

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

**THIS AGREEMENT** is made and entered into this 18<sup>th</sup> day of October 2022, by and between the County of Siskiyou, a political subdivision of the State of California, hereinafter called “County”; and the City of Montague, a municipal corporation of the State of California, located in the County of Siskiyou, hereinafter called “Montague”, jointly referred to as “Parties”.

**WITNESSETH**

WHEREAS, the State of California Department of Housing and Community Development (“State”) is authorized to provide up to \$335 million in calendar year 2021 funds in addition to the \$131 million in remaining calendar year 2019 and calendar year 2020 funds for assistance under the SB 2 Permanent Local Housing Allocation Program (“PLHA Program”) Formula Component from the Building Homes and Jobs Trust Fund (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB2)));

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

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

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

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

WHEREAS, Montague desires to participate jointly with the County in said Program;

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

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

**SECTION I. GENERAL**

- A. Responsible Officers.** The County Administrator of the County of Siskiyou (hereinafter referred to as “CAO”) is hereby authorized to act as applicant for the PLHA Program and to administer funding and activities under the Program. The Interim City Clerk of Montague is hereby authorized to act as the responsible officer for Montague under the Program.
- B. Full Cooperation.** Parties agree to fully cooperate and to assist each other in undertaking eligible programs or projects as defined in Section 301 of PLHA Program Guidelines, including but not limited to assisting persons who are experiencing or at risk of homelessness, developing affordable rental housing, and maintaining capitalized reserves for services connected to the preservation and creation of permanent supportive housing.
- C. Threshold Requirements for Participation.** Parties understand and agree to comply with State’s threshold requirements for participation in the formula allocation program as follows:
- a. Housing Element compliance:** The County as Applicant and the delegating city must have a Housing Element that has been adopted by the local government’s governing body and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585.
  - b. Housing Element APR compliance:** The County as Applicant and the delegating city must submit to the State the APR required by GC Section 65400 for the current or prior year.
- D. Term of Agreement—Automatic Renewal Provision.** Agreement shall be for a period encompassing five (5) years of formula allocations (2019-2023), made available in NOFAs issued by the State beginning in February 2020 and extending through 2024, and shall include the years stipulated in the State standard agreement. In addition, this Agreement provides for automatic renewal of participation in successive five-year periods, unless either of the Parties provides written notice of at least 60 days prior to the end of the term that it elects not to participate in a new five-year period. Before the end of the first five-year term, the County will notify the City of Montague in writing of its right not to participate in the joint Program for a successive five-year term. This Agreement remains in effect until the PLHA Program funds received with respect to the five-year planning period are fully committed, expended, and all required reports have been submitted and the required reporting period has ended.
- E. Scope of Agreement.** This agreement covers the PLHA formula program funding administered by the State where each of the Parties is awarded and accepts funding from the State.

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

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

### **SECTION III. PROGRAM ADMINISTRATION**

- A. Responsibilities of Parties.** The Parties agree, in the designation of the County as the administering local government for the PLHA Program, that the County shall be responsible for execution of the Standard Agreement with State and the proper performance of the PLHA Plan. County agrees to perform necessary administrative tasks such as, but not limited to, environmental clearance under CEQA or NEPA, establishment of loan underwriting policies and terms, execution and management of any loans made using PLHA funds, monitoring of programs and projects as needed to fulfill PLHA requirements, and submittal of annual reports to State on PLHA-funded activities. Montague agrees to cooperate fully with the County in all things required and appropriate to comply with the provisions of the Standard Agreement with State and to execute the PLHA Plan, as approved by State.
- B. Program Administration Funding.** In consideration of the County's agreement to be the administering local government for the PLHA Program and its assumption of the responsibilities inherent in this role, the Parties agree that the

allowable Program Administration for the funding, which is equal to a maximum of 5% of each year's allocation for each local government jurisdiction, shall be retained exclusively by the County of Siskiyou for these administrative purposes.

- C. Maintenance of Records.** The County shall maintain records of activities for any projects undertaken pursuant to the PLHA Program, and said records shall be available for inspection by staff and/or auditors representing Montague, on reasonable notice during the normal business hours of County.

#### **SECTION IV. USE OF PLHA FUNDS**

- A. Joint Participation in Funding of Projects.** The Parties agree it is in the best interest of the public that the allocations made available to each local government jurisdiction be combined into a pool of funds to be used throughout the County, pursuant to the criteria described in Section IV. D. of this Agreement. The Parties agree this method will allow for more timely development of the housing services assisted by the funding, and therefore address the current shortage of affordable housing, shelter, and services to address homelessness throughout Siskiyou County, which is of vital importance and a high priority to all Parties.
- B. Use of Funding During the First Five-Year Term.** The first five-year term will focus on developing a continuum of services to address the needs of Extremely low, Very low, Low, or Moderate-income households. Uses will include, but not be limited to, developing affordable rental housing (PLHA Activity 1), maintaining capitalized reserves for permanent supportive housing (PLHA Activity 5), and assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing (PLHA Activity 6).
- C. Projects Included in PLHA Plan.** In order to develop the PLHA Plan, the Parties have agreed upon the need for permanent supportive housing, interim housing, and supportive services for households experiencing or at risk of homelessness. In accordance with this need, the Parties have shared the status of potential projects within Siskiyou County that may be targeted for PLHA funding. These potential projects have been used to develop the unit count and affordability targeting required to be described in the PLHA Plan. Due to the preliminary nature of the potential projects, the Parties agree that these are subject to change.
- D. Project Assistance Criteria.** As the Parties have agreed to combine their allocations into a pool of funds to be used throughout the County, the following criteria shall be considered by the County as funding decisions are made for the use of the PLHA funds.

- a. **Meeting PLHA Commitment Requirements:** Pursuant to Section 300(e) of the PLHA Program Guidelines, the County shall consider how individual project readiness and project funding needs will impact the County's ability to remain in compliance with the commitment requirements of PLHA.
  - b. **Project Funding Needs:** The County shall select projects based on the unmet needs of the target populations. The County shall prioritize projects with a demonstrated need for the PLHA funding to ensure or enhance project viability.
  - c. **Provision of Services:** The County reserves the right to provide housing services directly or to seek a third-party contractor to provide programs in accordance with the needs of the target population and the PLHA Program requirements. The County will be the sole entity responsible for selecting PLHA-funded contractors according to the regular procurement procedures established by the County. The County shall select contractors based on the demonstrated experience and capacity of the organization to administer the project and comply with PLHA funding requirements.
  - d. **Targeting to the Lowest Income Households:** PLHA funds can be used for households at a variety of income levels, but are especially intended to meet the housing needs of households at or below 60% of Area Median Income. Projects which have units or services targeted for these households will be prioritized for funding.
- E. **Availability of Services to all Jurisdictions.** The Parties agree that services funded through the PLHA Program will be available to all residents of Siskiyou County provided that the residents meet the project's eligibility criteria. The County shall determine the location of services based on the infrastructure and service connections available to the target population. The County will make every effort to ensure that services are accessible to all eligible residents of Siskiyou County regardless of their location.
- F. **Funding Assistance in the Form of Loans.** The Parties agree that any funding provided to a housing developer for a project will be provided in the form of a low-interest deferred loan, with the loan amount and loan terms (including conditions for the payment of accrued interest and principal from residual receipts), delineated at the time the loan commitment is approved by the Siskiyou County Board of Supervisors. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust in favor of the County of Siskiyou. A recorded Regulatory Agreement shall restrict occupancy and rents for a term of at least 55 years.
- G. **Use of Program Income.** The Parties agree that program income generated as a result of the receipt of PLHA funds will be retained by the County and utilized to fund future PLHA-eligible activities. Program income will include payments from residual receipts, accrued interest and any monitoring fees the County chooses to charge.

**IN WITNESS WHEREOF**, County and the City of Montague have executed this Agreement on the dates set forth below, each signatory represents that he/she has the authority to execute this Agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SISKIYOU

Date: \_\_\_\_\_

\_\_\_\_\_  
BRANDON A. CRISS, CHAIR  
Board of Supervisors  
County of Siskiyou  
State of California

ATTEST:  
LAURA BYNUM  
Clerk, Board of Supervisors

By: \_\_\_\_\_  
Deputy

CITY: City of Montague

Date: 10/4/2022

DocuSigned by:  
*Jessie Monday*  
\_\_\_\_\_  
DEDAF08F6FA414  
Jessie Monday, Interim City Clerk

ACCOUNTING:			
Fund	Organization	Account	Activity Code (if applicable)
2122	401030	540800	