO Approval *E. B. Mark*

REVIEW:

Auditor *MB*

County Counsel *JD*

Personnel

Risk Manager

Other

TYPE OF ITEM:

☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. C-6; H-2

Meeting of: February 14, 2017; March 1, 2016

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Fennell* Seconded by Supervisor *Wilson*

Ayes *Fennell, Bass, Bohn, Wilson*
Nays
Abstain
Absent *Sundberg*

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 11/7/17

By: *KH*

Kathy Hayes, Clerk of the Board

Following this direction, DHHS, the City of Eureka and the Danco Group collaborated on a project that offers permanent supportive housing units for elder and/or dependent homeless adults with disabilities and/or serious mental illness. The Lodge at Eureka, formerly known as the Downtowner at 424 8th Street in Eureka, is a multifamily 50 unit building for low-income tenants built and renovated by Eureka 8th Street, LP (Eureka LP), part of the Danco Group. On February 14, 2017 your Board ratified two conditions in a Letter of Intent executed on December 9, 2016 by DHHS Director Connie Beck (see attachment 1). The conditions set forth bind the county to support “client leasing of 15 low-income units by funding rental subsidies for a period of twenty years.”

The proposed master lease agreement (attachment 2) sets for the conditions under which Eureka LP will master lease 15 rental units in the Lodge to DHHS for lease to tenants designated by DHHS. Eureka LP has received an allocation of low-income housing tax credits for the Lodge and intends for the project to qualify as a “low income housing project” under Section 42 of the Internal Revenue Code. The requirements for the low income housing tax credit (LIHTC) project under Section 42 of the Internal Revenue Code and the California Tax Credit Allocation Committee Regulatory Agreement are collectively referred to as the “LIHTC Requirements”. DHHS reserves the use of 15 units for DHHS clients. DHHS selects and places elders and/or dependent homeless adults with disabilities and/or serious mental illness who meet the LIHTC requirements set forth in the master lease agreement.

Leases will be in client’s name and clients will pay not more than 30% of their income for rent. In the first two years, the difference between what the client pays and Fair Market Rent (FMR) will be paid by DHHS and The City of Eureka from a fund of \$200,000 with each jurisdiction contributing \$100,000 for this effort. On November 1, 2016 the Eureka City Council approved the \$100,000 contingent upon an equal contribution from County of Humboldt DHHS (Attachment 1B). In following years, the difference between what the clients pay and FMR will be paid by DHHS with funds designated, or authorized, to be used for permanent supportive housing for DHHS clients. DHHS’ obligations under this agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, DHHS can terminate this agreement due to insufficient funding.

There is a critical lack of affordable housing in Humboldt County. This collaboration supports the Housing First approach by providing affordable housing and other supports for particularly vulnerable populations: elders and/or dependent homeless adults with disabilities and/or serious mental illness. DHHS has been able to place clients at The Lodge based on your Board’s ratification of the letter of intent. To meet funder requirements and to ensure units are reserved for DHHS clients the master lease agreement must be executed.

Consistent with the Housing First model for service delivery, Humboldt County DHHS will provide case management services for residents placed by this project and will make referrals for tenancy and assist clients in completing applications and securing funds for deposits. Case management services for persons with serious mental illness will be billed to Medi-Cal as appropriate.

Therefore, staff recommends that the Board approve and execute the attached master lease agreement with Eureka LP, regarding DHHS’ leasing of 15 units for DHHS selected tenants.

FINANCIAL IMPACT:

The costs associated with this 20 year agreement shall not exceed \$2 million dollars in the aggregate. The maximum biennial (two fiscal years) rental payment is \$200,000. The Eureka City Council approved a contribution of \$100,000 contingent upon an equal contribution from County of Humboldt DHHS (Attachment 1B), leaving a total expense for the county of \$100,000 for two years. The funding will be provided through a combination of federal, state and local allocation and grant dollars. DHHS has included this cost in the approved fiscal year 2017-18 budget and will continue to include this cost in

DHHS' proposed budgets as long as funding allows. There will be no impact to the county General Fund.

The recommended action supports the Board's Strategic Framework by protecting vulnerable populations and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the attached master lease agreement. This alternative is not recommended as lack of housing for DHHS clients including elders and/or dependent homeless adults with disabilities and/or serious mental illness has been a continuing problem.

ATTACHMENTS:

1. Board of Supervisors Letter of Intent for the Support of Client Leasing of 15 Low-Income Units, which includes
 - A) County of Humboldt Joint Resolution with the City of Eureka to Collaborate on Reducing Homelessness
 - B) Eureka City Council Meeting Minutes November 1, 2016: Approval of Funds Contingent on DHHS Contribution
2. Master Lease Agreement By And Between County of Humboldt and Eureka 8th Street, LP



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-6

For the meeting of: February 14, 2017

Date: January 25, 2017

To: Board of Supervisors

 From: Connie Beck, Director
 Department of Health and Human Services

Subject: Department of Health and Human Services (DHHS) and The Danco Group: Support for Client Leasing of 15 Low-Income Senior Housing Units

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve DHHS' plan to support the "Eureka Lodge" project (the Project) by collaborating with the City of Eureka in subsidizing fifteen units of studio and one-bedroom housing to be reserved for the use of elder and/or dependent homeless adults with disabilities and/or serious mental illness;
2. Ratify the condition set forth in a Letter of Intent executed on December 9, 2016, by DHHS Director Connie Beck that binds the County to contribute to the Project a total of one-hundred thousand dollars (\$100,000) for a two year term: said funds to be used to finance rental subsidies for clients leasing units at the Project;
3. Ratify the condition set forth in a Letter of Intent executed on December 9, 2016, by DHHS Director Connie Beck that binds the County to support "client leasing" of fifteen (15) low-income units at the Project by funding rental subsidies for a period of twenty (20) years (the two year term set forth above and an additional eighteen year term);
4. Authorize Director Beck to negotiate with the Danco Group in order to finalize an agreement that binds the County to subsidize rents for clients residing at the Project for a two year term under the County's standard terms and conditions (attachment 1).

Prepared by Laurel Johnson, AAI

CAO Approval

REVIEW:

Auditor

County Counsel

Human Resources

Other

TYPE OF ITEM:

☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. H-2

Meeting of: March 1, 2016

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor

Seconded by Supervisor

Ayes

Nays

Abstain

Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Feb. 14, 2017

By:

Kathy Hayes, Clerk of the Board

SOURCE OF FUNDING:

Social Services, Mental Health, and Public Health Funds

DISCUSSION:

On March 1, 2016 the Board approved a Joint Resolution of the City Council of the City of Eureka [the City] and the County of Humboldt to Collaborate on Reducing Homelessness (attachment 2). The resolution states "the County, Department of Health and Human Services [DHHS] and the City shall work collaboratively with the community to create a sustainable strategy and human infrastructure to implement the Housing First approach."

Following this direction, DHHS, the City of Eureka and the Danco Group collaborated on a project that will offer permanent supportive housing units for elder and/or dependent homeless adults with disabilities and/or serious mental illness. There is a critical lack of affordable senior housing in Humboldt County this project will support the Housing First approach by providing affordable housing and other supports for this particularly vulnerable population.

The Danco Group has completed construction and renovation of the Lodge at Eureka, formerly known as the Downtowner at 424 8th Street in Eureka. DHHS will have 15 units of studio and 1 bedroom housing to use for elder and/or dependent homeless clients with disabilities and/or serious mental illness as part of the Housing First effort. Leases will be in client's name and clients will pay not more than 30% of their income for rent. Total rent is capped at Fair Market Rent (FMR) for Humboldt County as determined by US Department of Housing and Urban Development each year.

The difference between what the client pays and FMR will be paid by DHHS and The City of Eureka from a fund of \$200,000 with each jurisdiction contributing \$100,000 for this effort. On November 1, 2016 the Eureka City Council approved the \$100,000 contingent upon an equal contribution from County of Humboldt DHHS (Attachment 3). DHHS anticipates that their initial \$100,000 contribution will last a minimum of two years.

DHHS Director Beck signed and sent a Letter of Intent to Mr. Dan Johnson, owner of The Danco Group on December 9, 2016 (Attachment 5) which was required in order for The Danco Group to move forward with funding necessary to continue the building project. In the letter Director Beck states "please consider this letter as an intent for the County of Humboldt Department of Health and Human Services to support client leasing of 15 low-income senior housing units on a recurring basis for a term of 20 years." It is anticipated that an agreement between The Danco Group and DHHS will be brought before your Board in the next three months.

On December 13, 2016 the Eureka City Council authorized a loan subordination contingent upon DHHS commitment to subsidizing the difference between 30% of client's income and FMR for an additional 18 years after the two year City and DHHS match (Attachment 4).

Consistent with the Housing First model for service delivery, Humboldt County DHHS will provide case management services for residents placed by this project and will make referrals for tenancy and assist clients in completing applications and securing funds for deposits. Case management services for persons with serious mental illness will be billed to Medi-Cal as appropriate.

FINANCIAL IMPACT:

The agenda before your Board today will allow DHHS to support client leases up to a maximum of one hundred thousand Dollars (\$100,000) for two years. Funding will be provided through a combination of federal, state and local allocation and grant dollars. DHHS has sufficient appropriation in Fiscal Year 2016-17 to accommodate the letter of intent. Appropriations for Fiscal Year 2017-18 and future years will be included in DHHS proposed budgets. There is no anticipated negative impact to the County General Fund.

This agreement supports your Board's Strategic Framework by protecting vulnerable populations and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

The City of Eureka

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve this Letter of Intent and to not pursue development of an agreement with The Danco Group. However, this is not recommended by staff as the project supports the Housing First approach by providing a valuable service to vulnerable members of our community.

ATTACHMENTS:

Attachment 1 - County's Standard Terms and Conditions

Attachment 2 - Joint Resolution of the City Council of the City of Eureka and the County of Humboldt to Collaborate on Reducing Homelessness

Attachment 3 - Eureka City Council Meeting Minutes November 1, 2016: Approval of Funds Contingent on DHHS Contribution

Attachment 4 - Eureka City Council Meeting Minutes December 13, 2016: Approval of Loan Subordination Contingent on DHHS Commitment for 20 Years

Attachment 5 - Letter of Intent from DHHS to The Danco group dated December 9, 2016

County of Humboldt

Standard Terms and Conditions for Professional Service Agreements Processed as Purchase Orders (Applies to all Contractors)

1. **Formation of Contract.** Contractor's commencement of work or shipment of goods (whichever occurs first) constitutes acceptance of the County's offer to purchase contained in any County Purchase Order (herein after referred to as a "PO"). This Acceptance Form and Agreement apply to any County purchase or other acquisition of goods and/or services from Contractor including those that are the subject of this PO unless acquisition is pursuant to a subsequently issued PO of differing terms and conditions. Any proposal for additional or different terms or any attempt by Contractor to vary in any degree any of the terms of this PO in Supplier's acceptance is hereby rejected, but such proposal shall not operate as a rejection of County's offer to purchase set out in the PO. Acceptance of a prior offer by Contractor is limited to the express terms contained in and incorporated by reference into the PO.
2. **No Terms Not Included.** This Agreement contains all the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any all prior agreements of the parties.
3. **Termination for Reduction or Lack of Funding.** County's obligations under this Agreement are contingent upon the availability of county, State and/or Federal funds. In the event such funding is terminated or reduced, County shall, at its sole discretion, determine whether this Agreement shall be terminated or County's maximum obligation reduced. County shall provide Contractor seven (7) days written notice of its intent to terminate this Agreement or its intent to reduce its maximum obligation under this Agreement.
4. **Termination for Cause.** If, in the opinion of County, Contractor fails to perform the services required under this Agreement within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation, or other law which applies to its performance herein, County may terminate this Agreement immediately, upon notice. In such event, County shall pay to Contractor an equitable portion of the total remuneration as compensation for the portion of the work deemed acceptable by County, less the amount of any damages sustained by County as a result of Contractor's breach of this Agreement. County shall be entitled to take possession of all studies, drawings, computations, specifications and reports insofar as they are complete and acceptable to County.
5. **Termination for Convenience.** At any time and for any reason, upon thirty (30) days written notice to Contractor, County may terminate this Agreement and pay only for those services rendered as of the date when termination is effective.

Notice may be given by delivering a copy of said notice to Contractor personally, or by mailing a copy of said notice to Contractor. If mailed, notice shall be deemed received two (2) days after deposit in the United States mail, postage prepaid, and addressed as set forth in **Paragraph 8 of the Agreement**.

6. **Amendment.** No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.
7. **Attorneys' Fees.** If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees (including reasonable value of services rendered by County Counsel) to be fixed by the court, and such recovery shall include court costs and attorneys' fees (including reasonable value of services rendered by County Counsel) on appeal, if any. As used herein, the party prevailing means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

8. **No Waiver of Default.** The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

In no event shall any payment by County constitute a waiver of any breach of this Agreement or any default which may then exist on the part of the Contractor. Neither shall such payment impair or prejudice any remedy available to County with respect to the breach or default. County shall have the right to demand of the Contractor under this Agreement, which in the judgment of County were not expended in accordance with the terms of this Agreement. The Contractor shall promptly refund any such funds upon demand.

9. **Book of Record and Audit Provisions.**

- A. Contractor agrees to coordinate with County in the performance of this Agreement, timely preparation and maintenance of accurate and complete financial and performance records for a minimum of five (5) years from the

date of final payment under this Agreement or until all pending County, State, and Federal audits are completed, whichever is later. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work. In addition Contractor shall maintain detailed payroll records. Contractor agrees to maintain such records locally and make them available for inspection by County, State and Federal representatives, during normal business hours, upon five (5) working days notice.

- B. Contractor will permit County, State and/or Federal Government to audit all books, accounts or records relating to this Agreement for the purpose of compliance with applicable audit requirements relative to this Agreement. Contractor shall provide the County, State or Federal Governments with any relevant information required and shall permit access to its premises, during normal business hours, upon five (5) days notice.
 - C. In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement or requirements shall be responsible for the deficiency and for the cost of the audit. If Contractor is the party responsible for the deficiency, the cost of the audit and the deficiency shall be paid by Contractor within thirty (30) days of notice.
 - D. Contractor's rights and obligations under this provision shall continue after termination of the Agreement.
- 10. Reporting.** Contractor agrees to provide County with any reports that may be required by County, State or Federal agencies for compliance with this Agreement.
- 11. Monitoring.** Contractor agrees to extend to DHHS Director or designees, the right to review and monitor records, programs or procedures, at any time, in regards to clients, as well as the overall operation of Contractor's programs in order to ensure compliance with the terms and conditions of this Agreement.
- 12. Assignment.** Neither party shall assign its obligations under this Agreement without the prior written consent of the other. Any assignment by Contractor in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement.
- 13. Subcontracting.** Contractor shall not subcontract any portion of the work required by this Agreement without prior written approval of County.
- 14. Relationship of Parties.** Contractor shall perform all work and services as described herein as an independent Contractor. No person performing any of the work or services described herein shall be considered an officer, agent, servant or employee of County, nor shall any such person be entitled to any benefits, including but not limited to Workers' Compensation Benefits, available or granted to employees of County. Contractor shall be solely responsible for the acts or omissions of its officers, agents, employees, and subcontractors. Nothing herein shall be construed as creating a partnership or joint venture between County and Contractor.
- 15. Nuclear Free Humboldt County Ordinance Compliance.** Contractor certifies by its signature below that Contractor is not a Nuclear Weapons Contractor, in that Contractor is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. Contractor agrees to notify County immediately if it becomes a nuclear weapons contractor as defined above. County may immediately terminate this Agreement if it determines that the foregoing certification is false or if Contractor becomes a nuclear weapons contractor.
- 16. Compliance with Applicable Laws.** Contractor shall comply with any and all applicable Federal, State and local laws affecting the services covered by this Agreement, including, but not limited to, the Americans with Disabilities Act.
- 17. Jurisdiction and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder or relating to this Agreement shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to Code of Civil Procedure §§394 and 395.
- 18. Nondiscriminatory Delivery of Social Services.** (As applicable) Contractor agrees that it will comply with Title VI of the Civil Rights Act of 1964 as amended; Section 504 of the Rehabilitation Act of 1973 as amended; Title II of the Americans With Disabilities Act of 1990, as amended; the Age Discrimination Act of 1972, as amended; the Food Stamp Act of 1977, as amended; California Civil Code, Section 51 et seq., as amended; California Government Code, Section 4450 et seq as amended and other applicable Federal and State laws and their implementing regulations, all as outlined in California DSS Manual Division 21. The Contractor agrees to ensure that the administration of public assistance and social services programs are nondiscriminatory, and that no person shall, because of race, religion or religious creed, color, age (over 40), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics) mental or physical disability (including HIV status and AIDS), military service, or any other classifications protected by federal, state, or local laws or ordinances be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal or State financial assistance.

The County reserves the right to monitor the Contractor for compliance with the requirements of this paragraph and

Division 21.

- 19. Nondiscriminatory Employment.** In connection with the execution of this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, religion or religious creed, color, age (over 40), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics) mental or physical disability (including HIV status and AIDS), military service, or any other classifications protected by federal, state, or local laws or ordinances. This policy does not require the employment of unqualified persons.

Contractor further assures that it will abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1974, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, the Welfare and Institutions Code Section 10000, CDSS MPP Division 21, and other applicable Federal and State laws to ensure that employment practices are non-discriminatory.

Contractor shall comply with United States Executive Order 11246, entitled "Equal Employment Opportunity." United States Executive Order 11375 and supplemented in 45 CFR, Part 60, amends this. Practices in hiring, compensation, benefits and firing are among the employment practices subject to this requirement.

- 20. Confidential Information.** In the performance of this Agreement, CONTRACTOR may receive confidential information. CONTRACTOR agrees to protect the confidentiality of all DHHS clients and patients in conformance with, but not limited to, the California Welfare and Institutions Code Sections 827, 5328, and 10850, the California Confidentiality of Medical Information Act, California Health & Safety Code sections 1280.15 and 1280.18 (or 130203 as applicable), the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the United States Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("HITECH Act"), and their implementing regulations, including as appropriate Title 45 of the Code of Federal Regulations Section 205.50.

COUNTY and CONTRATOR acknowledge that federal and state laws pertaining to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. CONTRACTOR agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations.

21. Insurance.

- A. This contract/agreement shall not be executed by County and the Contractor is not entitled to any rights, unless certificates of insurances, or other sufficient proof that the following provisions have been complied with, and such certificate(s) are filed with the Clerk of the Humboldt County Board of Supervisors.
- B. Without limiting Contractor's indemnification provided herein, Contractor shall, and shall require any of its subcontractors, to take out and maintain, throughout the period of this Agreement, the following policies of insurance placed with insurers with a current A.M. Bests rating of no less than A:VII, or its equivalent, against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of Contractor, its agents, employees or subcontractors:
1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000) per occurrence for any one incident, including, personal injury, death and property damage. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be twice the required occurrence limit.
 2. Automobile/Motor liability Insurance with a limit of liability of not less than One Million Dollars (\$1,000,000) combined single limit coverage. Such insurance shall include coverage of all "owned", "hired", and "non owned" vehicles or coverage for "any auto".
 3. Workers' Compensation and Employer's Liability insurance meeting statutory limits of the California Labor Code which policy shall contain or be endorsed to contain a waiver of subrogation against County, its officers, agents, and employees and provide for thirty (30) days prior written notice in the event of cancellation. In all cases, the above insurance shall include Employers Liability coverage with limits of not less than one million dollars per accident for bodily injury and disease.

If Contractor has no employees, Contractor may sign and file the following certification in lieu of insurance:

"I am aware of the provisions of the California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with provisions of that code before commencing with and during the performance of the work of this contract."

Signature

4. Professional liability insurance/errors and omission coverage including coverage in an amount no less than One Million Dollars (\$1,000,000) for each occurrence (Three Million Dollars (\$3,000,000) general aggregate). Said insurance shall be maintained for the statutory period during which the professional may be exposed to liability. Contractor shall require that the aforementioned professional liability insurance coverage language be incorporated into its contract with any other entity with which it contracts for professional services.

5. Insurance Notices:

County of Humboldt
Attn: Risk Management
825 5th Street, Room 131
Eureka, CA 95501

C. Special Insurance Requirements. Said policies shall unless otherwise specified herein be endorsed with, the following provisions:

- (1) The Comprehensive General Liability Policy shall provide that the County, its officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the County, its officers, officials, employees, and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards".
 - c. Is primary insurance as regards to County of Humboldt.
 - d. Does not contain a pro-rata, excess only, and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
- (2) The policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to County and in accordance with the Notice provisions set forth under **Section 8 of the Agreement**. It is further understood that Contractor shall not terminate such coverage until it provides County with proof satisfactory to County that equal or better insurance has been secured and is in place.
- (3) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
- (4) For claims related to this project, the Contractor's insurance is primary coverage to the County, and any insurance or self-insurance programs maintained by the County are excess to Contractor's insurance and will not be called upon to contribute with it.
- (5) Any failure to comply with reporting or other provisions of the Parties, including breach of warranties, shall not affect coverage provided to County, its officers, officials, employees, and volunteers.
- (6) Contractor shall furnish County with certificates and original endorsements effecting the required coverage prior to execution of this Agreement by County. The endorsements shall be on forms as approved by the County's Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000) shall be disclosed to and approved by County. If Contractor does not keep all required policies in full force and effect, County may, in addition to other remedies under this Agreement, take out the necessary insurance, and Contractor agrees to pay the cost of said insurance. County is also hereby authorized with the discretion to deduct the cost thereof from the monies owed to Contractor under this Contract.

- (7) County is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered and Contractor shall be required to purchase additional coverage to meet the aggregate limits set forth above.

22. Hold Harmless/Indemnification Clause.

- A. Contractor shall hold harmless, defend and indemnify the County and its officers, officials, employees, volunteers and elective and appointive boards from and against any and all liability loss, all claims, losses, damages, including damage expense, costs (including without limitation, costs and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the County. This indemnification shall extend to claims, losses, damages, injury, and liability for injuries occurring after completion of Contractor's services, as well as during the progress of rendering such services.
- B. Acceptance of insurance required by this Agreement does not relieve Contractor from liability under this indemnification clause. This indemnification clause shall apply to all damages or claims for damages suffered by Contractor's operations regardless if any insurance is applicable or not.
- 23. Media Release.** All press releases and informational material related to this Agreement shall receive approval from County prior to being released to the media (television, radio, newspapers, Internet). In addition, Contractor shall inform County of requests for interviews by media related to this Agreement prior to such interviews taking place. County reserves the right to have a representative present at such interviews. All notices required by this provision shall be given to the Director of the County Department of Health and Human Services or his designee.
- 24. Standard of Practice.** Contractor warrants that Contractor has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. Contractor's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.
- 25. Binding Effect.** All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and assigns.
- 26. Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.
- 27. Interpretations.** As both parties jointly prepared this Agreement, the language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.
- 28. Restrictions, Limitations or Conditions.** This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Federal and/or State governments that may affect the provisions, terms or funding of this Agreement.
- 29. Health Insurance Portability and Accountability Act of 1996 (HIPAA).** (As applicable) Contractor shall agree to use and disclose Protected Health Information in compliance with the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule") (45 C.F.R. Parts 160 and 164) under the Health Insurance Portability and Accountability Act of 1996. The definitions set forth in the Privacy Rule are incorporated by reference into this Contract (45 C.F.R. §§ 160.103 and 164.501). Contractor agrees that it will execute a HIPAA Business Associate Agreement ("BAA") with County and the BAA will be in the form set forth in **Exhibit A, HIPAA Business Associate Agreement, attached hereto** and incorporated for all purposes.
- 30. Licensing** (As applicable) Contractor shall maintain the appropriate licenses throughout the life of this Agreement.
- 31. Meaningful Use Regarding Fixed Assets.** (As applicable) All Contractors who acquire fixed assets pursuant to the terms of a **DHHS agreement** are responsible to ensure that the asset is used for a purpose consistent with the grant. DHHS must approve any changes in utilization of the asset. This term survives termination of the agreement.

Contractor's Acceptance of County's Terms and Conditions

Please complete, print, sign, and mail all seven (6) pages of this Form and Agreement with Contractor's Certificates of Insurance to the address supplied in the cover letter.

The Contractor below identified agrees that the County of Humboldt Terms and Conditions and Insurance Requirement, set out on the preceding **five (5) pages**, apply for all business with the County should the Contractor be awarded business with the County.

Legal Business Name _____

Address _____

Authorized Representative:

Signature _____

Print Name _____

Title _____

Date _____

Terms and conditions printed on Contractor's standard sales and other documents shall not apply to quotations submitted or any resulting contract or purchase order.



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

H-2

For the meeting of: March 1, 2016

Date: February 23, 2016

To: Board of Supervisors

From: Cheryl Dillingham, Interim County Administrative Officer

Subject: Joint Resolution of the City Council of the City of Eureka and the County of Humboldt

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached joint resolution of the City Council of the City of Eureka and the County of Humboldt to collaborate on reducing homelessness; and
2. Direct staff to provide the City of Eureka with a copy of the fully executed resolution immediately upon adoption; and
3. Direct staff to bring the joint resolutions back to the Board of Supervisors for affirmation after execution by both the City and County.

SOURCE OF FUNDING: NADISCUSSION:

A joint meeting of the County Board of Supervisors and Eureka City Council was held on January 26, 2016. The purpose of the meeting was for the City of Eureka, the Department of Health and Human

Prepared by	Cheryl Dillingham	CAO Approval	<i>Cheryl Dillingham</i>
REVIEW:			
Auditor	County Counsel <i>JB</i>	Human Resources	Other
TYPE OF ITEM:		BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT	
<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Departmental <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other		Upon motion of Supervisor <i>Bass</i> Seconded by Supervisor <i>Bohn</i> Ayes <i>Sundberg, Fennell, Lovelace, Bohn, Bass</i> Nays Abstain Absent	
PREVIOUS ACTION/REFERRAL:		and carried by those members present, the Board hereby approves the recommended action contained in this Board report.	
Board Order No. <u>M-1</u>		Dated: <u>March 1, 2016</u>	
Meeting of: <u>1/26/2016</u>		By: <i>Kathy Hayes</i> Kathy Hayes, Clerk of the Board	

Services, and Focus Strategies to present and summarize the Homeless Strategy and Implementation Plan report. The report recognizes that the issue of homelessness requires a high level of cooperation and collaboration between the City and County. One of the first steps in the Implementation Plan is that the City and County adopt a resolution supporting the housing first approach. The attached joint resolution of the City Council of the City of Eureka and the County of Humboldt provides for the adoption of the Homeless Strategy and Implementation Plan and the Housing First model. The City Council will be considering the same resolution at their March 1, 2016 meeting.

This action supports the Board's Strategic Framework Core Roles by creating opportunities for improved safety and health and also helps build interjurisdictional cooperation.

FINANCIAL IMPACT:

There is no direct financial impact from adopting the resolution. Actual implementation of the Focus Strategies report will require development of a budget and identification of funding sources.

OTHER AGENCY INVOLVEMENT:

City of Eureka

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board's discretion.

ATTACHMENTS:

Attachment 1 – County of Humboldt Joint Resolution with the City of Eureka to Collaborate on Reducing Homelessness

Attachment 2 – City of Eureka Agenda Summary and Joint Resolution with the County of Humboldt to Collaborate on Reducing Homelessness

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of March 1, 2016

RESOLUTION NO. 16-30

**JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EUREKA AND THE
COUNTY OF HUMBOLDT TO COLLABORATE ON REDUCING HOMELESSNESS**

WHEREAS, the County of Humboldt and City of Eureka are greatly affected by homelessness and the social, emotional, and economic impacts that this places on individuals and families; and

WHEREAS, the County of Humboldt and City of Eureka are committed to reducing homelessness and to that end commissioned a study by Focus Strategies to create a Homeless Strategy and Implementation Plan-Phase I; and

WHEREAS, that report identified four key recommendations for reducing homelessness, including: Adopt a Housing First Approach County-Wide; Strengthen and Re-Orient the Mobile Intervention Services Team to Focus on Housing Solutions; Create Direct and Low Barrier Pathways to Housing; and, to Use Data Systems to Track Progress; and

WHEREAS, the City and County intend to implement the strategies contained within the Focus Strategies report county-wide for the overall benefit for all who live in Humboldt County.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Eureka and the Board of Supervisors of Humboldt County, adopt the Homeless Strategy and Implementation Plan-phase 1 and the model of Housing First as the policy for reducing homelessness throughout Humboldt County and the City of Eureka.

BE IT FURTHER RESOLVED that the County, Department of Health and Human Services and the City shall work collaboratively with the community to create a sustainable strategy and human infrastructure to implement the Housing First Approach.

Dated: March 1, 2016



MARK LOVELACE, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Bass, seconded by Supervisor Bohn, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

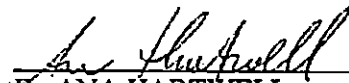
Certified copy of portion of proceedings, Meeting of March 1, 2016

RESOLUTION NO. 16-30

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.


By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California



**AGENDA SUMMARY
EUREKA CITY COUNCIL**

TITLE: Joint Resolution of the City of Eureka and the County of Humboldt to Collaborate on Reducing Homelessness

DEPARTMENT: City Manager

PREPARED BY: Greg L. Sparks

PRESENTED FOR: ☒ Action ☐ Information only ☐ Discussion/Direction

RECOMMENDATION

Adopt a joint Resolution of the City Council and the County of Humboldt that establishes the Housing First model and the Focus Strategies Implementation Plan to reduce homelessness.

FISCAL IMPACT

☒ No Fiscal Impact ☐ Included in Budget ☐ Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

More livable Eureka community.

DISCUSSION

The City Council met in joint session with the Humboldt County Board of Supervisors on January 26 to receive the Implementation Plan report from Focus Strategies. The report recognizes that the issue of homelessness is pervasive throughout the county and requires a high level of cooperation and collaboration between Eureka and the County. This resolution provides that both the city and county approve the goal of Housing First and the strategies for reducing homelessness in the report.

REVIEWED AND APPROVED BY:

- ☒ City Attorney
- ☐ City Clerk/Information Services
- ☐ Development Services
- ☐ Finance
- ☐ Fire
- ☐ Parks and Recreation
- ☐ Personnel
- ☐ Police
- ☐ Public Works

ATTACHMENTS: Resolution

RESOLUTION NO. 2016-

**A JOINT RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EUREKA AND THE COUNTY OF HUMBOLDT TO COLLABORATE
ON REDUCING HOMELESSNEES**

WHEREAS, the County of Humboldt and City of Eureka are greatly affected by homelessness and the social, emotional, and economic impacts that this places on individuals and families; and

WHEREAS, the County of Humboldt and City of Eureka are committed to reducing homelessness and to that end commissioned a study by Focus Strategies to create a Homeless Strategy and Implementation Plan-Phase 1; and

WHEREAS, that report identified four key recommendations for reducing homelessness, including: Adopt a Housing First Approach County-Wide; Strengthen and Re-Orient Mobile Intervention Services Team to Focus on Housing Solutions; Create Direct and Low Barrier Pathways to Housing; and, to Use Data Systems to Track Progress; and

WHEREAS, the City and County intend to implement the strategies contained within the Focus Strategies report county-wide for the overall benefit for all who live in Humboldt County,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Eureka and the Board of Supervisors of Humboldt County, adopt the Homeless Strategy and Implementation Plan-phase 1 and the model of Housing First as the policy for reducing homelessness throughout Humboldt County and the City of Eureka.

BE IT FURTHER RESOLVED that the County, Humboldt Department of Health and Human Services and the City shall work collaboratively with the community to create a sustainable strategy and human infrastructure to implement the Housing First Approach.

RESOLUTION NO. 2016-

Page 2

PASSED, APPROVED AND ADOPTED by the City Council of the City of Eureka in the County of Humboldt, State of California, on the ____ day of ____, 2016 by the following vote:

AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS

Frank J. Jäger, Mayor of the City of Eureka

Attest:

Pamela J. Powell, City Clerk

Approved as to Administration:

Approved as to form:

Greg L. Sparks, City Manager

Cyndy Day-Wilson, City Attorney



**City of Eureka, CA
City Council Regular Meeting
Tuesday, November 01, 2016
6:00 PM**

COUNCIL CHAMBERS, 531 K STREET EUREKA, CA 95501

AGENDA

ELECTED OFFICIALS

*Mayor Frank J. Jager
Councilmember Marian Brady
Councilmember Linda Atkins
Councilmember Kim Bergel
Councilmember Melinda Ciarabellini
Councilmember Natalie Arroyo*

PUBLIC COMMENT

(Limited to 3 minutes each speaker on Closed Session items only)

CLOSED SESSION - 5:00 P.M.

If closed session items cannot be completed by 5:55 P.M., they will be continued at the conclusion of the regular agenda, provided there is time. If time does not allow then those closed session items will be continued to the next regular meeting.

REGULAR SESSION - 6:00 P.M.

ROLL CALL

PLEDGE OF ALLEGIANCE

REPORT OUT OF CLOSED SESSION

MAYOR'S ANNOUNCEMENTS

The Great American Smokeout

COUNCIL REPORTS / CITY-RELATED TRAVEL REPORTS

BOARD/COMMISSION REPORTS

PUBLIC COMMENT PERIOD

This is the time for members of the public who wish to be heard on matters that do not appear on the Agenda. Pursuant to City Council Resolution No. 2011-22, City Council policy is to limit each speaker to three (3) minutes. Such time allotment or portion thereof shall not be transferred to other speakers. The public will be allowed to speak concurrently with the calling of an agenda item following the staff presentation of that item. Pursuant to the Brown Act, the City Council may not take action on an item that does not appear on the Agenda.

A. PUBLIC HEARINGS

Public Hearings are scheduled for a time certain of 6:00 P.M. unless noticed otherwise, or as soon thereafter as possible.

A.1. Public Hearing - Unmet Transit Needs

Recommendation: Hold a Public Hearing; and

Direct staff to forward a transcript of comments to the Humboldt County Association of Governments (HCAOG) for inclusion in the 2017-18 Unmet Needs Report of Findings.

A.2. Collection of Past-Due Fines and Fees

Recommendation: Hold a public hearing; and adopt a resolution of the City Council ordering special assessments for unpaid administrative fines, monitoring fees, or abatements at certain real properties as listed in Attachment 'A.'

B. CONSENT CALENDAR

Notice to the Public: All matters listed under this category are considered to be routine by the City Council and will be enacted by one motion. Pursuant to City Council Resolution 2011-22, if a member of the public would like an item on the Consent Calendar pulled and discussed separately, the request shall be made to a Councilmember prior to the meeting. Unless a specific request is made by a Councilmember, the Consent Calendar will not be read. There will be no separate discussion of these items.

B.1. Council Meeting Minutes

Recommendation: Approve the regular City Council Meeting minutes of October 18, 2016.

B.2. Membership Structure of the Humboldt County Integrated Solid Waste Management Local Task Force

Recommendation: Approve a resolution of the City Council re-establishing the Integrated Solid Waste Management Task Force (LTF) in accordance with Public Resources Code Section 40950.1.;and

Approve the Parks and Recreation Director as the designee for the Local Task Force and the Deputy Parks and Recreation Director as the alternate for the Local Task Force

B.3. Fund 720 Trust Holding Fund

Recommendation: Adopt a resolution of the City Council authorizing the City Manager to close out Fund 720 - Trust Holding Fund and transfer funds into Fund 110 General Fund.

B.4. MCC Upgrades 2016

Recommendation: Declare Platt Electric the low bidder on Pump Station MCC Upgrades 2016; and award Bid No. 2017-02 to Platt Electric in the amount of \$365,753.25 with an assumed sales tax rate of 8.75% and shipping for a total of \$400,000 for Motor Control Center Upgrade Equipment.

C. ORDINANCES/RESOLUTIONS

C.1. Ordinance adding Section 92.10 to Title IX Chapter 1X Chapter 92 - Restrictions on Butane Sales

Recommendation: Waive reading, read by Title only, and Adopt Bill No. 927-C.S., an Ordinance of the City of Eureka adding Section 92.10 to Title IX Chapter 92 – RESTRICTIONS ON BUTANE SALES.

C.2. Amendment to EMC Section 150.186 Title XV Chapter 150-Building Regulations - Unsafe Structures; Abatement of Nuisances; and Section 10.57, Title I Chapter 10 - General Provisions-Administrative Citations to include Foreclosure.

Recommendation: Waive reading, read by Title only, and Adopt Bill No. 928-C.S., an Ordinance of the City of Eureka AMENDING EMC SECTION 150.186 TO TITLE XV CHAPTER 150 – BUILDING REGULATIONS – UNSAFE STRUCTURES; ABATEMENT OF NUISANCES; AND, SECTION 10.57 TO TITLE I CHAPTER 10 – GENERAL PROVISIONS – ADMINISTRATIVE CITATIONS TO INCLUDE FORECLOSURE

D. REPORTS/ACTION ITEMS

D.1. Redwood Coast Music Festival Request

Recommendation: Waive facility use fees and approve a partnership arrangement with Redwood Coast Music Festivals (RCMF) that allows RCMF staff and volunteers to do the set-up, break-down, custodial services and professional electrical work and any city staff costs would be paid by RCMF; or
Approve an agreement for the collection of total fees (including facility and staff) by phasing in the collection of fees over a three year period at 33%, 66%, and 100%.

D.2. Commercial Cannabis Cultivation Excise Tax Presentation

Recommendation: Receive a report on the Commercial Cannabis Cultivation Excise Tax

D.3. Rental Subsidy Funding for 15 Permanent Supportive Housing Units

Recommendation: Approve City of Eureka Housing Successor funding in the amount of \$100,000 for rental subsidies contingent upon Humboldt County Matching Fund approval of \$100,000, and the State of California Housing and Community Development HOME Program authorization of 15 Permanent Supportive Housing units at the Danco "The Lodge at Eureka" project.

E. CITY MANAGER REPORTS

ADJOURNMENT

If open session items cannot be completed by 9:30 P.M., the meeting may be adjourned to the next regular meeting or Council may vote to extend the meeting.

NOTICES

The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon the request and consensus of the Mayor and Council.

Any writing that is a public record not exempt from public disclosure and relating to an agenda item for open session of the City Council is available for public inspection at the Office of the City Clerk, 531 K Street, Eureka, CA 95501.

The meeting rooms are ADA accessible. Accommodations and access to City meetings for people with special needs must be requested of the City Clerk at 441-4175 72 hours in advance of the meeting. This agenda and other materials are available in alternate formats upon request.

All persons in attendance at public meetings are requested to observe the following rules of civil debate:

- 1. We may disagree, but we will be respectful of one another.*
- 2. All comments will be directed to the issue at hand.*
- 3. Personal attacks are unacceptable*
- 4. Applauding or other displays of approval/disapproval are discouraged.*

Regular City Council meetings are broadcast live by Humboldt Access on Cable Channel 10 and live streamed on the City's web site at [www. ci.eureka.ca.gov](http://www.ci.eureka.ca.gov).

To minimize distractions, please be sure all personal communications devices are on silent mode.

Questions? Please e-mail cityclerk@ci.eureka.ca.gov or contact the City Clerk's office at (707) 441-4175.



MINUTES OF
EUREKA CITY COUNCIL

November 1, 2016

The City Council of the City of Eureka met in REGULAR Session on the above date, 5:00 P.M. Closed Session, 6:00 P.M. Open Session, at the Eureka City Hall, Council Chambers, 531 "K" Street, Eureka.

CLOSED SESSION: None

REGULAR SESSION – 6:00 P.M.

ROLL CALL:

PRESENT: BRADY
BERGEL
CIARABELLINI
ARROYO
JAGER

ABSENT: ATKINS

PLEDGE OF ALLEGIANCE

REPORT OUT OF CLOSED SESSION: None

MAYOR'S ANNOUNCEMENTS

Mayor Jager presented a proclamation for the Great American Smokeout.

Item D.1 Redwood Coast Music Festival has been pulled and will not be discussed.

Item D.3 will be moved to be heard after Public Comment

COUNCIL REPORTS / CITY-RELATED TRAVEL REPORTS:

Councilmember Ciarabellini invited representatives from the League of Women Voter's organization to address the Council.

Invitation to attend the annual Veteran's Day Celebration at the Adorni Center on 11/11 at 11 A.M.

Councilmember Arroyo has been doing training on a more effective community process and she encourages citizens to support Humboldt Roller Derby as she is a member of the team.

Councilmember Bergel was at PALCO marsh with ECO Eureka doing clean-up and she is very excited about the new trail that will extend thru the marsh.

The Graffiti Abatement Team is looking for volunteers, interested individuals can contact her or Suzie Owsley.

Councilmember Brady invited individuals to attend Coffee with the Captain's monthly event.

BOARD/COMMISSION REPORTS: None

PUBLIC COMMENT PERIOD:

Minnie Wolf, Eureka
Joe Bonino, Eureka
Nezzie Wade
Unidentified speaker

A) PUBLIC HEARINGS:

- A.1 Public Hearing - Unmet Transit Needs - Finance Director Wendy Howard provided a report. Deborah Dees from HCOAG provided information. The Public Hearing was opened and closed at 6:50 P.M. No one from the public provided information to the Council.

BERGEL moved, seconded by CIARABELLINI, to direct staff to forward a transcript of comments to the Humboldt County Association of Governments (HCAOG) for inclusion in the 2017-18 Unmet Needs Report of Findings, motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO
Noes: None
Absent: ATKINS

- A.2 Collection of Past-Due Fines and Fees - Deputy Public Works Director Brian Issa provided a report. The Public Hearing was opened at 7:07 P.M. The following individuals addressed the Council regarding this subject matter:

Eric Hedlund, Eureka

The Public Hearing Closed at 7:10 P.M.

CIARABELLINI moved, seconded by BERGEL, Adopt Resolution No. 2016-77 of the City Council ordering special assessments for unpaid administrative fines, monitoring fees, or abatements at certain real properties as listed in Attachment 'A.', motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO

Noes: None

Absent: ATKINS

B) CONSENT CALENDAR: BRADY moved, seconded by ARROYO, to approved the consent calendar minus item B.3, motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO

Noes: None

Absent: ATKINS

- B.1 Council Meeting Minutes – Approved the regular Council meeting minutes of October 18, 2016.
- B.2 Membership Structure of the Humboldt County Integrated Solid Waste Management Local Task Force – Adopted Resolution No. 2016-78 of the City Council re-establishing the Integrated Solid Waste Management Task Force (LTF) in accordance with Public Resources Code Section 40950.1 and approved the Parks and Recreation Director as the designee for the Local Task Force and the Deputy Parks and Recreation Director as the alternate for the Local Task Force.
- B.3 Fund 720 Trust Holding Fund –Finance Director Wendy Howard provided information. No one from the public provided information on this subject matter.

BRADY moved, seconded by ARROYO, Adopt Resolution No. 2016-79 of the City Council authorizing the City Manager to close out Fund 720 - Trust Holding Fund and transfer funds into Fund 110 General Fund, motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO

Noes: None

Absent: ATKINS

- B.4 MCC Upgrades 2016 – Declared Platt Electric the low bidder on Pump Station MCC Upgrades 2016 and awarded Bid No. 2017-02 to Platt Electric in the amount of \$365,753.25 with an assumed sales tax rate of 8.75% and shipping for a total \$400,000 for Motor Control Center Upgrade Equipment.

C) ORDINANCES/RESOLUTIONS

- C.1 Ordinance adding Section 92.10 to Title IX Chapter 1X Chapter 92 - Restrictions on Butane Sales - City Attorney Cyndy Day Wilson provided a report. Fire Chief Bill Gillespie and Development Services Director Rob Holmlund provided information. The following individuals addressed the Council regarding this subject matter:

Victoria Benington, Eureka
Allison Edwington, Fortuna
Thomas Edwington
Bill Morrel
Pat Moore
James Filiogi
Keith Linnville
Eric Bonde
Lee Turner, Eureka

CIARABELLINI moved, seconded by ARROYO, Waive reading, read by Title only, and Adopt Bill No. 927-C.S., Ordinance No. 849-C.S., an Ordinance of the City of Eureka adding Section 92.10 to Title IX Chapter 92 – RESTRICTIONS ON BUTANE SALES add under section F exemptions item 2 licensed vocational xxx add amendment on making records available, motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO
Noes: None
Absent: ATKINS

- C.2 Amendment to EMC Section 150.186 Title XV Chapter 150-Building Regulations - Unsafe Structures; Abatement of Nuisances; and Section 10.57, Title 1 Chapter 10 - General Provisions-Administrative Citations to include Foreclosure - City Attorney Cyndy Day Wilson provided a report. The following individual addressed the Council regarding this subject matter:

Eric Hedlund

BERGEL moved, seconded by CIARABELLINI, Waive reading, read by Title only, and Adopt Bill No. 928-C.S., Ordinance No. 850-C.S., an Ordinance of the City of Eureka AMENDING EMC SECTION 150.186 TO TITLE XV CHAPTER 150 – BUILDING REGULATIONS – UNSAFE STRUCTURES; ABATEMENT OF NUISANCES; AND,

SECTION 10.57 TO TITLE I CHAPTER 10 – GENERAL PROVISIONS –
ADMINISTRATIVE CITATIONS TO INCLUDE FORECLOSURE, motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO

Noes: None

Absent: ATKINS

D) REPORTS/ACTION ITEMS

- D.1 Redwood Coast Music Festival Request – This item was pulled and not discussed.
- D.2 Commercial Cannabis Cultivation Excise Tax Presentation – County of Humboldt Chief Administrative Officer Amy Nielsen provided a report.
- D.3 Rental Subsidy Funding for 15 Permanent Supportive Housing Units - Housing Project Manager Melinda Petersen presented a report. Development Services Director Rob Holmlund provided information. Sally Hewitt of DHSS and Chris Dart of DANCO provided information. No one from the public addressed the Council regarding this subject matter.

ARROYO moved, seconded by CIARABELLINI, Approve City of Eureka Housing Successor funding in the amount of \$100,000 for rental subsidies contingent upon Humboldt County Matching Fund approval of \$100,000, and the State of California Housing and Community Development HOME Program authorization of 15 Permanent Supportive Housing units at the Danco "The Lodge at Eureka" project, motion Carried

Ayes: BRADY, BERGEL, CIARABELLINI, ARROYO

Noes: None

Absent: ATKINS

E) CITY MANAGER REPORTS

City Manager Greg Sparks announced that the City of Eureka was awarded a 1.1 million dollar CDBG Grant.

In anticipation of prop 64 passing would the council like to place an item on the next agenda regarding a moratorium to address the regulation of recreational marijuana? By consensus, Council directed staff to place the item on the November 15, 2015 regular agenda.

ADJOURNMENT: 9:22 P.M.

APPROVED:

Frank J. Jager
Mayor

Attest:

Pamela J. Powell
City Clerk



MINUTES OF
EUREKA CITY COUNCIL

December 13, 2016

The City Council of the City of Eureka met in REGULAR Session on the above date, 6:00 P.M. Open Session, at the Eureka City Hall, Council Chambers, 531 "K" Street, Eureka.

REGULAR SESSION – 6:00 P.M.

ROLL CALL:

PRESENT: BRADY
 ATKINS
 BERGEL
 CIARABELLINI
 ARROYO
 JAGER

ABSENT: None

PLEDGE OF ALLEGIANCE

A) RESOLUTIONS:

- A.1 Resolutions Declaring Canvass of Returns and Results of General Municipal Election – City Clerk, Pam Powel presented a report. The US Coast Guard presented a Certificate of Merit to Councilmember Ciarabellini and Pete Ciarabellini addressed the Council on behalf of Councilmember Ciarabellini.

BERGEL moved, seconded by ARROYO, to adopt a Resolution of the City Council accepting the Canvass of Returns and declaring the results of the General Municipal Election held in the City of Eureka on Tuesday November 8, 2016 for the purpose of electing certain municipal officers; and

Adopt a Resolution of the City Council accepting the Canvass of Returns and declaring the results of the General Municipal Election held in the City of Eureka on Tuesday November 8, 2016 for the purpose of submitting to the electors of the City of Eureka Ballot Measure O relating to Low Income Housing Limits; and

Adopt a Resolution of the City Council accepting the Canvass of Returns and declaring the results of the General Municipal Election held in the City of Eureka on Tuesday November 8, 2016 for the purpose of submitting to the electors of the City of Eureka Ballot Measure P relating to a Charter Amendment for a True Ward System, motion Carried

Ayes: ARROYO, ATKINS, BERGEL, BRADY, CIARABELLINI

Noes: None

Absent: None

Mayor Jager administered the Oath of Office to Heidi Messner, Ward 2 Councilmember and Austin Allison, Ward 4 Councilmember.

MAYOR'S ANNOUNCEMENTS:

Councilmember Bergel presented a proclamation for Human Rights Awareness Month

Councilmember Arroyo presented a proclamation in support of Centro Del Pueblo, a Latino Cultural Center.

Connie Lorenzo Health and Human Services presented information on the Humboldt Second Chance Program

Zoo Manager Gretchen Ziegler presented the Updated Master and Strategic Plan for Sequoia Park Zoo.

COUNCIL REPORTS / CITY-RELATED TRAVEL REPORTS:

Councilmember Brady reported that she attended a memorial service for former Councilmember Jim Howard and that she attended "Coffee with the Captains" hosted by McDonald's.

Councilmember Bergel announced the Holiday Dash and the Grand Opening of the Trail at the Foot of Del Norte Street. Councilmember Bergel requested an update regarding the land transfer to the Wiyot Tribe.

By consensus, Council agreed to Councilmember Bergel's request to discuss a resolution regarding human rights on the next council meeting.

Councilmember Arroyo attended the Strategic Arts Council presentation and announced that HTA will be providing later Saturday evening service beginning Jan 1.

BOARD/COMMISSION REPORTS: None

PUBLIC COMMENT PERIOD:

Brandy Wilson Executive Director for Harm Reduction
Jimmy Work
Unidentified speaker
Unidentified speaker

B) PUBLIC HEARINGS:

B.1 Mungia General Plan Amendment and Zone Reclassification

Development Services Director Rob Homlund and Associate Planner Brian Heaton provided a report.

Public Hearing opened and closed 7:23 P.M. No one from the public addressed the Council regarding this subject matter.

ARROYO moved, seconded by MESSNER, to waive reading, read by title only, and introduce Bill No. 930-C.S. an "Ordinance Reclassifying Real Property at APN 008-171-011 from Planned Shopping Center (CP) to Neighborhood Commercial (CN); and Adopt Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP); and

Adopt Resolution No. 2016-87 of the City Council of the City of Eureka approving a General Plan Amendment at APN 008-171-011 from Community Commercial (CC) to Neighborhood Commercial (NC), motion Carried

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

C) CONSENT CALENDAR: Item 7 from the Consent Calendar was pulled and discussed separately. BRADY moved, seconded by BERGEL to approve the balance of the consent calendar, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

C.1 City Council Meeting Minutes – Approve the regular Council meeting minutes of November 15, 2016.

C.2 Temporary Over-Hire for Senior Administrative Assistant in the Police Department – Approved a temporary over-hire of a Senior Administrative Assistant in the Police Department.

- C.3 Local Agency Biennial Conflict of Interest Code – Rescinded Resolution No. 2014-65; and Adopt Resolution No. 2016-88 of the City Council containing amendments to the City's Conflict of Interest Code to include new positions, revise title of existing positions, and delete titles of position that have been abolished.
- C.4 Modify Facilities Maintenance Operations – Adopt Resolution No. 2016-89 of the City Council to replace a vacant Electrician position with two (2) Facilities Maintenance Technicians in the Facilities Division of the Parks and Recreation Department.
- C.5 GHD Professional Services Agreement for Eureka Waterfront Trail, Phases B and C, Construction Management (Bid No. 2017-4) – Authorize staff to negotiate and execute a professional services agreement with GHD Inc for construction management of Eureka Waterfront Trail (Phases B and C) in an amount not to exceed \$372,226.
- C.6 Eureka City Schools Shared Facilities Agreement – Approve a shared facilities agreement with Eureka City Schools.
- C.7 Housing Successor Cash Match for Americorps Housing Support Specialists – Councilmember Arroyo recused herself from this item and left the chambers. Housing Program Manager Melinda Petersen provided a report. No one from the public commented on this subject matter.

BERGEL moved, seconded by MESSNER, to allocate \$68,000 from Housing Successor Funds to Redwood Community Action Agency to support an application cash match for four (4) AmeriCorps Housing Support Specialist members to assist with housing the homeless. , motion Carried

Ayes: BRADY, MESSNER, BERGEL, ALLISON,

Noes: None

Absent: ARROYO

- C.8 Eureka 8th Street LP Loan Subordination "The Lodge at Eureka" – Authorize a Loan Subordination in the Amount of \$1.6 Million consisting of a Citibank loan increase from \$575,000 to \$1.2 Million in the first lien position on title contingent upon (1) City of Eureka staff authorization of Change Orders, (2) Authorization of County Department Health & Human Services Rental Subsidies for 20 years for 15 units at the "The Lodge at Eureka", (3) increase Citibank funding, (4) increased tax credits and (5) an increased Deferred Development Fee from \$62,624 to \$331,792, (6) Design Review

Committee modification authorization, (7) Housing and Community Development HOME Program approval of loan subordination and verification of minimum age of 62 and/or disabled for all tenants, except the manager's unit.

- C.9 Eureka Waterfront Trail – Phases B and C, Bid No. 2017-5 – Declare Mercer-Fraser Company the low responsive bidder on the Eureka Waterfront Trail Phases B and C Project; and Award Bid No. 2017-5 to Mercer-Fraser Company in the amount of \$4,038,179.00 and approve \$4,238,179.00 for the project which includes a contingency of approximately 5%.

D) ORDINANCES/RESOLUTIONS:

- D.1 Successor Agency to the Former Redevelopment Agency - 2017 Tax Allocation Refunding Bonds - Finance Director Wendy Howard provided a report. Ralph Holmes provided information. No one from the public commented on this subject matter.

ARROYO moved, seconded by MESSNER, to adopt Resolution No. 2016-90 of the City Council acting as the Successor Agency approving the issuance of up to two series of refunding bonds in order to refund certain outstanding obligations of the dissolved Redevelopment Agency of the City of Eureka, approving the execution and delivery of an indenture of trust, irrevocable refunding instructions, one or more escrow agreements, a bond purchase agreement, and other documents relating thereto, approving a preliminary official statement and a final official statement, requesting Oversight Board approval of the issuance of the refunding bonds, and providing for other matters properly relating thereto, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO
Noes: None
Absent: None

- D.2 2016 Building Standards Code - Public Works Director Brian Gerving provided a report. No one from the public commented on this subject matter.

BERGEL moved, seconded by ALLISON, waive reading, read by Title only and introduce Bill No. 931-C.S. "An ordinance of the City of Eureka amending Eureka Municipal Code Title 15, Chapter 150, including Sections 150.002, 150.015 through 150.029 and adding new Section 150.030 adopting by reference the 2016 editions of the California Building Standards Code and related model codes with Appendices and amendments all relating to building regulations"; and Waive reading, read by title only and introduce Bill No. 932-C.S. "An ordinance of the City of Eureka amending Eureka Municipal Code Title 9, Chapter 92, including Sections 92.01 through 92.07 adopting by reference the 2016 edition of the California Fire Code

and related model codes with appendices and amendments all relating to fire regulations"; and

Adopt Resolution No.'s 2016-91 and 2016-92 of the City Council establishing findings for amendments to the California Building Code and California Residential Code based on local climatic, geographic, or topographic conditions, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

E) REPORTS/ACTION ITEMS:

E.1 Caltrans 101 Corridor Project Update – Council received a report on the 101 Corridor Project Update from Caltrans. No one from the public commented on this subject matter.

E.2 St. Vincent DePaul Emergency Overflow Overnight Shelter Agreement - Parks and Recreation Director Miles Slattery provided a report. Eureka Rescue Mission Brian Hall provided information. The following individuals addressed the Council regarding this subject matter:

Steve Berti
Matthew Owen

BRADY moved, seconded by MESSNER, to approve an Emergency Overflow Overnight Shelter Agreement with St. Vincent DePaul Society; and
Appropriate additional funds from the General Fund in an amount not to exceed \$12,000, motion Carried

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

E.3 Wastewater Treatment Plant Digester Cover Emergency Project - Public Works Director Brian Gerving provided a report. No one from the public commented on this subject matter.

ARROYO moved, seconded by MESSNER, to adopt Resolution No. 2016-93 of the City Council finding an emergency in regards to the Elk River Wastewater Treatment Plant sludge; and

Authorize the City Manager to negotiate and execute an agreement in an amount not to exceed \$3,000,000 with Brown and Caldwell for design, construction, and construction engineering services associated with the Wastewater Treatment Plant (WWTP) digester cover replacement project; and

Authorize the City Manager to negotiate and execute a materials management agreement in an amount not to exceed \$1,000,000 for services associated with the

emptying, dewatering, transport, and disposal of biosolids from the WWTP facultative sludge lagoon; and

Appropriate \$1,500,000 in additional funding from Wastewater Reserves to account 512-47000-7878 Elk River Digester Cover Repair; and

Appropriate \$700,000 in additional funding from Wastewater Reserves to account 510-44430-3165 Biosolids Transportation, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

- E.4 Mayor Pro-Tem - BERGEL moved, seconded by ARROYO, to nominate Councilmember Marian Brady as Mayor Pro Tem, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

ARROYO moved, seconded by BRADY, to extend meeting by 20 minutes, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

- E.5 Mayor and Council Memberships on Boards, Commissions, Committees, Sub-committees, and Ad-Hoc Committees – ARROYO moved, seconded by BERGEL to approve the Council appointees to Mayor and Council Memberships on Boards and Commissions, motion Carried.

Ayes: BRADY, MESSNER, BERGEL, ALLISON, ARROYO

Noes: None

Absent: None

F) CITY MANAGER REPORTS:

City Manager Greg Sparks provided a update on the WWII Ship the 1091 and its relocation to property owned by the Humboldt Bay Harbor District in Samoa.

ADJOURNMENT: 10:10 P.M.

G) CLOSED SESSION – This item was pulled and not discussed.

- G.1 Conference with legal counsel - Initiating litigation
Significant exposure to litigation: One case
Pursuant to government code section 54956.9(d)(4)

APPROVED:

Frank J. Jager ,
Mayor

Attest:

Pamela J. Powell
City Clerk



Administration
Connie Beck, Director
507 F Street, Eureka, CA 95501
phone: (707) 441-5400 | fax: (707) 441-5412

December 09, 2016

Dan Johnson, Owner
The Danco Group
5251 Ericson Way
Arcata, CA 95521
Phone (707) 822-9000
Fax (707) 822-95961

Dear Mr. Dan Johnson:

Please consider this letter as an intent for the County of Humboldt Department of Health and Human Services to support client leasing of 15 low-income senior housing units on a recurring basis for a term of 20 years.

The Department of Health and Human Services agrees to support rental subsidies not to exceed \$100,000 per year for the first two years of the lease. The remaining years lease amounts will be based on a fair market index for the local area.

It is the intention of the Department of Health and Human Services to submit a consent item for this project to the County Board of Supervisors on January 3, 2017 for approval. DHHS is excited to support this critical senior housing project and we look forward to a long lasting relationship with the Danco group in the near future.

Sincerely,

Connie Beck, Director

Mental Health
phone: (707) 268-2990
fax: (707) 476-4049

Public Health
phone: (707) 445-6200
fax: (707) 445-6097

Social Services
phone: (707) 476-4700
fax: (707) 441-2096

**MASTER LEASE AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
EUREKA 8th STREET, LP**

This Master Lease Agreement (the "Agreement") is made and entered into as of the 7 day of November, 2017, by and between the County of Humboldt, a political subdivision of the State of California, by and through the HUMBOLDT COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES ("DHHS"); and EUREKA 8th STREET, LP, a California limited partnership ("Eureka LP"). DHHS and EUREKA LP are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS there is an acute need in Humboldt County for subsidized housing for low income seniors; AND

WHEREAS, EUREKA LP has developed a 50 unit multifamily residential project known as the Lodge at Eureka, (the "Project") with an address of 428 8th Street, City of Eureka, County of Humboldt, California, the legal description of which is attached hereto as Exhibit A (the "Property"); AND

WHEREAS, the Project is subject to a various regulations that require Eureka LP to qualify its tenants according to various guidelines and restrictions and also restricts the amount of rent which each tenant will pay; AND

WHEREAS, DHHS has requested that Eureka LP master lease fifteen (15) rental units in the Project to DHHS for lease to tenants designated by DHHS under its homeless program, and Eureka LP has agreed to do so, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is agreed as follows:

1. PREMISES

Eureka LP leases to DHHS and DHHS leases from Eureka LP fifteen (15) units ("DHHS Units") at the Project for the exclusive use of tenants designated by DHHS ("DHHS Tenant"), provided however, such tenants otherwise meet the LIHTC Requirements (as defined below) and the requirements set forth in Paragraph 6.

2. LEASE TERM AND TERMINATION

The term of the lease is twenty years (the "Term"). Unless extended in writing executed by both Parties, this Agreement shall terminate on December 31, 2037.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. The Parties agree to execute and record a Notice of Termination of this Agreement upon the request of either Party after expiration of the Term.

DHHS's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, DHHS shall, at its sole discretion, determine whether this Agreement shall be terminated. DHHS shall provide Eureka LP seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.

3. RENT

Total rent payable by DHHS to Eureka LP hereunder shall not exceed two (2) million dollars in the aggregate. The maximum biennial (two (2) fiscal years) rental payment is two-hundred (200) thousand dollars.

4. RENT PAYMENTS

DHHS hereby assigns to Eureka LP the right to receive the monthly rental payment for each DHHS Unit from each DHHS Tenant in an amount up to the maximum amount allowed under the DHHS Low Income Housing Program for the term of this Agreement ("DHHS Unit Base Rent"). Until December 31, 2037, for each DHHS Unit, DHHS agrees to pay to Eureka LP rent in a monthly amount equal to the difference between the Base Rent for such DHHS Unit and the then Fair Market Rent ("FMR") for such DHHS Unit, cumulatively the ("DHHS Rent Amount"). In the event Eureka LP fails to receive all of the Base Rent for a unit occupied by a DHHS Tenant, DHHS agrees to pay to Eureka such additional amount as necessary to have the total rent paid to Eureka LP equal the FMR for such unit. In consideration for Eureka LP's agreement to lease the fifteen (15) DHHS Units to DHHS for use by DHHS Tenants, in the event for any reason there are less than fifteen (15) DHHS Tenants occupying the DHHS Units at any time or any DHHS Tenant fails to pay its respective Base Rent, DHHS agrees to pay to Eureka LP both the Base Rent for such DHHS Unit and also the DHHS Rent Amount. Eureka LP shall notify DHHS of the Fair Market Rent of the DHHS Units prior to the issuance of a Certificate of Occupancy for the Project, and thereafter once each year. In the event a DHHS Unit remains vacant for more than 30 days, Eureka LP shall have the option of renting such DHHS Unit to a non-DHHS Tenant meeting the Tenant Selection Policy; provided, however, when such non-DHHS Tenant vacates the unit, the DHHS Unit shall be reserved for a DHHS Tenant provided it is then occupied by a DHHS Tenant within 30 days following the date the non-DHHS Tenant vacates the unit. In the event a DHHS Unit is occupied by a non-DHHS Tenant, DHHS shall pay to Eureka LP an amount, when added to the amount paid by such tenant, as will equal the FMR for such unit.

The Fair Market Rent as used in this Agreement shall be the amount approved from time to time by the California Tax Credit Allocation Committee for the other units.

5. MANAGEMENT AND OPERATION OF DHHS UNITS

Eureka LP has received an allocation of low-income housing tax credits for the Project ("Tax Credits") and intends for the Project to qualify as a "low income housing project" under Section 42 of the Internal Revenue Code which shall comply in all respects with any regulatory agreement ("Regulatory Agreement") entered into between Eureka LP and the California Tax Credit Allocation Committee ("CTCAC"). The requirements for the Project under Section 42 of the Internal Revenue Code and the Regulatory Agreement are collectively referred to herein as the "LIHTC Requirements."

DHHS shall cause the property management agent for the Project to lease each DHHS Unit to qualified tenants in accordance with the LIHTC Requirements, and cause the DHHS Units to be operated and managed in such a way as to qualify the DHHS Units for Tax Credits.

/////
/////

If, for any reason, Eureka LP determined that the DHHS Units cannot or will not comply with the LIHTC Requirements, this Lease shall be terminable by Eureka LP upon 30 days prior written notice to DHHS.

Notwithstanding the leasing of the DHHS Units, DHHS hereby delegates to Eureka LP, the obligation to maintain, repair and insure the DHHS Units.

6. DHHS-TENANT QUALIFICATIONS.

All tenants in the project, including tenants of the DHHS Units, shall be required to meet the LIHTC Requirements and the requirements of the Tenant Selection Policy as set forth on Exhibit B attached hereto and made a part of this Agreement by this reference.

6. UTILITIES

DHHS is not responsible for any charges for gas, electricity, refuse collection, water and sewer supplied to and used in the DHHS Units.

7. BUILDING STANDARDS

Eureka LP covenants and warrants that the premises have been constructed any remodeling done in accordance with all local, state, and federal laws and regulations, including but not limited to, the Americans with Disabilities Act. Eureka LP further agrees to comply with any federal state or local licensing standards, any applicable accrediting standards, and any other applicable standards or criteria established locally or by the state or federal governments.

DHHS shall have the right to terminate this Lease upon seven (7) days written notice if Eureka LP fails to comply with any of the above-mentioned applicable laws, standards, or criteria, and such failure is not cured within thirty (30) days of receipt of written notice from DHHS.

8. CONFIDENTIAL INFORMATION

A. Disclosure of Confidential Information. In the performance of this Agreement, Eureka LP may receive information that is confidential under local, state or federal law. Eureka LP hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to: Division 19 of the California Department of Social Services Manual of Policies and Procedures – Confidentiality of Information; California Welfare and Institutions Code Sections 15633 et seq., 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act (“CMIA”); the United States Health Information Technology for Economic and Clinical Health Act (“HITECH Act”); the United States Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations (“C.F.R.”) Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.

B. Continuing Compliance with Confidentiality Laws. The parties acknowledge that federal and state confidentiality laws are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local,

state and federal laws or regulations.

9. NON-DISCRIMINATION COMPLIANCE

A. Nondiscriminatory Delivery of Social Services. In connection with the execution of this Agreement, Eureka LP, and its subcontractors, shall not unlawfully discriminate in the administration of public assistance and social services programs. Eureka LP hereby assures that no person shall be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving local, state or federal financial assistance because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service or any other classifications protected by local, state or federal laws or regulations. DHHS reserves the right to monitor the Eureka LP's provision of services in order to ensure compliance with the requirements of this section.

B. Professional Services and Employment. In connection with the execution of this Agreement, Eureka LP, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.

C. Compliance with Anti-Discrimination Laws. Eureka LP further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, 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.

10. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE

Eureka LP certifies by its signature below that it is not a Nuclear Weapons contractor, in that Eureka LP is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. Eureka LP agrees to notify DHHS immediately if it becomes a Nuclear Weapons Contractor as defined above. DHHS may immediately terminate this Agreement if it determines that the foregoing certification is false or if Eureka LP subsequently becomes a Nuclear Weapons contractor.

11. DRUG-FREE WORKPLACE

By executing this Agreement, Eureka LP certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.

B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:

1. The dangers of drug abuse in the workplace;
2. Eureka LP's policy of maintaining a drug-free workplace;
3. Any available counseling, rehabilitation and employee assistance programs; and
4. Penalties that may be imposed upon employees for drug abuse violations.

C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services hereunder will:

1. Receive a copy of Eureka LP's Drug-Free Policy Statement; and
2. Agree to abide by the terms of Eureka LP's Drug-Free Policy as a condition of employment.

D. Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and Eureka LP may be ineligible for award of future contracts if DHHS determines that the foregoing certification is false or if Eureka LP violates the certification by failing to carry out the above-referenced requirements.

12. SMOKING

Pursuant to Humboldt County Code §971-1 et seq., HUMBOLDT COUNTY owned or leased premises are smoke free. Eureka LP shall comply with said provision.

13. PROVISIONS REQUIRED BY LAW

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

14. REFERENCE TO LAWS AND RULES

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

15. INDEMNIFICATION

A. Hold Harmless, Defense and Indemnification. Eureka LP shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, and liabilities of any kind or nature, including, without limitation, attorney fees and other costs of litigation, arising out of, or in connection with, Eureka LP's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of DHHS.

B. Effect of Insurance. Acceptance of insurance, if required by this Agreement, does not relieve Eureka LP from liability under this provision. This provision shall apply to all claims for damages related to the services performed by Eureka LP pursuant to the terms and conditions of this Agreement regardless if any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by Eureka LP hereunder.

16. NOTICES

All notices, requests, approvals, and other communications required or permitted to be delivered under this Agreement (a) must be in writing and delivered by registered or certified U.S. mail, postage prepaid, by hand delivery by overnight courier, or by facsimile or email with receipt confirmation being retained by sender (b) are effective (in the case of delivery by U.S. Mail or overnight courier) upon receipt, or upon refusal to accept delivery (such refusal being evidenced by the U.S. Postal Services return receipt or similar evidence from the courier company), or (in the case of facsimile or email) upon receipt at the recipient's facsimile machine or computer unless receipt is on a Saturday, Sunday or legal holiday or after 5:00 pm Pacific time, on any day, in which case delivery is effective on the next following business day, and (c) in each instance must be addressed to DHHS or EUREKA LP, as the case may be, at the following addresses, or to any other address either party may designate by notice to the other party:

If to EUREKA LP: Eureka 8th Street LP
c/o Danco Communities
5251 Ericson Way
Arcata, California 95521
Attention: Chris Dart, President
Phone: (707) 825-1531
Facsimile: (707) 825-1531

With a copy to: Citibank, N.A.
388 Greenwich Street, 8th Floor
New York, New York 10013
Attention: Transaction Management Group
Citi Deal ID #: 23544
Facsimile: (212) 723-8209

With a copy to: Citibank, N.A.
325 East Hillcrest Drive, Suite 160
Thousand Oaks, California 91360
Attention: Operations Manager/Asset Manager
Citi Deal ID #: 23544
Facsimile: (805) 557-0924

With a copy to: Citibank N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Citi Deal ID #: 23544
Facsimile: (215) 328-0305

If to DHHS: Humboldt County DHHS – Social Services
929 Koster Street
Eureka, CA 95501
Attention: Sally Hewitt
Phone: (707) 441-5035
Fax: (707) 441-2096

17. DISPUTE RESOLUTION

The parties agree to provide written notice within thirty (30) days of becoming aware of a dispute. The parties will cooperate in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations. Senior representatives will meet within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule.

If the parties cannot settle grievances or disputes between them in an informal and expeditious fashion, the dispute will be submitted, upon the motion of either party, to arbitration under the appropriate rules of the American Arbitration Association (AAA). All such arbitration proceedings will be administered by the AAA; however, the arbitrator will be bound by applicable state and federal law, and will issue a written opinion setting forth findings of fact and conclusions of law.

The parties agree that all arbitration proceeding will take place in San Francisco, California, that the appointed arbitrator will be encouraged to initiate hearing proceedings within thirty (30) days of the date of his/her appointment, and that the decision of the arbitrator will be final and binding as to each of them. The party against whom the award is rendered will pay any monetary award and/or comply with any other order of the arbitrator within sixty (60) days of the entry of judgment on the award, or take an appeal pursuant to the provisions of the California Civil Code.

- A. Administration and Arbitration Fees. In all cases submitted to AAA, the parties agree to share equally the AAA administrative fee as well as the arbitrator's fee, if any, unless otherwise assessed by the arbitrator. The administrative fees will be advanced by the initiating party subject to final apportionment by the arbitrator in the award.
- B. Enforcement of Award. The parties agree that the arbitrator's award may be enforced in any court having jurisdiction thereof by the filing of a petition to enforce said award. Costs of filing may be recovered by the party, which initiates such action to have an award enforced.

In the event any legal action is brought in connection with this Agreement, the prevailing Party in such action shall be entitled to judgment against the non-prevailing Party for its attorneys' fees and costs of

suit, including appeals and expert witness fees.

18. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

19. RECORDATION OF AGREEMENT; AGREEMENT RUNS WITH THE LAND

This Agreement shall be recorded in the real property records in the Official Records of Humboldt County, California. This Agreement shall be deemed to be a covenant running with the land and shall be binding upon all persons owning or having any other interest in the Property, including DHHS and its successors and assigns. Except as to the subordination of the Citibank Deed of Trust as provided in Paragraph 7 below, this Agreement may be subordinated to the lien of any deed of trust encumbering the Property only if the beneficiary under such deed of trust agrees to recognize and be bound by the terms hereof.

20. FORCE MAJEURE

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

21. EXISTING FINANCING.

The Parties acknowledge that Eureka LP has obtained construction and permanent financing with respect to the Project from Citibank, N.A. ("Citibank"), which financing is secured by that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing recorded October 5, 2015 as Instrument No. 2015-020713-7, Humboldt County Records ("Citibank Deed of Trust"). DHHS acknowledges and agrees that this Agreement is and shall continue to be subject and subordinate to the Citibank Deed of Trust. DHHS shall give Citibank a concurrent copy of each material notice (including without limitation each notice of default) given by DHHS under or with respect to this Agreement, and agrees that Citibank, at its sole election, shall have the right (but not the obligation) to cure any default by Eureka LP under this Agreement on its behalf. This Agreement may not be modified, amended, changed or altered without the prior written consent of Citibank so long as the Citibank Deed of Trust is secured by the Property. In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Citibank, no consent shall be required from DHHS and Citibank shall have no indemnification obligations to DHHS for any period during which it does not own or is not in possession of the Property. Upon request of Citibank, DHHS agrees to execute a further instrument of subordination in form and substance reasonably acceptable to Citibank.

DHHS shall give Eureka LP's tax credit investor (the "Investor"), the same written notice of default given to Eureka LP as required herein. The Investor shall have the right to cure defaults within the time periods provided to Eureka LP herein, and performance of a cure by the Investor shall have the same effect as would like performance by Eureka LP. The Investor's addresses for notice purposes are provided below, and may be modified or supplemented upon written notice to DHHS:

Raymond James California Housing Opportunities Fund V L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway

St. Petersburg, Florida 33716
Facsimile: (727) 567-8455
With copies to:
Kyle Arndt, Esq.
Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. 5th Street, 64th Floor
Los Angeles, California 90071
Facsimile No.: 213-239-0410

22. EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be part of one and the same instrument.


////

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first set forth above.

COUNTY OF HUMBOLDT

By: 
Director, Humboldt County Department of Health and Human Services

EUREKA 8TH STREET LP, a California limited partnership
Johnson & Johnson Investments, LLC, a California limited liability company

By: 
Daniel J. Johnson
Managing Member

By: Community Revitalization And Development Corporation, a California nonprofit public benefit corporation

By: 
David Rutledge
President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or

CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER
COMPLETING THIS CERTIFICATE
VERIFIES ONLY THE IDENTITY OF THE
INDIVIDUAL WHO SIGNED THE
DOCUMENT TO WHICH THIS
CERTIFICATE IS ATTACHED, AND NOT
THE TRUTHFULNESS, ACCURACY, OR
VALIDITY OF THAT DOCUMENT

State of California

County of

Shasta

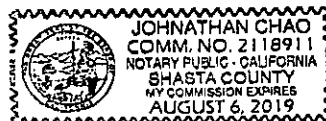
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On October, 26th 2017, before me, Johnathan Chao Notary Public,
Notary Public, personally appeared David Rutledge, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature

(Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

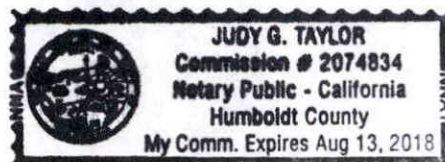
COUNTY OF Humboldt

On October 25th, 2017 before me, Judy G. Taylor, Notary Public
(here insert name and title of the officer), personally appeared Connie L. Beck who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the forgoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Humboldt)

On Oct. 25, 2017 before me, McKenzie Dibble, Notary Public
(insert name and title of the officer)

personally appeared Daniel J. Johnson,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

That real property situate in the City of Eureka, County of Humboldt, State of California, described as follows:

Block 109 of Eureka as per Map recorded in Book 1, Page 16, and a copy thereof in Book 6, Page 2, of Maps, in the Office of the County Recorder of said County, said Block being bounded by "E", "F", Eighth and Ninth Streets of said City of Eureka.

EXHIBIT B TENANT SELECTION POLICY



LODGE AT EUREKA TENANT SELECTION POLICY

This Tenant Selection Plan (TSP) is available to prospective tenants/public upon request and will be posted in the Rental Office where the public can review it. (*UMR 8305*).

Lodge at Eureka is a fifty unit mixed senior apartment complex, comprised of eight studio units, thirty-six 1 bedroom units and five 2 bedroom units. Apartments of each size will be reserved for applicants that initially qualify at or under thirty five percent (35%), forty-five percent (45%), fifty percent (50%) and sixty percent (60%) of area median income under the most restrictive income limits published by HOME and LIHTC Sec 42 programs. There are only a limited number of units in each size and income level.

1) Civil Rights Laws

Owner and manager will administer fairly and in accordance with both the letter and the spirit of all equal opportunity and fair housing legislation and applicable Executive Orders; including but not limited to the following:

- a) Title VI of the Civil Rights Act of 1964. Prohibits discrimination in a Federally-assisted program on the basis of race, color, and national origin.
- b) Title VII of the Civil Rights Act of 1968 (also known as the Fair Housing Act 1988, as amended). Prohibits discrimination in the sale. Rental. Or financing of housing on the basis of race, color, religion, sex, national origin, familial status, or disability.
- c) Section 504 of the Rehabilitation Act of 1973. Prohibits discrimination in a Federally-assisted program on the basis of disability.
- d) Age Discrimination Act of 1975. Prohibits discrimination in a Federally-assisted program on the basis of age.
- e) Executive Order 11063 as Amended by Executive Order 12259. Prohibits discrimination in housing or residential property financing to any Federally-assisted activity against individuals on the basis of race, color, religion, sex, or national origin.

- f) All marketing and management efforts will be in compliance with all applicable equal opportunity and fair housing legislation and applicable Executive Orders and will include the Fair housing and Accessibility Logos.
- 2) HOME Requirements (federal and state)
- a) Accessibility requirements at 24 CFR part 8 (24 CFR 92.351 (a) (3))
 - b) An Affirmative Fair Housing Marketing Plan and Procedures will be submitted for approval to agencies involved; i.e. HOME and United States Department of Agriculture (USDA) and will be followed once both agencies approve the plan prior to the start of the site's initial marketing effort.
 - c) Affirmative marketing efforts in compliance with the approved plan will be implemented approximately 90 to 120 days prior to the anticipated occupancy. Once that plan has started and the general public in the market area have been notified by the approved marketing efforts; applications that are received, by a said date, will be placed on the waiting list for the property. Applications that are submitted before or on the said date are subject to a random lottery process. All other applications will be processed in the date and time order they are received; subject to other priorities such as Income Level that are established by either Home, Low Income Housing Tax Credit (*LIHTC*) Sec 42, or RD 538 program (24 CFR 92.351).
 - d) The property will be designed and constructed, by Ownership and EUREKA LP, in such a manner as to comply with fair housing requirements; including but not limited to having Accessible Routes and the required number of apartments with design features required to accommodate disabilities. 24 CFR 100.205 (24 CFR 92.351 (a) (3))
 - e) Federal requirements set forth in 24 CFR part 5, subpart A (24 CFR 92.350)
- 3) Initial Program Eligibility (HUD MF Occupancy Handbook)
- a) The Household's Gross or Adjusted annual income must not exceed the most restrictive of one or more of the programs' income limits in effect at the time of the households Initial Occupancy Certification. There will be several income targets and various numbers of units reserved for each income group.
 - b) All applicants must disclose social security numbers for all family members at least 6 years of age and older and provide proof of the numbers reported. In case of conflicts in requirements between HOME and LIHTC Sec 42 the more restrictive of the requirements will apply. Households must supply either a copy of the required social security card, verification form from relevant agency, or other acceptable proof based upon current agency requirements. If a household member does not have or cannot provide proof of a Social Security Number (SSN), a personal certification of the facts may be accepted if allowed by any of the 3 programs listed above. Adequate documentation must be provided prior to initial occupancy of the household. (4350.3 Sec 3-3 & 24 CFR 5.216)
 - c) Since this is a mixed senior facility all applicants in the household must be 62 years of age or older and/or disabled and must sign an Authorization for Release of Information and other required forms as required to obtain adequate documentation of the households composition, income, assets, and any allowable adjustments to

annual income under the involved programs; prior to receiving assistance and annually thereafter.

- d) The unit for which the family is applying must be the family's only residence.
- e) The applicant household must agree to pay the rent required by the program(s) involved in a timely manner as specified in their Lease.
- f) All information reported by the family is subject to verification. If management is unable to adequately verify the required information from knowledgeable third parties, the household's application may be denied.
- g) Citizenship requirements- Assistance in subsidized housing is restricted to U.S. citizens or nationals and non-citizens who have eligible immigration status as determined by HUD. All family members, regardless of age, must declare their citizenship or immigration status. Non-citizen applicants will be required to submit evidence of eligible immigration status at the time of application. Applicants who hold a non-citizen student visa are ineligible for assistance, as are any non-citizen family members living with the student.
- h) Student Restrictions- In order for a household of full-time students to be considered eligible, they must meet one of the following criteria:
 - i) All members of the household are married.
 - ii) The household consists of a single parent and his or her minor children, and the parent is not a dependant of a third party.
 - iii) At least one member is enrolled in a job training program receiving assistance under the Work Investment Act (WIA).

4) Tenant Admission Policy and Leasing Policy

Occupancy Standards- (standards used by the owner/manager to determine appropriate unit size, and procedures to place families on the list for more than one unit size must be included in the Plan.)

UNIT SIZE	MINIMUM OCCUPANTS
0 Bedroom	1
1 Bedroom	1
2 Bedroom	2

*An owner/manager may assign tenant households to units of sizes other than those indicated

as appropriate in the table above if the owner/manager reasonably determines that special circumstances warrant such an assignment and the reason are documented in the tenant file. (UMR 8305 (b))

- a) There will be no preferences or requirement of local residency or employment made of any applicant. *(UMR section 8305 (a)(2))*
- b) Applicant screening is a determination that an otherwise eligible household has the ability to pay rent on time and to meet the requirements of the lease. *(24 CFR part 5)*
- c) Tenants will be screened in accordance with the Agent's written Tenant Selection Criteria. Criteria for selection will be:
 - i) Households will have to have adequate income, generally 2.0 to 2.5 times the households projected rent share as monthly income to afford the approved rents, which are controlled by HOME and LIHTC Sec 42.

Other proof of rent affordability includes other subsidy or history of paying rent equal to or greater than the proposed rent regardless of the minimum income requirement.

- ii) Household composition (to meet occupancy standards)
 - iii) Prior and present housing history (positive) for the last 5 years to determine previous tenancy practices the applicant has demonstrated. Improper previous practices such as a past record of destruction, consistent late or unpaid rental obligations, police activity or poor housekeeping habits resulting in health or safety hazards may be cause for denial of occupancy.
 - iv) Credit history of not more than a total of \$0.00 to 2,000.00 negative or 120 days late within the last five years for "hard credit" accounts. "Hard credit" is considered everything other than medical bills, debts discharged by bankruptcy, voluntary repossessions, foreclosures and government backed student loan programs.
 - v) Clean criminal background record, reflecting no felonies. Recovering Drug users will be treated as eligible members as a reasonable accommodation of their disability. *(24 CFR part 5, subpart 1) Note: The same criteria regarding criminal history applies to live-in aides also.*
 - vi) Income will be verified with written verifications sent to knowledgeable third parties that will be directly returned to management. Documents in possession of the applicant will be accepted as a second alternative if direct verification of income and asset. As a last resort, self verification of income and assets may be accepted to document income in limited instances if in the judgment of management it is consistent with regulations in the HUD and Rural Development Housing Manuals.
- d) Program eligibility (as verified by 3rd party information & or other acceptable source documents) based on a program income limits and other eligibility criteria as required by program regulation.
 - e) Should the screening criteria need to be modified in cases where the economic

outlook in a specific market area causes a lack of qualified applicants, Agent shall obtain Owner's approval, without revision to the plan or agreement.

- f) The Site Manager will accept and process applications for rentals. If an application is rejected; the applicant will be informed, in writing, of the reason for rejection. The rejected application, with reasons for rejection noted thereon, will be kept on file. If the rejection is because of information obtained from a credit bureau, the source of the report will be revealed to the applicant in accordance with the Fair Credit Reporting Act.
 - g) The approved applicant will be allowed to inspect the unit prior to occupancy. An approved 'Move In – Move Out Checklist' will be used to report unit condition at move in and move out. This document becomes a part of the Lease Agreement. The tenant and the Site Manager will receive copies of this inspection.
 - h) The Site Manager will provide orientation services for each tenant. These services include a review of the Lease Agreement and House Rules, showing each tenant all of features of the project, i.e. mailbox, laundry room, community room (if applicable), unit amenities, and conducting a move in inspection of the unit.
 - i) The Lease Agreement and House Rules set forth the Landlord and Tenant rights, obligations and responsibilities and define those actions that are either acceptable or unacceptable while the tenant is in residence at the complex.
 - j) All leasing activity is conducted primarily in English. Where a significant number of persons in the area of the rental housing development have limited fluency in English the lease, rules and regulations will be provided in the appropriate language.
 - k) All termination of tenancy, eviction, or non renewal of lease will be for "Good Cause" as required under HOME, LIHTC Sec42, and RD 538 Regulations. A copy of the California Tax Credit Allocation Committee "Low Income Housing Tax Credit Lease Rider, will be attached to each Lease executed by the household. Residents will be offered 12 month leases. Reasonable efforts will be undertaken to avoid termination of tenancy unless Resident Households clearly violates one or more of the Lease Agreement and/or HOME, LIHTC Sec 42 program guidelines. (UMR 8307 (a) (1)) (24 CFR 92.253 (c))
- 5) Continued Eligibility/Recertification
- a) Agent will comply with the California Tax Credit Allocation Committees rule unless Owner dictates otherwise.

- b) The agent has a systematic method of ensuring that recertification is conducted prior to the expiration date.
 - c) Households are required by the Lease Agreement to report any substantial changes to the household size or student status that may affect continued eligibility, and to be recertified.
 - d) If at the time of recertification, a tenant's household size has changed and no longer meets the occupancy standards pursuant to UMR 8305 (b), the owner/manger may require the tenant household to move to the next available appropriately sized unit or to move to the most appropriately sized unit if the proper size unit is not available within the property. This requirement will be in the Lease or Addendums to the Lease the household signs upon initial project entry and whenever a new lease is executed.
 - e) Annual recertification of household income and assets is a requirement of one or more of the programs. Households recertified at income Levels that exceed the High HOME income limit will be subject to pay as rent the lesser of 30 percent of the tenant's monthly adjusted family's income or the rent amount payable under state or local law.
- 6) Project Eligibility Requirements
- a) The property will have an allocation of units for households with annual incomes at or below 35%, 45%, 50% or 60% of area median income. Rent will not be used alone but in conjunction with the household's credit report and housing history to determine if they qualify as a good rental risk. Rents for each size and income group will be the most restrictive rent of the allowed program rents.
 - b) The property does not have any project-based Section 8 rental assistance; but will accept housing vouchers of other rental assistance programs that may be available to applicants.
- 7) Income Eligibility and Income Limits for Initial Project Entry
- a) The owner/manager will select only eligible households as tenants of vacant assisted unit. While the HOME program allows up to 80 percent of the area median income (AMI) as determined by HUD. The lowest applicable Gross or Adjusted Annual Income limit will control if that program is used and applicable to a specific unit. Households with indicated or verified annual incomes that exceed the income limit of available unit may apply and remain on the waiting list, but may be by passed over to reach households with higher priority income levels. (UMR 8305) (24 CFR 92.252)

- b) The owner/manager will determine whether a household is income eligible using the most restrictive definition of "annual income" as defined at 24 CFR 5.609 (*HOME Final Rule 24 CFR 92.203 (b)*).
- c) HUD establishes and publishes income limits for each county or Metropolitan Statistical Area (MSA). LIHTC Sec 42 and RD 538 also publish Annual income limits for the same or similar areas. The most restrictive of the Income Limits will be used to qualify households if that program is used and applies to the household or unit. The income limits are based on the median income of the geographic area for which the limit is established.
 - i) Income limits are based on family size and the annual gross income that the family receives. (*HUD MF Occupancy Handbook*)

8) Unit Transfer Policies:

- a) Owners are obligated to transfer tenants to different units as a reasonable accommodation to a household member's disability. For example, a tenant with a physical disability might need a transfer to an accessible unit, or a unit on the ground floor, or a larger unit to accommodate a live-in aide. Transfers which are needed as a reasonable accommodation should be made on priority basis. (*HUD MF Occupancy Handbook*)
- b) Describe your policies to address the following: (*HUD MF Occupancy Handbook 7-27 section 3*)
 - i) Transfer waiting lists will be maintained. The list will have categories for the unit size needed, disability design feature required, or other special category. The list will be maintained on a master list basis for the entire property with categories to prioritize one household over another. Priority will be given as indicated below for reasonable accommodation for disabilities.
 - ii) Change in family size: Households that have a permanent change in household size that result in the household being above or below the minimum size specified for the household they currently occupy may be required to transfer to the first available unit that meets the current family size. If the proper sized unit does not exist in the property then they should move to the most appropriately sized unit that does exist. These transfers will normally be done on a first come first serve basis; using the date that the change in household size is reported or observed to set priority. However, households requiring a transfer due to disability or medical reason will normally have priority over household size changes.
 - iii) Medical reasons: Households that have members that experience some change in medical condition where a change to another size or location of unit would help improve their ability to live independently will be transferred to the first available unit that meets their changed physical requirements. An example would be a household that requires a transfer from an upstairs to a downstairs unit due to medical reason that has impaired their ability to climb stairs. The severity or urgency of the condition would be taken into account; however normally such transfers would have a priority based on the reported date of the needed change. Transfers for medical reason would have priority over transfer for change in household size or family composition. Documentation of the medical reason will be placed in each household's file. Reasonable Accommodations will be made in both physical elements and

policies/procedures whenever requested by existing residents with disabilities in accordance with HUD regulations more fully defined in 4350.3 subsections 4, 2-38 through 2-47.

9) Procedures for Determining Tenant Eligibility

Initial Lease up will start with the efforts listing in the approved Affirmative Fair Housing Marketing Plan (AFHMP) approximately 120 days prior to initial occupancy. Applications will be accepted and added to the site's waiting list once the Affirmative Fair Housing Marketing Plan (AFHMP) efforts have started.

- a) Tenant files, applications and waiting lists are maintained at the project by the Site Manager. The tenant files contain the pertinent records relating to tenant eligibility.
- b) Through the Agent's training program (See Part 16) the Site Manager will obtain the skills necessary to perform necessary rental related duties and eligibility determination.
- c) A waiting list will be used by the Site Manager. All prospective applicants will be provided a comprehensive list of all information required for an application for admission to be considered complete. The information required by the applicants before they are put on the waiting list includes:
 - i) Income and assets of the household
 - ii) Household composition:
 - (1) Names of all household members
 - (2) Number in the household including unborn children (for the purpose of determining household size)
 - (3) Current address and contact information
 - (4) Birthdates of household members
 - iii) Copies of Social Security cards (or other proof of SSN)
 - iv) Copies of Driver's License (or other picture identification)
 - v) Prior and present landlord information
 - vi) The application must be signed by all adults applying for occupancy
 - vii) Application fee (if applicable)
- d) All completed applications will be placed on the waiting list in the date/time order in which it is received. The waiting list will also be coded with the income level that the applicant appears to meet based upon the information they supply on their application. Any indication of unit size preference or need of a mobility impaired unit will also be coded on waiting list to help guide processing priority.

Applicants will be notified in writing of their waiting list placement, or their need to provide additional information in order to be placed on the waiting list.

- e) The waiting list will be purged at least annually (or as needed according to the size of the list). Notification will be sent to each applicant to the last known address

inquiring as to his or her interest in remaining on the list. If the applicant fails to respond within 30 days, the application shall be withdrawn from the waiting list.

- f) When an apartment is available, applicants determined eligible are selected on a first come first serve basis according to the chronological order of each categorized waiting list income group. Applicants will generally be processed in Date/Time order.
- g) Applicants will be sent a notice, giving at least 30 days, with the approximate date the unit will be available.
- h) If the property has a designated special interest group, an addendum will be provided containing the specific additional selection criteria.
- i) The Site Manager will proceed to obtain third party verification or other acceptable source documents necessary to verify income, asset, student status, landlord & personal references and credit & criminal history starting with the first applicant on the list, note: initial move-in income must qualify under the tax credit and/or HOME regulations and other governing agencies in accordance with any regulatory agreements the Owner has committed to. Applicants will be contacted by phone.
- j) The eligibility of an applicant will be determined by the Site Manager and the Agent in accordance with Agent's written Tenant Selection Criteria and LIHTC/HOME program regulations (See Part 5).
- k) Vacancies are committed to the next eligible applicant upon receipt of the current tenant's 30-day notice. If no notice is received, the vacancy will be rented to the eligible applicant (found on the list in the proper order) who can move in immediately.
- l) For tenants receiving assistance through the HUD Section-8 Voucher Program, the contract rent and tenant rent shall be determined by the local PHA.
- m) The holders of rental assistance subsidies (i.e. Section-8) are eligible for the HOME Units provided they meet all eligibility requirements and other selection criteria per regulation 92.252(d). Although their rent and subsidy combined cannot exceed the HOME restricted rents.
- n) HOME units are restricted to very low-income tenants pursuant to HUD Income Limits, and the HOME rents are to be approved by the County or local jurisdiction.

- o) Reasonable consideration will be made for former federal preferences FN 331 (families that are involuntarily displaced, victims of violence, reprisals or hate crimes, displacement because of domestic violence, displacement by inaccessibility) pursuant to regulation 92.253(d)(3) and 92.209 (c) (2), as long as they qualify pursuant to the complex criteria.
- p) The project owners will not occupy HOME-assisted units, per regulation 92.
- q) Applicants that require a unit size or income level that have already been filled or will likely be filled by applicants already in process may be skipped but left on the waiting list with their original date/time priority in order to reach applicants for other size units at other income levels that they would not need or afford. If the household has a housing assistance voucher that would overcome the affordability issue, they would be processed in date/time order.
- r) Applicants who have been approved must take the first unit of appropriate size and design, i.e. Mobility Impaired unit that becomes available when their name reaches the top of the waiting list. Households who fail to take the first available unit offered to them when they reach the top of the respective waiting list will be declined and their names crossed off the waiting list. Declined applicants can apply again by submitting a new application which will receive a new date/time priority and be relisted on the waiting list in a new location, based on that date/time.
- s) All applicants who are denied housing will be provided a written notification of their denial with the reasons for denial listed. Each such notice of denial will also provide the applicant with their rights of appeal to the decision. All applicants have the right to respond to the notice within ten calendar days after receipt and furthermore are advised of the right to a hearing in accordance with 7 CFR 3560.160 (f), which is available upon request.

10) Establishing Priority for Filling Vacant Units

- a) Existing Residents will have a priority over applicants to fill vacant units if the existing household has a need for a mobility impaired unit or for medical reasons.
- b) Existing households transferring to a new unit or a new applicant household must meet all current requirements for the unit they are transferring into.
- c) Change in Need for Accessible Features-If a family is in an accessible unit but no longer needs the accessible features, the owner may request that the family move to another unit in the project.

- d) Eviction for an overcrowded or underutilized unit (*HUD MF Occupancy Handbook*)

The owner may require the family to move to a unit of appropriate size. If a unit of appropriate size is not available, the owner will not evict the family solely for violation of the unit size standards and must not increase the family's rent to the market rent.

11) Process of taking Applications

- a) Upon receipt of an application for tenancy, the owner/manager will note on the application the date and time received.
- b) Applicants will be notified in writing that they have been placed on the waiting list, for which size unit, and their estimated income level priority and when they can expect to have their application processed (*UMR 8305*)
- c) All ineligible applicants will be sent written notification of their ineligibility or declined status; which will state the reason(s) and provide them information on their applicable rights of appeal. (*HUD and USDA Tenant grievance procedures.*) Rejecting ineligible applicants (*UMR 8305*)
 - i) Applicants will be notified of the reason for rejection. They will include failure to meet the criteria listed above for approval; i.e. Failure to meet Income Requirements, Credit and or Housing history below property standards, failure to cooperate with the verification process, or inability to have the required information verified to allow qualifying the household for the programs involved and or as a good rental risk.
 - ii) Applicants will be requested to provide updated information to management of any substantial change in the applicants' household size, composition, income, assets, and contact information. (*HUD and RD 3560.2 Handbook*)

12) Plans and Procedures for Marketing Units, Achieving and Maintaining Full Occupancy, and Meeting Affirmative Fair Housing Marketing Plan Requirements (HUD Form 935.2)

- a) The Agent will advertise units in the local newspapers, distribute flyers, post banners, etc. as needed to meet the needs of the market to sustain maximum occupancy and an adequate waiting list.
- b) The annual advertising campaign will comply fully with the Affirmative Fair Housing Marketing Plan (AFHMP). Through advertising and other outreach efforts set forth in the AFHMP, Agent will attempt to reach persons who are least likely to

apply.

- c) By using the outreach efforts outlined in the AFHMP we will achieve and maintain the highest level of occupancy reasonably obtainable. Agent's telephone number will be posted on the sign on the premises. Whenever the Agent's telephone number or the project telephone number is given, the State's Relay System telephone number will also be given so that individuals with a hearing impairment can access rental information. The State's Relay System is available 24-hours a day and is free to the public.
 - d) Additional Marketing will be conducted as needed using any or all of the methods outlined in the AFHMP, or other effective methods including flyers, approved rent incentives, radio, public access television, brochures, etc. All advertising will contain the appropriate Equal Housing Opportunity and handicap accessibility statements or logos and the State's Relay System telephone number. Where a significant number of persons in the area of the rental housing development have limited fluency in English publications and the affirmative marketing will be provided in the appropriate language.
 - e) Advertising for Elderly projects will be marketed to and advertised as affordable housing for "individuals 62 or older and or disabled".
- 13) Methods for Informing Participants of the Right to Request Reasonable Accommodation and Responsibility to Comply with Civil Rights Law.
- a) Public notice is given that the Owner/Agent does not illegally discriminate against any individual. Such notice is given by the display of the Equal Housing Opportunity statement and logo and the Universal Symbol of Accessibility.
 - b) Managers will be trained in effective ways to communicate with individuals with a disability, including sight or hearing impairments and individuals with mental or developmental disabilities. This training will include proper use of the State's Relay System.
 - c) A "Notice to All Applicants/Tenants with a Handicap/Disability" is given to every applicant when they receive an application and to every tenant no less than annually at recertification. The notice informs them of their right to request reasonable accommodations/modifications if they choose to do so at any time during their application process or tenancy.
 - d) Disclosure and verification of a disability is not required unless a reasonable accommodation is requested. Verification of an individual's disability will be limited to information necessary to determine that the individual making the request

is in fact a person with a disability and therefore entitled to accommodation under ADA law, and that the requested accommodation is necessary and related to a disability. This information will be obtained by a third party medical professional such as a doctor, psychologist, or other health care provider who has the legal capacity within the scope of their practice to diagnose and prescribe treatment unless it is obvious without such third party verification. Verification will be obtained from such qualified persons as identified by the applicant/tenant as the person who can verify the need for the accommodation.

e) When determining what methods of accommodation are necessary, primary consideration will be given to the request and the needs of the individual making the request.

f) Reasonable Accommodation may include, but is not limited to:

- i) Use of a professional reader, large print and audio tape versions of notices, application and lease documents, priority for a wheelchair accessible unit or sight/vision impairment accessible unit, unit on the first floor, physical modification to an existing unit, modification to policies, or other accommodations as indicated by the individual making the request.
- ii) Service Animals and Companion Animals are considered reasonable accommodation upon verification of need. Tenants are required to enter into and abide by a Service/Companion Animal Agreement. No pet deposit or additional security deposit is required.

g) The person in the Agent's organization who is responsible for reviewing and coordinating Requests for Reasonable Accommodation is the ADA Coordinator. The ADA Coordinator acts in an advisory capacity to the Property Manager who is directly responsible for implementing approved requests. In accordance with Section 504 regulations, request will only be denied if one of the following conditions exist:

- i) Unable to verify that the applicant/tenant is a disabled person
- ii) Unable to verify that the requested item is necessary and related to a disability
- iii) Action would result in a fundamental alteration in the nature of the program
- iv) After considering all of the resources available to the project it is determined that the action would result in an undue financial or administrative burden
Action is technically or structurally not feasible.

h) When requested accommodations are not feasible, alternative accommodations will be offered when appropriate.

i) If the tenant proposes alterations, to be made at their expense (non HOME and non RDA units), Agent will obtain their proposed plan, including EUREKA LP information, and present it to Owner for consideration.

- j) The Site Manager will maintain a waiting list for individuals requesting accessible units. In order to make the best use of the limited supply of accessible units, priority will be given to applicants with a verified need for the specific design features of the available unit. Priority is given first to tenants living in the project, then to applicants on the waiting list.

- k) When there are no individuals on the waiting list who require an accessible unit, the Site Manager will make known the availability of accessible units by advertising in the local paper and by contacting local independent living centers, area agency on aging, veterans groups, and any other community organization that may provide services to individuals with a disability. If a minimum of two weeks of outreach does not produce eligible applicants, accessible units may be rented to the next qualified person on the waiting list. The tenant will sign a Unit Waiver which will require the tenant to move if at anytime a non-ADA unit comes available and an applicant has been approved that requires an accessible unit

- l) Individuals with a disability will not be limited in their choice of apartments. A person with disability is not required to accept a unit with special design features. An applicant will indicate their choice for an accessible unit by marking the appropriate box on the Application for Admission, or by making a request for reasonable accommodation, requesting an accessible unit.