

**GRANT AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND THE HOUSING
ENDOWMENT AND REGIONAL TRUST**

This Grant Agreement, (the “Agreement”) is entered into this _____ day of _____, 2024, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called “County,” and the Housing Endowment and Regional Trust (“HEART”), a joint powers authority formed and existing under the laws of the State of California and hereinafter called “Grantee.” The County and Grantee may be collectively referred to herein as “Parties” and individually as “Party”,

* * *

WHEREAS, Grantee has provided housing-related loans to nonprofits, for-profit organizations and for educational institutions since 2017; and

WHEREAS, Grantee’s services include providing loans for the preservation, acquisition and rehabilitation of housing and other housing-related loans including first-time homebuyer loans; and

WHEREAS, the County and Grantee entered into that certain Agreement between the County of San Mateo and The Housing Endowment and Regional Trust, dated February 29, 2024, under which Grantee is providing program design services in connection with the County’s Mobile Home Loan Program (the “MHLP” or the “Project”) in exchange for payment by the County not to exceed \$21,200 (the “Program Design Agreement”); and

WHEREAS, County desires to grant Measure K funds in the amounts set forth herein to Grantee to administer the MHLP and to disburse funds to eligible borrowers which will assist qualifying low-income residents residing in any of the seven mobilehome parks located in unincorporated San Mateo County to purchase new units to replace their existing units; and

WHEREAS, the County’s efforts to increase access to credit for vulnerable County residents to help expand the stock of quality affordable housing serves a public purpose and provides a public benefit to residents of the County as a whole.

Now, therefore, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A—Project Description
- Exhibit B—Disbursement and Rates
- Attachment I—§ 504 Compliance
- Attachment IP – Intellectual Property

2. INTENTIONALLY OMITTED

3. Grant

- a. In consideration of the services provided by Grantee in accordance with all terms, conditions, and specifications set forth in this Agreement including Exhibits A and B, County shall grant to Grantee a sum not to exceed Two Million, Seventy-Eight Thousand, Eight Hundred Dollars and Zero Cents (\$2,078,800.00) (the "Grant") provided that (i) in no event shall the County's total fiscal obligation under this Agreement exceed the amount of the Grant; and (ii) Grantee shall only use the Grant for the Grant purpose as set forth in Section 3(b). Nothing in this Agreement shall be construed to restrict Grantee's ability to solicit or receive funding from other entities in support of the MHLP.
- b. The Parties agree that the Grant shall be used for the sole purpose of (i) dispensing loans to qualifying low-income residents of County mobilehome parks in connection with the MHLP in an aggregate principal amount not to exceed \$2,000,000; and (ii) administering the MHLP in accordance with this Agreement and as specified in Exhibit A, for a total fee not to exceed \$78,800. Grantee agrees to secure any and all additional funds that shall be necessary to carry out the MHLP.
- c. Grantee agrees that at no time will any Grant funds be used: (i) to attempt to influence the outcome of any specific public election, or to participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; (ii) to attempt to influence the selection, nomination, election or appointment of any individual to any public office or office in a political organization within the meaning of Internal Revenue Code Section 527(e)(2); and/or (iii) for any activity that is in violation of federal, state, or local law or any effort to induce or encourage violations of law or public policy.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement ("Term") shall be from March 12, 2024, through June 30, 2026.

While this Agreement will not automatically renew, nor shall anything in this Agreement create any reliance on the possibility of future grants, the Parties may agree, in writing, to extend the Term of this Agreement. The expiration of the Term shall not affect the validity or enforceability of loans disbursed by Grantee in connection with the MHLP. To the extent that Grant funds remain undisbursed at the end of the Term, Grantee shall, at the County's election in its sole discretion (a) promptly return any undisbursed Grant funds to the County or (b) redirect such funds toward other programs to create and preserve affordable housing in San Mateo County for low- and moderate-income families, with the prior written consent of the County.

5. Termination

This Agreement may be terminated by Grantee or by the Director for the Department of Housing or their designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Upon termination under this Section, Grantee shall promptly return any undisbursed Grant funds to the County, and assign Grantee's rights, title and interests in and to the Loans (as defined in Exhibit A) and the Grant funds to the County and shall provide reasonable cooperation to ensure that Loan repayments, interest and/or fees paid by Borrowers on issued Loans are directed to the County. Subject to availability of funding, Grantee shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

County may terminate this Agreement, or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or County funds by providing written notice to Grantee as soon as is reasonably possible after County learns of said unavailability of outside funding. Grantee acknowledges that this Agreement is subject to approval of the County Board of Supervisors and assumes all risk of possible non-appropriation and non-approval of funds.

County may terminate this Agreement for cause. In order to terminate for cause, County must first give Grantee notice of the alleged breach. shall have five business days after receipt of such notice to respond and a total of ten calendar days after receipt of such notice to cure the alleged breach. If Grantee fails to cure the breach within this period, County may immediately terminate this Agreement without further action. The option available in this paragraph is separate from the ability to terminate without cause with appropriate notice described above. In the event that County provides notice of an alleged breach pursuant to this section, County may, in extreme circumstances, immediately suspend performance of services and payment under this Agreement pending the resolution of the process described in this paragraph. County has sole discretion to determine what constitutes an extreme circumstance for purposes of this paragraph, and County shall use reasonable judgment in making that determination.

6. Contract Materials

At the end of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as "contract materials") prepared by Grantee under this Agreement shall become the property of County and shall be promptly delivered to County. Upon termination, Grantee may make and retain a copy of such contract materials if permitted by law.

7. Relationship of Parties

Grantee agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of County and that neither Grantee nor its employees acquire any of the rights, privileges, powers, or advantages of

County employees. Grantee acknowledges and agrees that it is not, and will not hold itself out as, an agent, partner, or co-venturer of the County, and that this Agreement is not intended and does not create an agency, partnership, and/or joint venture between the Parties.

8. **Hold Harmless**

Grantee acknowledges and agrees that in making the Grant, the County assumes no responsibility for construction defects, dangerous conditions of public property, or any other liability associated with the construction, operation, repairs, maintenance, or ownership of any properties (including mobilehome units) that receive financing from Grantee from the Grant.

a. **General Hold Harmless**

Grantee shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Grantee under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- (A) injuries to or death of any person, including Grantee or its employees/officers/agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging;
- (C) any sanctions, penalties, or claims of damages resulting from Grantee's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County and/or its officers, agents, employees, or servants. However, Grantee's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

Further, Grantee shall require all contractors or subcontractors performing work on the Project to indemnify the County and its officer, agents, employees, and servants on terms that are materially the same as those set forth in this Agreement. The duty of Grantee to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

b. **Intellectual Property Indemnification**

Grantee hereby certifies that it owns, controls, and/or licenses and retains all right, title, and/or interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and/or other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions,

trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise noted by this Agreement.

Grantee warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Grantee shall defend, indemnify, and hold harmless County from and against all liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States. Grantee's duty to defend, indemnify, and hold harmless under this Section applies only provided that: (a) County notifies Grantee promptly in writing of any notice of any such third-party claim; (b) County cooperates with Grantee, at Grantee's expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim; (c) Grantee retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Grantee shall not have the right to settle any criminal action, suit, or proceeding without County's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on County, impair any right of County, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of County without County's prior written consent, not to be unreasonably withheld); and (d) should services under this Agreement become, or in Grantee's opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes County's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Grantee shall, at Grantee's option and expense, either: (i) procure for County the right to continue using the services without infringement or (ii) replace or modify the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Grantee will have no obligation or liability to County under this Section to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for County (other than modification performed by, or at the direction of, Grantee) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by County in a manner prohibited by this Agreement.

The duty of Grantee to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. Assignability and Subcontracting

Grantee shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Grantee under this Agreement without the prior written consent of County. Any such assignment or subcontract without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

10. Insurance

a. General Requirements

Grantee shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by County’s Risk Management, and Grantee shall use diligence to obtain such insurance and to obtain such approval. Grantee shall furnish County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Grantee’s coverage to include the contractual liability assumed by Grantee pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days’ notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

b. Workers’ Compensation and Employer’s Liability Insurance

Grantee shall have in effect during the entire term of this Agreement workers’ compensation and employer’s liability insurance providing full statutory coverage. In signing this Agreement, Grantee certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Grantee shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Grantee and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Grantee’s operations under this Agreement, whether such operations be by Grantee, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

- 1. Comprehensive General Liability.....\$1,000,000
- 2. Motor Vehicle Liability Insurance.....\$1,000,000

County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the County or its officers, agents,

employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

11. Compliance With Laws

All services to be performed by Grantee pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, regulations, and executive orders, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance, as well as any required economic or other sanctions imposed by the United States government or under state law in effect during the term of the Agreement. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law, regulation, or executive order, the requirements of the applicable law, regulation, or executive order will take precedence over the requirements set forth in this Agreement.

Further, Grantee certifies that it and all of its subcontractors will adhere to all applicable provisions of Chapter 4.107 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware. Accordingly, Grantee shall not use any non-recyclable plastic disposable food service ware when providing prepared food on property owned or leased by the County and instead shall use biodegradable, compostable, reusable, or recyclable plastic food service ware on property owned or leased by the County.

Grantee will timely and accurately complete, sign, and submit all necessary documentation of compliance.

12. Non-Discrimination and Other Requirements

a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status,

religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

b. Equal Employment Opportunity

Grantee shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Grantee's equal employment policies shall be made available to County upon request.

c. Section 504 of the Rehabilitation Act of 1973

Grantee shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

d. Compliance with County's Equal Benefits Ordinance

Grantee shall comply with all laws relating to the provision of benefits to its employees and their spouses or domestic partners, including, but not limited to, such laws prohibiting discrimination in the provision of such benefits on the basis that the spouse or domestic partner of the Grantee's employee is of the same or opposite sex as the employee.

e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Grantee and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. History of Discrimination

Grantee certifies that no finding of discrimination has been issued in the past 365 days against Grantee by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or any other investigative entity. If any finding(s) of discrimination have been issued against Grantee within the past 365 days by the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, or other investigative entity, Grantee shall provide County with a written explanation of the outcome(s) or remedy for the discrimination prior to execution of this Agreement. Failure to comply with this Section shall constitute a material breach of this Agreement and subjects the Agreement to immediate termination at the sole option of the County.

g. Reporting; Violation of Non-discrimination Provisions

Grantee shall also report to the County the filing by any person in any court any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations of discrimination within seventy-five (75) days of such filing, provided that within such seventy-five (75) days such entity has not notified Grantee that such charges are dismissed or otherwise unfounded. Such notification to County shall include a general description of the allegations and the nature of specific claims being asserted. Grantee shall provide County with a statement regarding how it responded to the allegations within sixty (60) days of its response and shall update County regarding the nature of the final resolution of such allegations.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Grantee to penalties, to be determined by the County Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Grantee from being considered for or being awarded a County contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Executive Officer.

To effectuate the provisions of this Section, the County Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Grantee under this Agreement or any other agreement between Grantee and County.

h. Compliance with Living Wage Ordinance

As required by Chapter 2.88 of the San Mateo County Ordinance Code, Grantee certifies all contractor(s) and subcontractor(s) obligated under this contract shall fully comply with the provisions of the County of San Mateo Living Wage Ordinance, including, but not limited to, paying all Covered Employees the current Living Wage and providing notice to all Covered Employees and Subcontractors as required under the Ordinance.

13. Compliance with County Employee Jury Service Ordinance

Grantee shall comply with Chapter 2.85 of the County's Ordinance Code, which states that Grantee shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Grantee, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Grantee or that the Grantee may deduct from an employee's regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Grantee certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Grantee has no employees in San Mateo County, it is sufficient for Grantee to provide the following written statement to County:

“For purposes of San Mateo County’s jury service ordinance, Grantee certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Grantee shall adopt a policy that complies with Chapter 2.85 of the County’s Ordinance Code.” The requirements of Chapter 2.85 do not apply unless this Agreement’s total value listed in the Section titled “Payments”, exceeds two-hundred thousand dollars (\$200,000); Grantee acknowledges that Chapter 2.85’s requirements will apply if this Agreement is amended such that its total value exceeds that threshold amount.

14. Retention of Records; Right to Monitor and Audit

(a) Grantee shall maintain all required records relating to services provided under this Agreement for three (3) years after the end of the Agreement’s Term and all other pending matters are closed, and Grantee shall be subject to the examination and/or audit by County, a Federal grantor agency, and the State of California.

(b) Grantee shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

(c) Grantee agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County’s authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

15. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document’s date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

16. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

17. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:	In the case of Grantee, to:
Raymond Hodges, Director Department of Housing County of San Mateo 264 Harbor Blvd., Bldg. A Belmont, CA 94002 Telephone: (650) 802-3389 Email: rhodges@smchousing.org	Armando Sanchez, Executive Director The Housing Endowment and Regional Trust 2905 S. El Camino Real San Mateo, CA 94403 Telephone: (650) 204-5640 Email: asanchez@heartofsmc.org

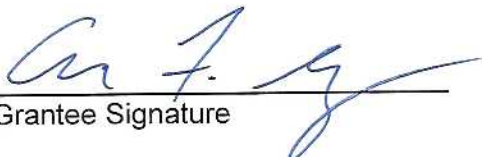
18. Electronic Signature

Both County and Grantee wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

* * *

In witness of and in agreement with this Agreement's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For Grantee: The Housing Endowment and Regional Trust


Grantee Signature

2/29/24
Date

Armando F. Sanchez, Executive Director
Grantee Name (please print)

COUNTY OF SAN MATEO

By:

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:

Clerk of Said Board

In witness of and in agreement with this Agreement's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For Grantee: The Housing Endowment and Regional Trust

_____	_____	<u>Armando F. Sanchez, Executive</u>
Grantee Signature	Date	<u>Director</u>
		Grantee Name (please print)

COUNTY OF SAN MATEO

By:
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:
Clerk of Said Board

Exhibit A – Project Description

1. Definitions

“Approved New Mobilehome Unit” means for the purpose of this Agreement and the MHLP a mobilehome as defined by Civil Code Section 798.3, including a qualifying park trailer/model that meets the requirements of Health & Safety Code Section 18009.3, and any other unit approved by County that may legally occupy a space in a mobilehome park.

“Borrower” means for the purpose of this Agreement and the MHLP an eligible Low-income Resident who receives a loan under the MHLP.

“County Mobilehome Parks” means for the purpose of this Agreement and the MHLP, the following seven mobilehome parks located in the unincorporated area of San Mateo County:

1. Bayshore Villa Manufactured Housing Community
3499 E. Bayshore Rd., Redwood City, CA
2. Belmont Trailer Park
100 Harbor Blvd., Belmont, CA
3. Hwy 84
La Honda, CA
4. Pillar Ridge
164 Culebra, Moss Beach, CA
5. Redwood Trailer Village
855 Barron Ave., Redwood City, CA
6. Sequoia Trailer Park
730 Barron Ave., Redwood City, CA
7. Trailer Villa
3401 E. Bayshore Rd., Redwood City, CA

“Low-income Residents” means for purposes of this Agreement and the MHLP, residents of County Mobilehome Parks whose total household income is not more than 80 percent Area Median Income in accordance with Department of Housing and Urban Development income limits.

2 Description of Services to be Performed by Grantee

Grantee shall administer and disburse at least 20 MHLP loans not to exceed \$100,000 each (**“Loans”**), in an aggregate principal amount not to exceed \$2,000,000, using Grant funds provided by the County under this Agreement and in accordance with the program design approved by County in connection with the Program Design Agreement for the MHLP to assist qualifying Low-income Residents purchase Approved New Mobilehome Units to replace their existing mobilehomes, as further set forth herein.

- a. **Loan Administration**. The Loans shall bear interest at a rate not to exceed the rate specified for a corresponding income level set forth in the table below. Grantee has discretion to lower the interest rate based on borrower's income and affordability but cannot exceed the maximum rate per income category. Grantee shall also prioritize outreach to households in the 30-50% AMI income category to apply for the program and prioritize loans to those income households.

The term of the loan shall be 30 years unless Grantee determines a Borrower can afford larger monthly payments without expending more than 30 percent of their household income on housing, in which case the term may be less than 30 years but in no case less than 20 years. Grantee shall be responsible for reviewing applications for Loans under the MHLP and for Loan approvals; preparing, managing, and implementing all pre-Loan closing, closing and post-closing documents and tasks for eligible applications; and ensuring perfection of security interests for the Loans and repayment.

Borrower Income Category	Maximum Interest Rate Per Annum
0-30% AMI	0.25%
31-50% AMI	0.50%
51-60% AMI	1.00%
61-80% AMI	3.00%

1. Prior to the disbursement of any Grant funds for Loans from Grantee to a Borrower, the following documents shall be entered into by and between Grantee and Borrower, in a form approved by the County, executed, and where appropriate acknowledged and recorded:
 - I. Loan agreement which shall set forth the terms and conditions for closing and disbursing the Loan.
 - II. Promissory note for the Loan executed by the Borrower and payable to Grantee ("Note"), provided that the Note shall require repayment to the County in the event the Grantee is no longer in operation or in the event that this Agreement is terminated under Section 5 (*Termination*) of this Agreement.
 - III. UCC Financing Statement filed with the California Secretary of State and then recorded in the official records of the San Mateo County Recorder, and such other security instruments in the purchased Approved New Mobilehome Unit as may be reasonably necessary to secure the Loan and are permitted by law.

2. The County reserves the right to request copies of Loan documentation at any time prior to or after the processing of any Loans. This documentation may include, but is not limited to, documents required as pre-disbursement conditions and documents related to the Grantee's

program activity, including loan documents, loan closing documents, Grantee's loan guidelines and underwriting standards and procedures and other documents as requested.

3. Grantee shall be responsible for ensuring compliance with all government requirements in connection with the administration and disbursement of the Loans, including compliance with federal and state antidiscrimination and lending laws.

b. **Disposition of Loan Proceeds/repayment.** The Parties agree that Grantee may retain Loan proceeds (i.e., repayments of principal and interest) received from Borrowers which may be allocated to fund additional Loans or with the prior written consent of the County, such proceeds may be directed toward other programs to create and preserve affordable housing in San Mateo County for low- and moderate-income families. County acknowledges and agrees to the following:

1. Mobilehomes may depreciate in value and therefore Grantee may not be able to recover all of the outstanding principal on any individual Loan. This may include, but not be limited to, a mobilehome depreciating in value to the point where the remaining value is less than the outstanding principal amount of the Loan and the Grantee has to forgive outstanding Loan principal upon the sale of a unit by a Borrower.
2. Upon sale of a mobilehome by a Borrower, Grantee shall allow Loans to be assumable by a subsequent mobilehome buyer provided the buyer after occupancy would qualify as a Low-income Resident.
3. Grantee may use Loan proceeds to make loans to Borrowers to make repairs to their units.
4. Grantee shall be allowed to pay for all third-party costs and charge a fee of 3.5 percent of the Loan value for administrative expenses on all Loans under the MHLP that are made from Loan Proceeds (and not from the Grant); provided that for the avoidance of doubt, this subparagraph does not apply to and may not be charged in connection with the at least 20 MHLP Loans made from the Grant and does not obligate the County to pay the 3.5 percent fee under any circumstances.

c. **Marketing/Public Outreach.** Grantee shall coordinate with the County to develop and execute a public outreach and marketing plan for the MHLP, including convening three public meetings (virtual or in-person), program flyers, program webpage to promote the MHLP across the relevant communities.

d. **Program Compliance.** Grantee agrees that consistent with Section 14 of this Agreement (*Retention of Records; Right to Monitor and Audit*) during the Term of this Agreement, the County may undertake monitoring of Grantee's records and premises for program compliance, whenever determined necessary by the County, but at least once during the grant period in accordance with County's Contractor Monitoring Manual. Grantee shall be given advance notice of any monitoring

undertaken by the County. Grantee shall maintain all required records for five (5) years after the end of the contract term.

3. Use of Funds

Grant funds may only be used for the Grant purpose as specified in Section 3 (*Grant*) of this Agreement; a summary of such costs is set forth in the table below.

Work Scope/Expenses	Performance Measures	Measure K
Loan disbursement	At least 20 loans	\$2,000,000
Administration fee	At least 20 loans administered	\$78,800

4. Quarterly Performance Reporting. Grantee shall submit via CDS on-line data management system quarterly performance reports within 15 days after the end of each quarter. The report shall provide a narrative description of activities performed and progress toward achievement of performance measures for the quarter. For each reporting period, Grantee's quarterly reporting shall provide at least the following: Grant funds balance; Loans committed during reporting period and total Loan funds committed to date; number and type of mobilehome units funded; number of households served; and marketing/public Outreach activity. The County may, from time to time, request that Grantee include additional information in its quarterly reporting.
5. Annual Performance Report. Grantee shall also submit an Annual Performance Report (APR) which summarizes Grantee's MHLP activities, performance and progress toward and achievement of performance measures for the preceding year. These reports are formatted in accordance with the type of services being provided, and the County may change the reporting request from time to time in writing to accommodate the County's reporting needs. The County may request additional data from Grantee to understand Borrowers' requests, services, and outcomes.
6. Project Completion Reporting. Within 30 days after expiration of the Term of the Agreement, Grantee shall provide the following reports: (a) a Borrower summary, which summarizes the number of Borrowers served by race, ethnicity, and income; and (b) a summary of Project funding sources and uses, which show the total of all funds expended for the Project. As with the quarterly performance reports, these reports are formatted in accordance with the type of services provided, and the County may request that Grantee include additional information in its Project completion reporting. Grantee shall provide such reporting through the CDS on-line data management system.
7. Contract Number. All correspondence, invoices, payments, and reports must include the County contract number for this Agreement.

Exhibit B – Disbursement and Rates

Subject to the terms of the Agreement, the County shall remit payment to Grantee for reasonable and necessary Project tasks outlined in Exhibit A, based on the following rates and terms:

1. Grantee shall submit an invoice the County in the amount of \$2,000,000 for Grant funds under the MHLP and will cooperate in providing tax identification and other documentation as the County may reasonably request to process the invoice and disburse the portion of the Grant allocated to Loan funds.

2. The County shall remit payment to Grantee for Grantee’s administrative services portion of the Grant in accordance with the terms set forth below:

Work Scope/Expenses	Performance Measures	Measure K
Marketing	Community meetings	\$4,667.34
Vendor Relations	Review contracts, scope of work & site visits	\$2,308.52
Applicant Inquiries/Assistance	Resident support i.e., inquiries & application assistance	\$4,007.63
Application Review	Review applications/eligibility, underwriting	\$14,964.82
Pre-Closing	Review purchase agreement & escrow	\$5,735.98
Closing	Executed loan docs, escrow, loan administration fee	\$22,399.12
Installation	Verify permits, inspections, payment disbursement & troubleshooting	\$8,586.56
Meetings/Reports	Reports	\$1,293.70
Misc.	Mileage	\$68.00
Contingency	n/a	\$4,482.25
Admin & Overhead	n/a	\$10,286.09
	TOTAL	\$78,800.00

3. To receive payment for the services under this Agreement, Grantee submit detailed invoices to the County outlining the services provided and payment requested. Requests for reimbursement shall include supporting documentation including copies of invoices paid, together with warrants, canceled checks, or other proof that the invoices have been paid. The request must include a brief narrative description of the progress of the Project and the items being reimbursed.
4. Grantee shall further certify in writing that the specific services for which payment is requested have been satisfactorily completed, that the amounts requested are accurate, reasonable and necessary and that all such amounts are being or have been expended on behalf of and exclusively for the Project. The County reserves the right to verify the accuracy and completeness of such certification prior to payment to Grantee. Grantee agrees to cooperate with the County to provide supporting documentation for costs incurred and disbursement requests.
5. Subject to the satisfaction of all applicable terms and conditions set forth herein, the County shall remit payment to Grantee within thirty (30) calendar days after receipt of a satisfactory invoice and supporting documentation. The County reserves the right to change the payment method during the term of this Agreement.
6. Alternative Payment/Reimbursement Process: If approved by the County in writing, Grantee may enter billing data into the City Data Services (CDS) web-based system for purposes of obtaining reimbursement under the Agreement. Upon receipt, review and approval of invoice, County will reimburse Grantee for actual costs incurred for services rendered/incurred, provided that Grantee provides the County's Department of Housing ("DOH") with documentation and assurances described below that the costs were appropriate to the request for reimbursement. When using the CDS system for reimbursement, all back-up invoice documentation should be uploaded into the on-line system. DOH reserves the right to request hard copies of invoice documentation or a summary of documentation plus scanned/mailed support materials as a condition of County review and approval. In all cases, Grantee shall make documentation records available for DOH review upon request.
7. In no event shall the County reimburse Grantee for any payments exceeding the total amount stated in Section 3 (*Grant*) of this Agreement. Grantee authorization for requests for reimbursement through CDS must be from an authorized representative of Grantee. By requesting authorization for payment, Grantee certifies that the specific services for which reimbursement or payment is being requested have been satisfactorily completed, that the amounts requested are accurate, reasonable and necessary and that all such amounts are being or have been expended on behalf of and exclusively for the Project, that the payments are proper and that all funds to be expended are on behalf of and exclusively for the activity or services described in Exhibit A of the Agreement. The County reserves the right to verify such completion prior to or after reimbursement/payment to Grantee.

8. Objectionable Payment Request: In the event the County objects to a disbursement or payment request, the County will state in writing the specific nature of its objections. If applicable, the County will also specify what actions or changes are necessary to make the request acceptable and eligible for reimbursement. Grantee shall respond to County within 15 days of receipt of such objections. The Parties shall meet to discuss such objections at the request of either Party. The County will not be obligated to disburse funding in reimbursement for any billing until any and all objections to the adequacy of the services rendered or the amount of the billing have been resolved to the County's satisfaction in its reasonable discretion.