NEW HOPE COMMUNITY DEVELOPMENT CORPORATION

AGENDA

May 13, 2020

NEW HOPE COMMUNITY DEVELOPMENT CORPORATION

NOTE: This meeting is being agendized to allow Board Members, staff and the public to participate in the meeting via teleconference, pursuant to the Governor's Executive Order N-29-20 (March 17, 2020), available at the following link.

Teleconference Options to join Zoom meeting:
By PC: https://yolocounty.zoom.us/j/96001621433
Meeting ID: 960 0162 1433
or
By Phone: (408) 638-0968

Meeting ID: 960 0162 1433

Executive Order N-29-20 authorizes local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public. Members of the public are encouraged to observe and participate in the teleconference.

Further instructions on how to electronically participate and submit your public comments can be found in the PUBLIC PARTICIPATION note at the end of this agenda.

LISA A. BAKER
EXECUTIVE DIRECTOR

MEGAN STEDTFELD
AGENCY COUNSEL

3:00 P.M. CALL TO ORDER

1. Consider approval of the agenda.

2. Public Comment: Opportunity for members of the public to address the New Hope Development Corporation on subjects not otherwise on the agenda relating to New Hope Development Corporation business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

CONSENT AGENDA

3. Review and Approve the Minutes for the meetings of February 20, 2019 and March 18, 2020

REGULAR AGENDA

4. Review and Approve a Proposed 0% Forgivable Loan Program to Support YCH Resident Families during the Conversion Period to New Utility Structure (Holt, Gillette, Baker)

5. Review and Approve Draft Working Intergovernmental Agreement Between New Hope Community Development Corporation and the County of Yolo for the Proposed Acquisition and Rehabilitation of 1214 East 8th Street, Davis CA for Exclusive Use as an Adult Residential Treatment Services Facility (Baker)

6. Receive verbal report on Big Day of Giving results

7. Receive comments from Executive Director

8. Receive comments from Directors

ADJOURNMENT

Next meeting to be determined

I declare under penalty of perjury that the foregoing agenda was posted May 8, 2020 by 5:00 p.m. at the following places:

- On the bulletin board at the east entrance of the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California; and
- On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.
- On the Yolo County website: www.yolocounty.org.

Julie Dachtler, Clerk
New Hope Development Corporation

NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Clerk of the Board for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Clerk of the Board as soon as possible and at least 24 hours prior to the meeting. The Clerk of the Board may be reached at (530) 666-8195 or at the following address:

Clerk of the New Hope Development Corporation
625 Court Street, Room 204
Woodland, CA 95695

PUBLIC PARTICIPATION INSTRUCTIONS:

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID 19 virus, please do the following:

1. You are strongly encouraged to participate in the New Hope Community Development Corporation meeting https://yolocounty.zoom.us/j/96001621433, Meeting ID: 960 0162 1433 or phone in via 1-408-638-0968 Meeting ID: 960 0162 1433.

2. If you are joining the meeting via zoom and wish to make a comment on an item, press the "raise a hand" button. If you are joining the meeting by phone, press *9 to indicate a desire to make comment. The chair will call you by name or phone number when it is your turn to comment. Speakers will be limited to 3:00 minutes.

New Hope CDC **3.**

Meeting Date: 05/13/2020

Information

SUBJECT

Review and Approve the Minutes for the meetings of February 20, 2019 and March 18, 2020

Attachments

Att. A. February 20, 2019 Minutes

Att. B. March 18, 2020 Minutes

Form Review

Form Started By: Julie Dachtler Started On: 05/08/2020 03:25 PM

Final Approval Date: 05/08/2020

New Hope Community Development Corporation
Yolo County, California

February 20, 2019

MINUTES

The New Hope Community Development Corporation met on the 20th day of February 2019, in regular session in its Chambers in the Erwin W. Meier Administration Building, 625 Court Street, Woodland, California at 3:00 p.m.

Present: Will Arnold; Pierre Neu; Richard Lansburgh; Babs Sandeen; Gary Sandy; Karen Vanderford; Joe Walters

Staff Present: Lisa Baker, CEO
Hope Welton, Agency Counsel
Janis Holt, General Director
Lupita Ramirez, Clerk

3:00 P.M. CALL TO ORDER

1. Consider approval of the agenda.

Minute Order No. 19-01: Approved agenda as submitted.

MOTION: Sandy. SECOND: Neu. AYES: Arnold, Lansburgh, Neu, Sandeen, Sandy, Vanderford, Walters.

2. Public Comment: Opportunity for members of the public to address the New Hope Development Corporation on subjects not otherwise on the agenda relating to New Hope Development Corporation business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

There was no public comment.

REGULAR AGENDA

3. Consider Appointment of Pierre Neu, Babs Sandeen, Gary Sandy, Richard Lansburgh and Joe Walters as Directors of New Hope Community Development Corporation

Minute Order No. 19-02: Appointed Pierre Neu, Babs Sandeen, Gary Sandy, Richard Lansburgh and Joe Walters as Directors of New Hope Community Development Corporation.

MOTION: Arnold. SECOND: Vanderford. AYES: Arnold, Lansburgh, Neu, Sandeen, Sandy, Vanderford, Walters.

4. Election of President and Vice President for Calendar Year 2019 (Baker)

Minute Order No. 19-03: Elected Babs Sandeen as President for calendar year 2019.

MOTION: Arnold. SECOND: Lansburgh. AYES: Arnold, Lansburgh, Neu, Sandeen, Sandy, Vanderford, Walters.

Minute Order No. 19-04: Elected Gary Sandy as Vice-President for calendar year 2019.

MOTION: Sandeen. SECOND: Lansburgh. AYES: Arnold, Lansburgh, Neu, Sandeen, Sandy, Vanderford, Walters.

5. Review and Approve Proposed Development Agreement between YCH and Mercy Housing Proposed Permanent Supportive Housing in West Sacramento and Possible Assignment to New Hope CDC

Minute Order No. 19-05: Approved recommended action by **Agreement No. 19-01**.

MOTION: Lansburgh. SECOND: Arnold. AYES: Arnold, Lansburgh, Neu, Sandeen, Sandy, Vanderford, Walters.

CONSENT AGENDA

Minute Order No. 19-06: Approved Consent Agenda Item Nos. 6 and 7.

MOTION: Arnold. SECOND: Neu. AYES: Arnold, Lansburgh, Neu, Sandeen, Sandy, Vanderford, Walters.

6. Approval of Minutes and Special Meeting Minutes from the meeting of May 24, 2017

Approved Minutes and Special Meeting Minutes from the meeting of May 24, 2017 on Consent.

7. Accept and File FY 2017 - 2018 IRS Form 990 Return of Organization Exempt from Income Tax (Gillette)

Approved recommended action on Consent.

ADJOURNMENT

Next meeting to be determined

New Hope Community Development Corporation
Yolo County, California

March 18, 2020

MINUTES

The New Hope Community Development Corporation met on the 18th day of March 2020 via teleconference at 3:00 p.m. pursuant to the Governor's Executive Order N-29-20 (March 17, 2020), available at the following link.

Present:	Pierre Neu; Babs Sandeen; Gary Sandy; Karen Vanderford; Joe Walters
Absent:	Will Arnold; Richard Lansburgh
Staff Present:	Lisa Baker, Executive Director Megan Stedtfeld, Agency Counsel Julie Dachtler, Clerk

3:00 P.M. CALL TO ORDER

1. Consider approval of the agenda.

> Minute Order No. 20-01: Approved agenda as submitted.
>
> MOTION: Walters. SECOND: Neu. AYES: Neu, Sandeen, Sandy, Vanderford, Walters. ABSENT: Arnold, Lansburgh.

2. Public Comment: Opportunity for members of the public to address the New Hope Development Corporation on subjects not otherwise on the agenda relating to New Hope Development Corporation business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

> There was no public comment.

REGULAR AGENDA

3. Review, Approve and Adopt the Authorizing Resolution and Granting of Authority Regarding Financing of 1801 West Capitol Project; and Review and Approve the Right of Contribution Agreement between Mercy Housing California and New Hope Community Development Corporation (Baker)

Minute Order No. 20-02: Approved recommended action by **Resolution No. 20-01** and **Agreement No. 20-01**.

MOTION: Vanderford. SECOND: Walters. AYES: Neu, Sandeen, Sandy, Vanderford, Walters. ABSENT: Arnold, Lansburgh.

CONSENT AGENDA

Minute Order No. 20-03: Approved Consent Agenda Item No. 4.

MOTION: Neu. SECOND: Sandy. AYES: Neu, Sandeen, Sandy, Vanderford, Walters. ABSENT: Arnold, Lansburgh.

4. Accept and File FY 2018 - 2019 IRS Form 990 and California Form 199 Non-profit Informational Returns (Gillette)

Approved recommended action on Consent.

ADJOURNMENT

Next meeting is TBD

New Hope CDC **4.**

Meeting Date: 05/13/2020

Information

SUBJECT

Review and Approve a Proposed 0% Forgivable Loan Program to Support YCH Resident Families during the Conversion Period to New Utility Structure (Holt, Gillette, Baker)

Attachments

Staff Report

Att. A. Yolo Housing Foundation Filing - 1999

Att. B. Amended Filing 2004

Att. D. Draft Loan Program

Form Review

Form Started By: Julie Dachtler Started On: 05/08/2020 03:29 PM

Final Approval Date: 05/08/2020

New Hope Community Development Corporation

DATE: May 13, 2020

TO: New Hope CDC Board of Directors

FROM: Lisa A. Baker, Executive Director

SUBJECT: **Review and Approve a Proposed 0% Forgivable Loan Program to Support YCH Resident Families during the Conversion Period to New Utility Structure**

RECOMMENDED ACTIONS:

That the Board of Directors review and approve the proposed program, review proposed source of funds and authorize the Executive Director to implement.

BACKGROUND / DISCUSSION

History - New Hope

New Hope Community Development Corporation has a long history of supporting the initiatives of Yolo County Housing (YCH), taking donations and raising funds to directly support the residents of YCH programs through their computer learning centers and resident activities. In addition, YCH and New Hope work together in partnership to further the creation of long term affordable housing. Currently, YCH and New Hope have a relationship with West Beamer Place, where YCH owns the land and provides housing vouchers, while New Hope is a general partner in the ownership with Mercy Housing.

Originally created as the Yolo Housing Foundation in 1999 as a charitable organization to both "facilitate the construction and maintenance of low cost housing for individuals and families. The corporation shall also develop and maintain charitable assistance programs for the residents of such low cost housing," as stated in its bylaws. The 501 (c) (3) had a name change and expanded mission in 2004 to New Hope CDC, which also specified that, in addition to development, it could engage in a variety of activities, including "(5) establishing community based economic development programs; and (6) providing education (and) social services…"

It is also important to note that YCH has also been a good partner to New Hope. YCH hosts its web site and YCH and New Hope have a Memorandum in place for YCH to provide staffing and assistance to New Hope in its activities. YCH has also made loans to New Hope CDC over the years in order to allow New Hope to complete housing

development. Most particularly, the YCH Board authorized the Agency to enter into a long term loan with New Hope in 2012 for payment of accumulated debt from the prior administration. New Hope owes approximately $900,000 on this note. And the Board authorized YCH in 2014 to issue a carry back note of $755,000 to New Hope from YCH's sale of Crosswood Apartments to New Hope's tax credit partnership to allow for the preservation and rehabilitation of the affordable housing development.

Low Income Resident Impact - Solar

Recently, YCH invested in major solar installations as part of its commitment to reducing the impacts of climate change, help insulate its residents against future cost impacts due to utility uncertainties and take advantage of PGE incentives through MASH grant funding. YCH, and its contractor, worked with PGE on an implementation and roll out date on solar generation and credits. Unfortunately for YCH, PGE turned the system live several months in advance of schedule without informing YCH and began issuing credits to residents instead of to YCH and, thus, was not able to directly capture those credits due to the timing of the roll out.

YCH's Board set the value of energy equal to the Utility Allowance (UA) it gives to residents, as residents in the public housing program are required by law to pay 30% of their income for rent and utilities (through the UA, which must be set for modest energy consumption), so that a modest consumption of energy should result in very little additional cost to the resident, after accounting for seasonal variations in energy use. However, in addition to the solar credit issue, YCH reports that staff were unable to get real time utility data usage from residents, which has a direct impact on understanding true utility consumption to be used in rate setting. To resolve these issues, beginning last August, YCH began handling the bill payment directly for residents, applying the utility allowance and either setting a credit for use under the UA, or a charge for use that exceeds UA. Paying the bills directly, YCH has also been able to solve the data collection issue, which means that, going forward, UAs can be set based on actual resident consumption.

However, the way in which implementation moved forward, along with working through all these transitions means that YCH was not able to bill or collect on utility charges during this time. The billings were rolled out in phases, with the August 1 change moving forward first. Subsequently, YCH issued credits and charges for the months between March and August 1, 2019 at the beginning of April 2020. On the advice of Legal Services of Northern California and its own counsel, YCH did not claim the return of PGE issued tenant credits from November 2018 to March 2019. For the UA, the inability to get accurate use data means that the current UA for households may not really reflect actual usage. Fortunately, YCH started capturing real use beginning last August 1 and staff is working with their engineers to incorporate data to date into the 2020 UA update. By 2021 the UA will be 100% reflective of average real time resident consumption.

Unfortunately, the timing of resolution of the solar billing issue also comes during the COVID-19 global pandemic. The scale of the pandemic and its impacts on the daily lives of residents, especially those of limited means, is unprecedented. This, coupled with the need to “catch up” to prior billing statements, has resulted in the potential for a hardship to residents and delayed revenue to YCH that is earmarked for solar debt service payments.

YCH has made a commitment to residents to work with them to resolve this issue and will not be issuing late payment charges or pursuing eviction proceedings for past due utility charges. In addition, YCH has deployed its staff to assist residents with applying for HEAP assistance in bill payment or issuing repayment plans to residents. However, not all residents will meet the income requirements for HEAP and/or some households may have already received assistance prior and be currently ineligible. To resolve this and to assist YCH during this transition phase, New Hope staff proposes that, in conformance with its mission to serve low income residents served by affordable housing properties and to provide social and economic services, that it could make $0 interest loans to affected households that cannot get HEAP funding.

Currently, the total outstanding balance of payments owed is $68,000 (rounded) across five campuses and over 300 units, of which the majority is owed in 3 campuses - Yolano Village, Donnelly Circle and El Rio Villas. Due to the ongoing impacts of COVID-19, Staff proposes that New Hope establish a 0% interest forgivable loan program, in the total amount of $70,000, to households receiving solar within the YCH public housing portfolio that have an outstanding balance of past due charges through April 30, 2020.

Recipients would receive a one time loan at 0% interest, forgivable over 2 years, with a write down of the amount on a monthly basis. In return, recipients would pay off the balance owed and agree to continue to be a tenant in good standing, paying their monthly rent and utility charges (if any). At the end of the 2 year period, there would be no remaining balance.

New Hope currently has unbudgeted Operating Reserves of $534,866. These do not include reserves or capital tied to Cottonwood Meadows or any other real estate. New Hope is anticipating receiving an additional $100,000 when the West Sacramento project closes.

New Hope currently has 1 loan outstanding with YCH for approximately $900,000 owed to the Agency. This is a long term loan that New Hope pays down as it is able over time.

Its apartment complex, Cottonwood Meadows, has a current mortgage of $1,392,754 and a smaller loan used to pay off its State HCD loan and make energy improvements in the amount of $454,016. Both with First Northern Bank and both paid from rental receipts at Cottonwood Meadows.

FISCAL IMPACT

There would be no immediate fiscal impact.

CONCLUSION:

Staff recommends that the Board review and approve the proposed program

Attachment: Yolo Housing Foundation, 1999; Amended Filing, 2004
Draft Loan Program

2160294

State of California

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

APR 15 1999

Bill Jones

Secretary of State

Sec/State Form CE-107 (rev. 9/98)

OSP 99 19825

2160294

ARTICLES OF INCORPORATION

OF

THE YOLO HOUSING FOUNDATION

A CALIFORNIA PUBLIC BENEFIT CORPORATION

ENDORSED - FILED
IN THE OFFICE OF THE
SECRETARY OF STATE
OF THE STATE OF CALIFORNIA

APR 13 1999

BILL JONES, SECRETARY OF STATE

ONE: The name of this corporation is the Yolo Housing Foundation.

TWO: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes for which this corporation is organized is to facilitate the construction and maintenance of low-cost housing for individuals and families. The corporation shall also develop and maintain charitable assistance programs for the residents of such low-cost housing.

THREE: The name and address in the State of California of this corporation's initial agent for service of process is:

Thomas Morton
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

FOUR:

(a) This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (2) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

(c) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

FIVE: The names and addresses of the persons appointed to act as the initial Directors of this corporation are:

Dennis Bright
740 Pendegast Circle
Woodland, CA 95695

Raul DeAnda
1012 Fernwood Street
W. Sacramento, CA 95691

Richard D. Estes
P.O. Box 72346
Davis, CA 95617

Mary Lopez
1 Newton Way
W. Sacramento, CA 95605

Carlos Matos
149 Luz Place
Davis, CA 95616

Rosemary Montoya
1242 A Donnelly Circle
Woodland, CA 95776

Paul Stephens, Jr.
P.O. Box 142
Esparto, CA 95627

SIX: The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of the organization shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Date: 4/9/99

Dennis Bright, Director

Raul DeAnda, Director

Richard D. Estes, Director

Mary Lopez, Director

Carlos Matos, Director

Rosemary Montoya, Director

Paul Stephens, Jr., Director

We, the above-mentioned initial directors of this corporation, hereby declare that we are the persons who executed the foregoing Articles of Incorporation, which execute is our act and deed.

Dennis Bright, Director

Raul DeAnda, Director

Richard D Estes, Director

Mary Lopez, Director

Carlos Matos, Director

Rosemary Montoya, Director

Paul Stephens, Jr., Director

A0615753

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

AUG 13 2004

KEVIN SHELLEY
Secretary of State

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF THE YOLO HOUSING FOUNDATION

The undersigned certify that:

1. They are the President and the Secretary, respectively, of The Yolo Housing Foundation, a California corporation.

2. Article ONE of the Articles of Incorporation of this corporation is hereby amended to be and read as follows:

> The name of the corporation is New Hope Community Development Corporation.

3. Article TWO is hereby amended to be and read as follows:

> This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purpose for which this corporation is organized is to assist low and moderate income community residents by (1) acquiring existing housing and/or real property, extending the use of existing real estate, constructing new affordable housing and/or mixed-use property, and redeveloping and/or rehabilitating existing real property for affordable housing and/or mixed-use; (2) managing and maintaining the Corporation's real property; (3) creating jobs through small or micro-business lending, business incubator(s), and commercial development programs; (4) providing employment training; (5) establishing community-based economic development programs; and (6) providing education, social services and cultural activities.

4. The foregoing amendments of Articles of Incorporation have been duly approved by the Board of Directors.

5. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this Certificate of Amendment of Articles of Incorporation of The Yolo Housing Foundation are true and correct of our own knowledge.

Dated: 8-10-, 2004

CARLOS MATOS, President

DAVID SERENA, Secretary

OFFICE OF THE SECRETARY OF STATE

765319.3

New Hope Community Development Corporation

Lisa A. Baker, Executive Director
147 W. Main Street
Woodland, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982

DRAFT

NEW HOPE CDC UTILITY ASSISTANCE LOAN PROCESS
FOR OUTSTANDING UTILITY CHARGES THROUGH APRIL 30, 2020
FOR RESIDENTS RESIDING AT YOLANO VILLAGE, DONNELLY CIRCLE, EL RIO VILLAS I, II, III, IV, AND RIVERBEND MANOR

New Hope CDC will be providing utility assistance through a forgivable 0% interest loan to public housing residents residing at the following Yolo County Housing (YCH) apartment communities: Yolano Village, Donnelly Circle, El Rio Villas I, El Rio Villas II, El Rio Villas III, El Rio Villas IV, and Riverbend Manor.

This loan is established as a safety net for residents who are financially unable to pay their outstanding YCH utility charges and owed balanceS that accrued through April 30, 2020 only. It does not apply to any prior PGE owed balances, or to costs incurred after April 30, 2020. In order to qualify for this one-time loan, households must have completed the following steps:

1. If the family has had a decrease in their income due to COVID-19, you should immediately report the information to their property manager so that their rent can be correctly adjusted through the interim re-examination process.
2. If it is determined that the household income will most likely qualify for the Home Energy Assistance Program (HEAP), the family is required to apply for assistance. YCH client services staff is available and ready to assist you with this process.
3. If the household does not qualify for HEAP **or** only receives partial assistance that does not pay their entire utility balance, the household will complete the NHCDC Utility Assistance Loan document to request the 0% interest forgivable loan and abide by the requirements of the loan agreement.
4. The amount of loan will be divided into 24 equal installments. Each installment will be forgiven on a monthly basis for households who meet the following conditions:

- Pay **rent on time** (by the fifth business day of the month) **in full**, unless granted a waiver on a case by case basis (for example, if a household's income changes);
- Regularly pay their **utility changes;**
- Continue to make payments on maintenance charges and/or existing repayment agreements;
- Continue to be a tenant in good standing.

A copy of this assistance loan process will be provided to every eligible household and will be attached with their loan request.

New Hope CDC **5.**

Meeting Date: 05/13/2020

Information

SUBJECT

Review and Approve Draft Working Intergovernmental Agreement Between New Hope Community Development Corporation and the County of Yolo for the Proposed Acquisition and Rehabilitation of 1214 East 8th Street, Davis CA for Exclusive Use as an Adult Residential Treatment Services Facility (Baker)

Attachments

Staff Report

Att. A. Draft MOU

Form Review

Form Started By: Julie Dachtler Started On: 05/08/2020 03:30 PM

Final Approval Date: 05/08/2020

New Hope Community Development Corporation

DATE: May 13, 2020

TO: New Hope CDC Board of Directors

FROM: Lisa A. Baker, Executive Director

SUBJECT: **Review and Approve Draft Working Intergovernmental Agreement between New Hope Community Development Corporation and the County of Yolo for the Proposed Acquisition and Rehabilitation of 1214 East 8th Street, Davis CA for Exclusive Use as an Adult Residential Treatment Services Facility**

RECOMMENDED ACTIONS:

That the Board:

1. Review and approve the proposed agreement; and
2. After negotiation and finalization, subject to approval by the Board's General Legal Counsel,
3. Authorize the Executive Director to execute the agreement and bring back to the Board for ratification

BACKGROUND / DISCUSSION

New Hope has a long history of working with underserved populations, including those who are exiting homelessness, are disabled or who have mental health needs. New Hope also has experience working with the County in housing development, most recently with the development of West Beamer Place in Woodland, which has onsite County services and provides permanent housing to a variety of families, including formerly homeless and workforce housing. New Hope also is a partner in the development and ownership of Cesar Chavez Plaza, which also uses MHSA funds to provide ongoing support to full service mentally ill. New Hope's staffing is provided under MOU by Yolo County Housing, who has 70 years of experience in the affordable housing space and also has partnerships with the County in specialty housing types, including the transitional Helen Thomson homes and the post incarceration IGT House.

As a result of these long standing partnerships, New Hope, as a non-profit instrumentality of YCH, has the opportunity to work with the County on the potential acquisition, rehabilitation and subsequent asset management of Pine Tree Gardens

1214 E 8th Street property for use as a dedicated adult residential treatment services facility. The property would be used by North Valley Behavioral Health, a contractor of the County, to provide the day to day operations of the program. New Hope would be the owner and asset manager of the physical property. The source of funds would be $1,000,000 in County funds awarded for this purpose. These funds are the ones that the County and New Hope originally envisioned for use at Pacifico Apartments in Davis, which did not move forward. At this time, the property is owned by Turning Point, who is seeking to sell. North Valley has indicated an interest in attempting to purchase the remaining, and larger, home and the County is working with them separately.

Due to the short remaining time on expenditure of these funds, staff is bringing a rough working MOU to the Board for its consideration, knowing that there are still details/revised language to work through. The funds must be transferred to New Hope and New Hope must acquire the property prior to June 30, 2020. The outstanding components to be completed include:

- The scope of repairs to be performed subsequent to the facility acquisition, and the extent of each party's obligation (funding, etc.) with regard to those repairs;
- The scope of ongoing maintenance activities to be performed by New Hope--briefly addressed in Section 12.1, but perhaps not adequately covered;
- How New Hope will pay costs of maintaining the facility, and where that revenue will come from, as well as how any future improvements will be coordinated and funded through increased revenue from tenants

Staff has received the initial appraisal, preliminary title reports and a preliminary report from the County on potential rehabilitation needs. Staff will be using its agent to assist in handling the transaction after discussion with, and concurrence by, the County's County Counsel. This agent also worked on acquisition of Helen Thomson A and B and IGT House and is familiar with our requirements.

Staff has also been mindful of the Board's long standing requirement that programs be self sufficient and have sufficient operating capital and this will be part of the next step negotiations with the County. Authorizing the MOU to move forward will allow New Hope to begin the acquisition process, including a field site visit to verify conditions and create a working budget. Approval of the draft MOU will also allow the County to continue to move forward with the fund transfer to New Hope in the amount of $1,000,000 to fund the acquisition and repairs prior to the deadline. Staff expects to bring back additional information and a final version at its meeting of June 17, 2020.

FISCAL IMPACT

Funds are currently budgeted to provide purchase price and costs. The MOU will also govern how ongoing operations costs, including capital and operations reserves, will be funded. Should New Hope be unsuccessful in securing the property, the agreement would expire without penalty.

CONCLUSION

In keeping with New Hope's long term commitment to disadvantaged, underserved populations and commitment to housing policy that provides opportunity to our residents, staff recommends that the Board approve the agreement and authorize the Executive Director, with assistance from General Legal Counsel, to finalize the agreement.

Attachment: Draft MOU

INTERGOVERNMENTAL AGREEMENT

by and between

the

COUNTY OF YOLO,

as County and Lessee

and

NEW HOPE CORPORATION,

as New Hope and Lessor

INTERGOVERNMENTAL AGREEMENT

THIS **INTERGOVERNMENTAL AGREEMENT** ("**Agreement**") is executed as of _____ ___, 2020 (the "**Effective Date**"), by and between the COUNTY OF YOLO, a political subdivision of the State of California ("**County**"), and YOLO COUNTY HOUSING and its subsidiary NEW HOPE COMMUNITY DEVELOPMENT CORPORATION, a California 501(c)(3) non-profit corporation, (jointly and severally, "**New Hope**"), with respect to the following recitals.

R E C I T A L S

A. County and New Hope have been working cooperatively to use Mental Health Services Act ("**MHSA**") Capital Facilities funds to acquire and renovate a building within Pine Tree Gardens for exclusive use as an adult residential treatment services facility (the "**Project**"). The Project site is the "East Home" of Pine Tree Gardens and is located at 1214 East 8th Street within the City of Davis, California, and described more particularly on Exhibit A attached to and incorporated into this Agreement (the "**Premises**").

B. Under a separate agreement, the current owner of the Premises, Turning Point, will grant fee title to the real property on which the Premises are located and which are described more particularly on Exhibit B (the **"Property"**) to New Hope.

C. New Hope will, using MHSA Capital Facilities funds provided to it by County pursuant to this Agreement, ensure construction of the improvements described in this Agreement .

D. New Hope will lease the Premises to County, in accordance with the terms and conditions in this Agreement, and provide property management services.

E. County will sublease the Premises to a service provider to provide adult residential treatment services on the Premises.

NOW, THEREFORE, County and New Hope agree as follows:

1. Acquisition. In close coordination with County, New Hope will take all actions necessary and appropriate to acquire fee title to the Property by June 30, 2020. As of the execution date of this Agreement, the Parties expect at least the following to occur:

- County will, at its expense, obtain at least one appraisal of the Property—including the entire Pine Tree Gardens site with valuations for each of the two residential facilities located thereon—and provide it to New Hope;

- New Hope will retain the services of a qualified real estate agent and title company for assistance with the acquisition;

- New Hope, through its agent or otherwise, will undertake all actions necessary to negotiate a written purchase agreement (the **"Purchase Agreement"**) for the Property with Turning Point. The Purchase Agreement will contain all provisions customary for the acquisition of residential property within the City of Davis, including but not limited to a deposit (not to exceed $10,000), overall purchase price based on the appraisal(s) and

any related negotiations with Turning Point, due diligence period and right of entry, contingencies, representations and warranties, and escrow, title, and closing language.

- New Hope will complete all due diligence and other tasks necessary to enable acquisition of the Property in accordance with the Purchase Agreement.

- County will, through the escrow and closing process, fund acquisition of the Premises in accordance with the Purchase Agreement and all related expenses, including any commission(s) described in the Purchase Agreement and New Hope's share of escrow, title, and closing costs.

Recognizing that circumstances may change as the transaction proceeds, the Parties may modify the foregoing tasks during the course of the transaction through an exchange of e-mails or other informal writings, without the need for an amendment to this Agreement. Notwithstanding the foregoing, however, any change that significantly increases the duties or liabilities of either party shall require a written amendment to this Agreement.

2. Effective Date; Termination Prior to Closing. This Agreement shall become effective upon the Effective Date. It may be terminated thereafter by mutual written agreement of the Parties prior to the closing of the Property acquisition. Additionally, prior to the Closing, County may terminate this Agreement upon five (5) days advance written notice to New Hope if County determines, in its sole discretion, that Turning Point will not enter into or continue negotiations for a sale of the Property or if County otherwise determines that the transaction will not be completed in a manner sufficient to enable the timely expenditure of MHSA funding and otherwise acceptable to County.

Upon termination under this Section 2, this Agreement shall be null and void and of no further force or effect. New Hope shall return all funds paid by County to New Hope under this Agreement within ten days after the termination of the Agreement.

3. MHSA Covenant. New Hope acknowledges that, concurrently with the closing, County will record a mutually satisfactory covenant or other similar document sufficient to satisfy all MHSA requirements relating to the future operation of the Property, including but not limited to dedicating the Property to MHSA purposes for a term of at least 20 years. New Hope agrees to cooperate with County in connection with the preparation, review, and recording of the covenant.

4. Lease of Premises; Delivery and Acceptance. Concurrently with the closing of the purchase, New Hope will lease and demise the Premises to County, and County will lease and accept the Premises from New Hope, for the term, at the annual rent and upon the other covenants and conditions set forth in this Agreement. New Hope shall deliver the Premises to County on the "**Commencement Date**". The Commencement date shall be the date on which Turning Point conveys New Hope fee title to the Property.

5. Lease Term. The term of all leasing, improvement, and maintenance provisions of this Agreement shall commence on the Commencement Date and shall expire on the 99th anniversary thereof (the "**Term**"), unless sooner terminated as provided in this Agreement.

6. New Hope Constructed Tenant Improvements. [NEED TO DISCUSS]

6.1 Work. New Hope shall, before the six-month anniversary of the Commencement Date, complete, or cause to be completed, all work (collectively, the "**Work**") required to construct the improvements, the plans and specifications for which are set forth on Exhibit D attached to and incorporated into this Agreement (collectively, the "**Improvements**"). The Work shall be performed pursuant to written contracts with competent contractors duly licensed under the laws of the State of California (collectively, the "**Construction Contracts"**). New Hope shall obtain, with funds provided under Section 4.8 of this Agreement, all permits and approvals necessary to perform the Work. New Hope shall indemnify, defend and hold harmless County from and against any claims or liability in any way arising out of the performance of the Work. Each Construction Contract entered into by, or on behalf of, New Hope shall contain, or be subject to, substantially the following nondiscrimination or nonsegregation clause: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, age, disability, color, religion, creed, sexual orientation, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, subtenants, sublessees or vendees of the land."

6.2 Quality of Work; Compliance. New Hope shall cause the Work to be performed (a) diligently (i.e., no more than fourteen (14) consecutive days shall pass without Work being performed) to completion; (b) in a good and workmanlike manner; (c) in compliance with all applicable building codes and other laws, statutes, ordinances, rules, regulations and orders of all federal, state, county and local governmental agencies having jurisdiction over the Premises (collectively, "**Applicable Laws**"), and (d) in compliance with all applicable insurance requirements.

6.3 Plan; Notices of Nonresponsibility. New Hope shall give County not less than 30 days advance notice of the commencement of the Work (including the delivery of building materials to the Premises in connection therewith). Any such notice shall include the projected schedule for the completion of the Work. County shall have the right to post and maintain on the Premises, and to record as required by Applicable Laws, any notice or notices of nonresponsibility provided for by the mechanics' lien laws of the State of California.

6.4 Mechanics' Liens. New Hope shall keep the Premises and the Improvements free and clear of all liens, and claims of liens, for labor performed and/or materials supplied in connection with the Work. Should New Hope fail to pay and discharge or cause the Premises to be released from any such lien, or claim of lien, within 30 days after notice from County to do so, County may pay, adjust, compromise or otherwise discharge any such lien, or claim of lien, on such terms and conditions as County may deem appropriate. In such event, New Hope shall reimburse County for the full amount paid by County in connection therewith upon demand.

6.5 Insurance. New Hope shall obtain and maintain, at all times while the Work is in progress and at New Hope's sole cost and expense, "all risk" builder's insurance and workmen's compensation insurance in connection with the Work. All such insurance shall be obtained and maintained as otherwise provided in Section 14.

6.6 Ownership. The Improvements shall be the sole property of County until the expiration of the Term (the "**Expiration**") or the earlier termination of this Agreement as provided herein (the "**Termination**"), which shall be considered part of, and shall remain on, the Premises; provided, however, that upon the Expiration or the Termination, the same shall become the sole

property of New Hope free and clear of all claims thereto by County or any third party. County shall not commit or permit any waste of, or otherwise destroy, the Improvements.

6.7 Financing. County will take all steps necessary to secure MHSA Capital Facilities funds in an amount up to $_____ with which to pay for the Improvements. Once received by County, County shall promptly transfer the funds to the Yolo County Housing Authority, to be held in escrow until the Commencement Date. Once the parties execute the Memorandum of Commencement date, Yolo County Housing shall release the funds to New Hope. If this Agreement automatically terminates under Section 2 of this Agreement for Turning Point's failure to convey fee title of the Property or other reasons set forth in said Section, the Yolo County Housing shall promptly return the funds to County.

7. Utilities. County shall pay the monthly cost of all utilities, including gas, electricity, water, garbage collection, sewer and cable television. New Hope shall either pay the utility bills and provide proof of billing and payment for reimbursement, or shall send utility bills directly to County for payment.

8. Fixtures. Notwithstanding anything herein to the contrary, New Hope acknowledges and agrees that it shall have no ownership or other interest in the furniture, trade fixtures, equipment, machinery, signs and other articles of personal property placed or installed in, on, or about the Premises (collectively, the "**Fixtures**"), and that Fixtures may be placed or installed, at no cost or expense to, and without the prior approval of, New Hope, in, on or about the Premises for use in the business being conducted therein. Fixtures that can be removed without structural damage to the Premises may be removed or replaced at any time prior to the Expiration or the Termination. Any damage occasioned to the Premises by the removal of Fixtures therefrom shall be fully repaired at no cost or expense to New Hope. At the Expiration or the Termination, so long as an "Event of Default" (as defined below) is not continuing, County may remove its Fixtures (collectively, the "**County Fixtures**") from the Premises to the extent the same are not permanently affixed thereto; provided, however, that any such removal shall be completed at County's risk, cost and expense (including the repair of any damage to the Premises caused thereby). The County Fixtures that are either permanently affixed to the Premises or not removed from the Premises within 60 days following the Expiration or the Termination shall become the sole property of New Hope.

9. Rent. Beginning on the Commencement Date, County shall pay to New Hope $1.00 (the "**Rent**") per year, payable on or before the Commencement Date and every anniversary thereof during the term of this Agreement. This Agreement may create a possessory or personal property tax interest. All costs and expenses arising out of the use and occupancy of the Premises, including possessory interest and ad valorem taxes, maintenance and repair costs and expenses, utility charges and insurance premiums, are payable by County before delinquency to the taxing authority. Without limiting the generality of the foregoing, County shall pay all costs, expenses, charges, fees, premiums, taxes and assessments of every kind and nature against, or relating to the use and/or operation of the Premises, which may arise, accrue or become due from and after the Commencement Date until the Expiration or the Termination, or which may pertain to this transaction, whether or not now customary or contemplated, and which, except for the execution and delivery of this Agreement, would have been payable by New Hope.

10. Property Management. New Hope will provide all property management services for the Premises including day-to-day maintenance and repairs and security of the Premises and to hold County harmless therefrom. County shall never take responsibility for any work relating to

the Premises' roof, foundation or property rehabilitation, excepting such repairs as to maintain the Premises in the state at which Lessee acquired possession.

11. Use. County shall have the right to use the Premises for any lawful purpose.

12. Maintenance and Repair; Compliance with Applicable Laws.

12.1 Good Order, Condition and Repair. New Hope shall, at its sole cost and expense, keep and maintain the Premises (including all structural, non-structural, interior, exterior, landscaped areas, systems, equipment, facilities, sidewalks, patios, fences lights and signs) in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to County). New Hope's maintenance obligations shall include restorations, replacements and renewals when necessary to keep the Premises and all improvements thereon in good order, condition and repair.

12.2 Compliance with Applicable Laws. County shall, at its sole cost and expense, keep and maintain the Premises in compliance with all Applicable Laws.

12.3 Non-Discrimination. County shall refrain from restricting the use of the Premises on the basis of age, sex, disability, marital status, race, color, religion, creed, ancestry, sexual orientation or national origin of any person.

13. Demolition, Alteration and Replacement. County may demolish, remove, alter, replace or reconstruct the Improvements as they exist after the completion of the Work.

14. Damage or Destruction. If the Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, New Hope shall restore the Premises by repair or rebuilding.

15. Assignment and Transfer. County may, without obtaining the prior consent of New Hope, assign or sublease the Premises.

16. Insurance.

16.1 New Hope Insurance. New Hope, at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force, and maintain insurance as follows:

A. Commercial Form General Liability Insurance (contractual liability with minimum limits as follows):

1. Each Occurrence: $1,000,000.00
2. General Aggregate: $2,000,000.00

If the above insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the Commencement Date.

B. Property Insurance, Fire and Extended Coverage Form in an amount equal to 100% of the full replacement value of the building in which the Premises are located to conform with then current codes and the costs of demolition and debris removal, excluding the tenant

improvements made pursuant to this Agreement, land and the footings, foundations and installations below the basement level.

C. Worker' Compensation as required by California law. The coverages required herein shall not limit the liability of New Hope.

16.2 All insurance required by this Section 16 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility and authorized to do business in the State of California and shall (a) contain language to the effect that (i) the insurer waives the right of subrogation against County and it elected officials, officers, employees, agents and representatives; and (ii) the policy is primary and noncontributing with any insurance carried by County; and (b) name County as an additional insured as follows: "The County of Yolo and its elected officials, officers and employees."

16.3 Nothing in this Agreement shall prevent New Hope from taking out insurance of the kind and in the amount required by this Section 16 under a blanket insurance policy or policies that can cover other properties as well as the Premises.

16.4 All proceeds received under any insurance policy required by this Section 16 shall be first applied to the payment of the cost of repair, reconstruction or replacement of the Improvements and/or the County Fixtures that are damaged or destroyed. Any remaining proceeds shall be immediately paid to, and be the sole property of, New Hope.

17. Indemnity. Each party shall indemnify, defend, protect, hold harmless, and release the other, their elected bodies, officers, agents, and employees, from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of such indemnifying party. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

18. [Intentionally Omitted]

19. New Hope's Right of Inspection. Following the Commencement Date, New Hope may, at any reasonable time and from time to time by providing County with at least 48 hours advance notice (except in the event of an emergency), enter upon the Premises for the purpose of inspecting the same and for such other purposes as may be necessary or proper for the reasonable protection of its interests therein, subject, however, to County's reasonable requirements regarding security and the need to protect its business affairs and those of its subtenants and other occupants of the Premises from unreasonable interference or interruption or invasion of privacy.

20. [Intentionally Omitted]

21. [Intentionally Omitted]

22. [Intentionally omitted]

23. No Waiver. No waiver of any default under this Agreement shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or

enforcing any rights, privilege, or option under this Agreement shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege or option hereunder. No waiver of any provision hereof by New Hope or County shall be deemed made unless and until such waiver shall have been reduced to writing and signed by New Hope or County, as the case may be.

24. [Intentionally omitted]

25. No Partnership. It is expressly understood and agreed that nothing contained herein shall make or constitute New Hope, in any way or for any purpose, a partner of County in the conduct of County's business, or otherwise, or a joint venturer or a member of a joint enterprise with County.

26. Covenants Run With Land. The covenants, conditions and restrictions contained herein are, and shall be deemed to be, covenants running with the land and shall be binding upon and shall inure to the benefit of New Hope and County and each subsequent "New Hope" and "County" hereunder. All references in this Agreement to "County" or "New Hope" shall be deemed to refer to and include their respective successors and assigns without specific mention thereof.

27. Notices. Any notice, request, direction, instruction, demand, consent, waiver, approval or other communication required or permitted to be given hereunder shall not be effective unless it is given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and addressed to the parties at the addresses stated below, or at such other address as either party may hereafter notify the other in writing as aforementioned:

To County: County of Yolo

Attention:
Facsimile:

To New Hope: New Hope

Attention:
Facsimile:

Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused) as evidenced by confirmed answerback if by facsimile (provided that if any notice or other communication to be delivered by facsimile is unable to be transmitted because of a problem affecting the receiving party's facsimile machine, the deadline for receiving such notice or other communication shall be extended through the next business day), as shown by the addressee's return receipt if by certified mail, and as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. (local time where received) or on a non- business day, then such notice or demand so made shall be deemed effective on the first business day immediately following the day of actual delivery. No communications via electronic mail shall be

effective to give any notice, request, direction, demand, consent, waiver, approval or other communications hereunder.

28. [Intentionally omitted]

29. Estoppel Certificates. County or New Hope, as the case may be, shall execute, acknowledge and deliver to the other and/or any lender, promptly upon request, its certificate certifying (a) that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that this Agreement is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which all rental due hereunder has been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by New Hope of any agreement, covenant or condition hereof on the part of County to be performed or observed (and, if so, specifying the same), (d) whether there are then existing any defaults by County in the performance or observance by County of any agreement, covenant or condition hereof on the part of County to be performed or observed and whether any notice has been given to County of any default which has not been cured (and, if so, specifying the same) and (e) such other matters as may be reasonably requested by New Hope, County or any lender, as the case may be. A prospective purchaser, mortgagee or trustee or beneficiary under a deed of trust of the Premises and/or the County Fixtures may rely upon any such certificate.

30. Expiration.

30.1 Holding Over. This Agreement shall automatically (i.e., without further notice) terminate upon the Expiration, and any holding over by County after the Expiration shall not constitute a renewal hereof or give County any rights hereunder.

30.2 Surrender of Premises. At the Expiration, County shall surrender the Premises in good condition and repair, reasonable wear and tear excepted, and shall deliver to New Hope any keys thereto in its possession.

31. Unavoidable Delays – Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Agreement by reason of acts of God, acts of the public enemy, war, terrorism, strikes, lockouts, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The party delayed or prevented from the performance of any act as above described shall notify the other of such delay or prevention within 15 days of the inception thereof, and shall thereafter keep such party regularly informed of the status of such delay or prevention.

32. General Provisions.

32.1 Broker. The parties represent and warrant to each other that, other than an agent or broker used by New Hope in connection with acquisition of the Property, no broker or finder was instrumental in arranging or bringing about this transaction. There are no claims or rights for brokerage commissions or finder's fees in connection with this Agreement. If any person or entity brings a claim for a commission or finder's fee based upon any contact, dealings or communication with County or New Hope, then the party through whom such person or entity makes its claim shall defend the other party (the "**Indemnified Party**") from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from and

against any and all costs, damages, claims, liabilities or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnified Party in defending against the claim.

32.2 Further Assurances. The parties agrees that, upon the other party's request, each party shall cooperate with the other and take any actions reasonably requested by the other party, including the execution of documents, instruments and applications: (a) to enable a party to obtain permits, approvals and other authorizations reasonably necessary for the use and occupancy of the Premises and the construction of the Improvements and (b) to enable either party to take such other reasonable actions in connection with the use, occupancy and improvement of the Premises.

32.3 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

32.4 Independent Effect. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any one of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists.

32.5 Time of the Essence. Time is of the essence of each and all of the agreements, covenants and conditions of this Agreement. Wherever the time for performance of any obligation hereunder or if, pursuant to this Agreement, a party must act by a particular time, or an act is effective only if done by a particular time, and the last date for the performance of such obligation or the doing or effectiveness of such act falls upon a day other than a business day, the time for the performance of such obligation or the doing or effectiveness of such act shall be extended to the next succeeding business day. The time in which any act is to be done under this Agreement is computed by excluding the first day and including the last day. All time periods identified herein, unless expressly provided to the contrary, shall end at 5:00 p.m., California time.

32.6 Consents and Approvals. Whenever in this Agreement the consent or approval of either New Hope or County is required or permitted, unless expressly stated to the contrary, the party requested to give such consent or approval shall not unreasonably withhold, condition or delay its consent or approval.

32.7 Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

32.8 References. References to any document or instrument defined herein are to such documents or instruments as amended, modified, restated or supplemented from time to time. References to any statutory section(s) or act(s) herein are to such section(s) or act(s) as amended and/or recodified as well as to any successor statues thereto. References to "Sections" and "Exhibits" are to sections and exhibits of this Agreement, unless otherwise specifically provided.

32.9 Incorporation. The preamble, recitals and exhibits hereto are hereby incorporated into this Agreement.

32.10 Interpretation. This Agreement shall be interpreted in accordance with and governed by the laws of the State of California. New Hope, County and their respective advisors believe that this Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either New Hope or County. New Hope and County further agree that this Agreement will be construed according to its fair meaning and not strictly for or against New Hope or County and to effectuate the normal and reasonable expectations of sophisticated tenants and landlords.

32.11 Entire Agreement; Modification. This Agreement constitutes the entire agreement between New Hope and County with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Agreement may only be modified in by an instrument in writing signed by New Hope and County.

32.12 Governing Law. This Agreement shall be construed in accordance with and be governed by the provisions of the laws of the State of California.

32.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, New Hope and County have executed this Agreement as of the date first set forth above.

COUNTY: COUNTY OF YOLO, a political subdivision of the State of California

By: _____

Gary Sandy
Chair, Board of Supervisors

ATTEST:

_____

NEW HOPE: YOLO COUNTY HOUSING and its subsidiary NEW HOPE COMMUNITY DEVELOPMENT CORPORATION, a California 501(c)(3) non-profit corporation

By: _____
Name: _____
Its: _____

EXHIBIT "A"

MAP OF PREMISES

EXHIBIT "B"

LEGAL DESCRIPTION

EXHIBIT "C"

MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM OF COMMENCEMENT DATE ("**Memorandum**") is made as of _____ ___, 2020, by the COUNTY OF YOLO ("**County**"), and NEW HOPE CORPORATION, a California non-profit corporation ("**New Hope**"), with respect to the following:

R E C I T A L S

A. County and New Hope entered into that certain Intergovernmental Agreement dated as of _____ ___, 2020, with respect to certain premises located at _____ _____, Davis, California (the "**Agreement**").

B. Pursuant to Section 2 of the Agreement, County and New Hope agreed to execute and record this Memorandum in order to establish the actual date that the Agreement became operative, which date is also used to fix the duration of the term of the Agreement. Initially capitalized words or terms used but not defined in this Memorandum shall have the meanings assigned to such words or terms in the Agreement.

A G R E E M E N T

NOW, THEREFORE, the parties agree as follows:

1. Commencement Date; Term. The "**Commencement Date**" shall mean _____ ___, 20___. Therefore, the Term shall expire at 11:59 p.m. (California time) on _____ ___, 20__, unless sooner terminated or extended as provided in the Agreement. If the Agreement terminates earlier or is extended, the parties shall record an amendment to this Memorandum.

2. Modification. Except as modified hereby, the Agreement shall each remain unaffected and unchanged by reason of this. If there is any conflict between the terms and conditions of this Memorandum and the terms and conditions of the Agreement, the terms and conditions of this Memorandum shall prevail. No provision of this Memorandum may be modified except in a writing signed by the parties.

3. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

[This Space Intentionally Left Blank; Signatures Begin On The Next Page]

IN WITNESS WHEREOF, County and New Hope have executed this Memorandum of Commencement Date as of the date first set forth above.

COUNTY:	COUNTY OF YOLO, a political subdivision of the State of California By: _____ Name: _____ Its: _____
NEW HOPE:	YOLO COUNTY HOUSING and its subsidiary NEW HOPE COMMUNITY DEVELOPMENT CORPORATION, a California 501(c)(3) non-profit corporation By: _____ Name: _____ Its: _____

EXHIBIT "D"

DESCRIPTION OF WORK