

TRACY FINANCE COMMITTEE

SPECIAL MEETING AGENDA

Tuesday, December 12, 2023, 7:00 p.m.

Tracy City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

**THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND
REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION
54953(e)**

**MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA
THE FOLLOWING METHOD:**

As always, the public may view the Tracy Finance Committee meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "Finance Committee", then select "[View Finance Committee Meetings on YouTube](#)" under the "Boards and Commissions" section.

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

During the upcoming Finance Committee meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
 - **Online by visiting <https://cityoftracyevents.webex.com>** and using the following **Event Number: 2558 448 3956** and **Event Password: Finance**
 - ***If you would like to participate in the public comment anonymously***, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
 - ***Join by phone by dialing +1-408-418-9388, enter 25584483956#3462623#***
Press *3 to raise the hand icon to speak on an item.

- *Protocols for commenting via WebEx:*
 - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
 - *Listen for the Chairperson to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
 - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*

- *Comments for the “Consent Calendar” “Items from the Agenda/Public Comment” or “Regular Agenda” portions of the agenda will be accepted until the public comment for that item is closed.*

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Tracy Finance Committee on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

Full copies of the agenda are available on the City’s website: www.cityoftracy.org

CALL TO ORDER

ROLL CALL

1. CONSENT CALENDAR

1.A Adoption of October 23, 2023, Meeting Minutes

1.B. STAFF RECOMMENDS THAT THE TRACY FINANCE COMMITTEE RECEIVE AN INFORMATIONAL REPORT ON THE STATUS OF THE CITY COUNCIL’S FY2023-24 BUDGET.

2. ITEMS FROM THE AUDIENCE - *In accordance with Council Meeting Protocols and Rules of Procedure, adopted by Resolution 2019-240, a five-minute maximum time limit per speaker will apply to all individuals speaking during “Items from the Audience/Public Comment”. For non-agendized items, Finance Committee members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that matter be placed on a future agenda or that staff provide additional information to the Finance Committee.*

3. REGULAR AGENDA

3.A. Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution: 1) Authorizing the acceptance of a grant award from San Joaquin County American Rescue Plan Act allocation in the amount of \$7,167,798 million dollars; and 2) Appropriating the total grant funds to the Temporary Emergency Housing project (Capital Improvement Project 71112).

3.B. Staff recommends that The Tracy Finance Committee make a recommendation that the City Council adopt a Resolution: 1) Authorizing the acceptance of a grant award from U.S. Department of Housing and Urban Development Economic Development Initiative sponsored by Congressman Josh Harder in the amount of \$3 Million Dollars; and 2)

Appropriating the total grant funds towards the construction of Phase II of the Temporary Emergency Housing Facility project (Capital Improvement Project 71112).

4. STAFF ITEMS
5. COMMITTEE ITEMS
6. ADJOURNMENT

Posting Date: December 11, 2023

The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled to participate in employment, programs and facilities. Persons requiring assistance or auxiliary aids in order to participate, should contact the City Manager's Office at (209) 831-6000 at least 24 hours prior to the meeting.

October 23, 2023, 6:00 p.m.

City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

CALL TO ORDER – Chairperson Arriola called the meeting to order at 6:04 p.m.

ROLL CALL – Roll call found Chairperson Arriola and Co-Chairperson Bedolla present.

1. CONSENT CALENDAR – Motion was made by Co-Chairperson Bedolla and seconded by Chairperson Arriola to adopt the Consent Calendar. Roll call found all in favor; passed and so ordered.
 - 1.A. Approval of August 31, 2023, special meeting minutes. – **Minutes were approved.**
 - 1.B. Staff recommends that the Tracy Finance Committee receive an informational report on the status of the City Council’s FY2023-24 Budget.
2. ITEMS FROM THE AUDIENCE – There were no items from the audience.
3. REGULAR AGENDA
 - 3A. Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a Resolution (1) awarding a construction contract to Dirt Dynasty, Inc., of Farmington, CA, in the amount of \$ 2,765,226 for the Traffic Signal Installation and Roadway Widening at Corral Hollow Road and Valpico Road Intersection Project, CIP 72095, (2) approving contingency amount of \$276,523 and an overall project not-to-exceed budget of \$3,629,321, and (3) authorizing the appropriation of \$2,615,202 from Master Plan Traffic Impact Fees and \$404,482 from Ellis Traffic Fees to CIP 72095

Sara Cowell, Finance Director, turned it over to Anju Pillai, Senior Civil Engineer, who provided the staff report and sought committee feedback.

Co-Chairperson Bedolla recommended that staff work with contractor to keep in mind all the community’s concerns and to be as transparent as possible during the process.

Chairperson Arriola asked if this includes all the costs and requested a timeline. Senior Civil Engineer Pillai stated that this price only includes the widening of the intersection and the installation of the traffic signal and that the project should be complete by August of 2024.

There was no public comment.

ACTION: Motion was made by Co-Chairperson Bedolla and seconded by Chairperson Arriola that the Tracy Finance Committee recommend that the City Council adopt a Resolution (1) awarding a construction contract to Dirt Dynasty, Inc., of Farmington, CA, in the amount of \$ 2,765,226 for the Traffic Signal Installation and Roadway Widening at Corral Hollow Road and Valpico Road Intersection Project, CIP 72095, (2) approving contingency amount of \$276,523 and an overall project not-to-exceed budget of \$3,629,321, and (3) authorizing the appropriation of \$2,615,202 from Master Plan Traffic Impact Fees and \$404,482 from Ellis Traffic Fees to CIP 72095. Roll call found all in favor; passed and so ordered.

3B. Staff recommends that the Tracy Finance Committee receive an update on the City's new business tax structure and discuss potential options for future amendments to chapter 6.04 (Business Taxes) of the Tracy Municipal Code.

Sara Cowell, Finance Director, provided the staff report and sought committee feedback.

Committee comments continued.

Maria Valenzuela with the Tracy Chamber of Commerce stated that they understand that the fees are outdated, and that larger businesses should be paying a larger fee but would like to see it revisited. She requested that the Finance Committee not make any decisions today so that more research can be done and to give more time to communicate with the Finance Department to better understand what the recommendations are for the businesses.

Ken Cefalo, with Main Street Music, asked when the verbiage changed from the word license to tax as he couldn't find it. His tax is four times higher than it was last year. Manteca keeps getting business that we wanted, we are sending the signal that we don't want these businesses.

Robin Lopez, from Taylor Farms, stated that there were analyses done and communications done to the businesses but those were your no voters. Their tax went up 17,000%. She stated that this is not reasonable. The big businesses are picking up the slack so the 75% of businesses could pay less. She asked if the businesses that got the decrease, did they need them? The percentages given do not paint the entire picture. She stated that we need to go back to the drawing board and get more people involved. She also stated that they do want to pay more and they know it is the right thing and should pay more but within reason.

Community member that runs a gas station in the City stated that he is paying three dollars per gallon with taxes and that he is making pennies. He provided a handout of an example of the City of Concord's business license renewal and stated that his tax increased 5000% and that his business is in the wrong

department, he is in retail but that it is not the same as the big retailer Costco. His tax went from \$1,200 to \$61,000. His profit is gone for the year.

An additional community member that owns the Arco gas station on Grant Line Road stated that his taxes went from \$338 to \$22,328. It is too much of an increase. He makes pennies on the gas. He said he is getting double taxation on gas.

Sara Cowell, Finance Director, clarified that gas stations do fall into retail category which was taken into consideration and the businesses that have the smaller amount of profit margin are in the lowest taxed category. There are other options that may be looked at.

Staff answered questions made during public comment.

Committee discussion continued.

Co-Chairperson Bedolla would like to request that nothing be set in stone today.

Chairperson Arriola thanked all for coming out today and that the committee hears their concerns and wants to bring new businesses to Tracy and keep the ones that we have. He understands that these businesses make up the character of this town. He stated that he would like to see modeling and have a back-and-forth discussion. He is proposing that a workshop take place to evaluate options 2-6 with our stakeholders. He would also like staff to reach out to the consultant regarding modeling.

Co-Chairperson Bedolla asked that option one also remain as an option.

Chairperson Arriola proposed that a workshop be held to discuss the potential options and that it be held in December. Co-Chairperson Bedolla supported.

ACTION: Motion was made by Chairperson Arriola and seconded by Co-Chairperson Bedolla to have staff revisit the potential options for future amendments to chapter 6.04 (Business Taxes) of the Tracy Municipal Code and to hold a workshop for further analysis. Motion found all in favor; passed and so ordered.

- 3.C. Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution amending the City's Operating and Capital Budget for the Fiscal Year ending June 30, 2024, and authorize the Budget Officer to amend the city's position control roster for FY2023-24.

Felicia Galindo, Budget Officer, provided the staff report and sought committee feedback.

Committee discussion continued.

There was no public comment.

Chairperson Arriola requested a list of the grants that the City receives. Co-Chairperson Bedolla supported.

ACTION: Motion was made by Co-Chairperson Bedolla and seconded by Chairperson Arriola that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution amending the City's Operating and Capital Budget for the Fiscal Year ending June 30, 2024, and authorize the Budget Officer to amend the city's position control roster for FY2023-24. Motion found all in favor; passed and so ordered.

4. STAFF ITEMS – Karin Schnaider, Assistant City Manager, discussed the continued efforts happening to reduce the E Commerce dollars. She will be attending a meeting of Assemblies Subcommittee of Revenue and Taxation down in Los Angeles and would like to get and take the publics comments on possible impacts to jurisdictions and others and will be working with the City Manager's Office to obtain this. She stated that it is moving quite quickly, and she will continue to use this platform to inform the committee and the public.

5. COMMITTEE ITEMS – None

6. ADJOURNMENT – Time: 7:18 p.m.

ACTION: Motion was made by Chairperson Arriola and seconded by Council Member Bedolla to adjourn. Motion found all in favor; passed and so ordered.

The agenda was posted at City Hall on October 20, 2023. The above are action minutes. A recording is available on the City's website.

Chairperson

ATTEST:

Executive Assistant



CITY OF CONCORD
 Finance Department M/S 06 - Phone: 925 671-3307
 1950 Parkside Drive, Concord, CA 94519
 bl.info@cityofconcord.org

Business License Renewal

Your Business Tax Renewal is Due By :	09/30/2022
Penalties apply 11/01/2022	
If your business has closed, changed owners, or is no longer doing business in Concord, complete this section, then sign and date this form and return it in the enclosed envelope or go online to https://renewbl.ci.concord.ca.us/	
Date of Closure	Signature
Circle One: Business Closed / Changed Owners	

Instructions	Ownership Corporation																																																												
<p>Class Code 00 Gross Receipts- First Year Adjustment</p> <p>Please use the criteria below to calculate any adjustment for the prior year and current year taxes.</p> <table border="1"> <thead> <tr> <th>Gross Receipts</th> <th>Base Amount</th> <th>Multiply Amount Over Base</th> </tr> </thead> <tbody> <tr> <td>\$0 to 25,000</td> <td>\$25.00</td> <td></td> </tr> <tr> <td>\$25,001 to 75,000</td> <td>\$25.00</td> <td>+ .00090 over \$25,000</td> </tr> <tr> <td>\$75,001 to 150,000</td> <td>\$70.00</td> <td>+ .00085 over \$75,000</td> </tr> <tr> <td>\$150,001 to 250,000</td> <td>\$133.75</td> <td>+ .00080 over \$150,000</td> </tr> <tr> <td>\$250,001 to 500,000</td> <td>\$213.75</td> <td>+ .00075 over \$250,000</td> </tr> <tr> <td>\$500,001 to 1,000,000</td> <td>\$401.25</td> <td>+ .00070 over \$500,000</td> </tr> <tr> <td>\$1,000,001 to 2,500,000</td> <td>\$751.25</td> <td>+ .00065 over \$1,000,000</td> </tr> <tr> <td>\$2,500,001 to 5,000,000</td> <td>\$1726.25</td> <td>+ .00060 over \$2,500,000</td> </tr> <tr> <td>\$5,000,001 to 7,500,000</td> <td>\$3226.25</td> <td>+ .00050 over \$5,000,000</td> </tr> <tr> <td>\$7,500,001 and over</td> <td>\$4476.25</td> <td>+ .00030 over \$7,500,000</td> </tr> </tbody> </table> <p>Example: Your gross=\$100,000 find the appropriate line above. Your Base Amount is \$70 at \$75,000. To get the Amount Over Base, subtract \$75,000 from your gross of \$100,000 which equals \$25,000. Multiply \$25,000 x .00085 = \$21.25. Input these amounts in the field to the right and total.</p> <p>First Year Amendment & Renewal Steps</p> <p>* Enter actual gross receipts * Calculate this years license fee * Calculate amended first years license fee using actual gross receipts * Add current year administration fee * Total tax due for amended and current year business license tax.</p> <p>This form is to be used to determine the appropriate business license tax to be paid for your class of business. To avoid penalties return your payment within thirty days of the expiration date on your business license. Please complete this form and return it along with your payment to the City of Concord, 1950 Parkside Drive, M/S 06, Concord, CA 94519-2578.</p> <p><i>I declare under penalty of perjury that this statement was made by me, that I am authorized to make such statement, and such statement is true and correct.</i></p> <p>Signature of Owner or Representative _____ Date _____</p> <p>RETURN COMPLETED RENEWAL NOTICE TO ABOVE ADDRESS WITH A CHECK PAYABLE TO CITY OF CONCORD.</p>	Gross Receipts	Base Amount	Multiply Amount Over Base	\$0 to 25,000	\$25.00		\$25,001 to 75,000	\$25.00	+ .00090 over \$25,000	\$75,001 to 150,000	\$70.00	+ .00085 over \$75,000	\$150,001 to 250,000	\$133.75	+ .00080 over \$150,000	\$250,001 to 500,000	\$213.75	+ .00075 over \$250,000	\$500,001 to 1,000,000	\$401.25	+ .00070 over \$500,000	\$1,000,001 to 2,500,000	\$751.25	+ .00065 over \$1,000,000	\$2,500,001 to 5,000,000	\$1726.25	+ .00060 over \$2,500,000	\$5,000,001 to 7,500,000	\$3226.25	+ .00050 over \$5,000,000	\$7,500,001 and over	\$4476.25	+ .00030 over \$7,500,000	<p>Business Tax Worksheet</p> <p>PLEASE COMPLETE THE FOLLOWING: (Add Lines 4-9)</p> <p>No. of Employees 12</p> <table border="1"> <tr> <td>Gross Receipts</td> <td>1.</td> <td>\$ 15,586.606</td> </tr> <tr> <td>Tax on Base Amount</td> <td>2.</td> <td>\$ 4476.25</td> </tr> <tr> <td>Tax on Amount Over Base</td> <td>3.</td> <td>\$ 2425.98</td> </tr> <tr> <td>Subtotal (Lines 2 & 3)</td> <td>4.</td> <td>\$ 6902.23</td> </tr> <tr> <td>Penalty</td> <td>5.</td> <td>\$</td> </tr> <tr> <td>Administration Fee (waived if renewed online)</td> <td>6.</td> <td>\$ 22.00</td> </tr> <tr> <td>Tobacco Enforc Fee</td> <td>7.</td> <td>\$ 238.00</td> </tr> <tr> <td>Previous Balance</td> <td>8.</td> <td>\$ 0.00</td> </tr> <tr> <td>State CASp Fee</td> <td>9.</td> <td>\$ 4.00</td> </tr> </table> <p>Total Due City (Add Lines 4-9) \$ 7166.23</p> <p>NOTICE: Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies: The Division of the State Architect at www.dgs.ca.gov/dsa - The Department of Rehabilitation at www.dor.ca.gov - The California Commission on Disability Access at www.cdda.ca.gov.</p>	Gross Receipts	1.	\$ 15,586.606	Tax on Base Amount	2.	\$ 4476.25	Tax on Amount Over Base	3.	\$ 2425.98	Subtotal (Lines 2 & 3)	4.	\$ 6902.23	Penalty	5.	\$	Administration Fee (waived if renewed online)	6.	\$ 22.00	Tobacco Enforc Fee	7.	\$ 238.00	Previous Balance	8.	\$ 0.00	State CASp Fee	9.	\$ 4.00
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Agenda Item 1B

RECOMMENDATION

STAFF RECOMMENDS THAT THE TRACY FINANCE COMMITTEE RECEIVE AN INFORMATIONAL REPORT ON THE STATUS OF THE CITY COUNCIL’S FY2023-24 BUDGET.

EXECUTIVE SUMMARY

Staff prepared this semi-monthly informational report regarding the status of the Fiscal Year 2023-24 City Council budget.

BACKGROUND AND LEGISLATIVE HISTORY

The chart below depicts the status of the Fiscal Year 2023-24 City Council budget, as of November 30, 2023. The City’s fiscal year began July 1, 2023 and ends June 30, 2024. Reporting through the first November 2023, the City Council’s budget is within the available balance for each account line.

ORG	OBJ		ACCOUNT DESCRIPTION	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
12561101	5101		Salaries	62,940	24,208.00	0.00	38,732	38.50
12561101	5171		Fica/Medicare Taxes	4,538	1,852.30	0.00	2,686	40.80
12561101	5181		Employee Benefits	38,197	14,323.95	0.00	23,873	37.50
12561101	5212		Office Services	1,000	411.35	0.00	589	41.10
12561101	5228	ARRIOLA	Travel, Training & Membership	20,000	974.62	0.00	19,025	4.90
12561101	5228	EVANS	Travel, Training & Membership	20,000	0.00	0.00	20,000	0.00
12561101	5228	DAVIS	Travel, Training & Membership	20,000	1,049.62	0.00	18,950	5.20
12561101	5228	BEDOLLA	Travel, Training & Membership	20,000	78.47	0.00	19,922	0.40
12561101	5228	YOUNG	Travel, Training & Membership	30,000	11,676.23	0.00	18,324	38.90
12561101	5239		Professional Services	55,000	0.00	0.00	55,000	0.00
12561101	5311		Supplies	2,400	1,497.75	800.00	102	95.70
12561101	5335		Food	4,000	1,011.07	211.36	2,778	30.60
			Grand Total	278,075	196,022.59	5,162.16	261,632	43.50

The Office Services line item is for expenditures related to printing and mailing.

Travel expenditures are allocated by Council Member. The annual Cal Cities conference was recently attended by three Council Members, however, the expenditures related to this trip are pending, as they were paid with a City Cal-card, resulting in a 30-day period of time before the expense is payable and reported in the general ledger.

Professional services are contracted services related to the implementation of the City Council's Strategic Priorities. Included in the adopted FY2023-24 Professional Services line item is a contract with Cleargov for Strategic Priority tracking software.

The Supplies line-item is utilized for supplies utilized by the City Council such as, office supplies, nameplates, name tags, plaques, keys to the City and City branded clothing.

With November being the fifth month of the fiscal year, the budget is expected to be approximately 40% expended. All budget categories with the exception of supplies are less than 40% expended for the fiscal year. The supplies budget is 95% expended for the fiscal year.

The budget report is inclusive of expenditures occurring through November 30, 2023, however, it is important to note that some expenses do have a two month delay if a Cal Card was used for the purchase and pending charges for recent travel may not be captured in the budget report.

On December 19, 2023, the City Council will receive a request for upcoming Council travel. The anticipated cost of the upcoming travel request is \$6,000 per Council Member. Sufficient funding exists to cover the cost of the future travel request.

The next semi-monthly report to the Finance Committee will be February 2024.

FISCAL IMPACT

The City Council's budget is funded through the City's General fund. There is no fiscal impact associated with this informational item.

STRATEGIC PLAN

This agenda item supports the Governance strategic priority, goal two, ensure short and long-term fiscal health.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Finance Committee receive an informational report on the status of the City Council's FY2023-24 budget.

Agenda Item 1B
December 12, 2023
Page 3

Prepared by: Sara Cowell, Director of Finance

Reviewed by: Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Agenda Item 3A

RECOMMENDATION

Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution: 1) Authorizing the acceptance of a grant award from San Joaquin County American Rescue Plan Act allocation in the amount of \$7,167,798 million dollars; and 2) Appropriating the total grant funds to the Temporary Emergency Housing project (Capital Improvement Project 71112).

EXECUTIVE SUMMARY

This item provides the City Council with an opportunity to accept a grant award in the amount of \$7,167,798 million dollars from San Joaquin County American Rescue Plan Act allocation and appropriate such funds towards the construction of Phase II of the Temporary Emergency Housing Facility project (Project). This phase of the Project includes the construction of the Sprung Structure that will accommodate up to 68 guests, a day room, client services and site improvements. Additional ancillary buildings include a kitchen, restrooms, showers, laundry, and storage.

BACKGROUND AND LEGISLATIVE HISTORY

In September of 2022, San Joaquin County's Program Administrator for Homeless Initiatives contacted the City staff in support of the City's efforts regarding the Project. This Project was to be the first emergency housing shelter in the City of Tracy. The shelter site was approved in March of 2021 and is located on 4.8 acres of city-owned property. The first phase of construction of this site included underground infrastructure work to include above ground construction of a 6,300 square foot Sprung structure that will accommodate up to 68 guests, a day room, offices, and client services in an accessible climate-controlled space. Preparing the site will include constructing and installing infrastructure for full project build-out site improvements and erecting the Sprung structure. Upon start of Phase I, there were significant delays in construction which gave the City authority to declare a shelter crisis. Phase I was split into two phases. Phase I included the underground work that needed to be completed before Phase II and the above-ground construction could begin. Phase I was completed in October of 2022. Additional auxiliary buildings include a kitchen, restrooms, showers, laundry, and storage. Increasing shelter bed capacity is a local and regional priority.

Since submitting the original project narrative for the site which only included Phase II, the project scope of work has expanded to include four phases. All four phases will be constructed on the original project site which is located at 370 Arbor Avenue in Tracy. Phase I described in the original project as having been reconfigured into two phases. Therefore, Phase I of the project resulted with the completion of the below ground construction of the project site in October of 2022. Phase II of the project includes the 6,300 square foot sprung structure that was identified in the original project narrative. This phase includes the ancillary buildings which provide a kitchen, restrooms, showers, laundry, and storage facilities. Phase II has been delayed due to construction funding and supply chain issues. Phase II will go out for re-bid at the end of

November/Early December 2023 with this grant funding and additional funds, the project is now able to be completed. The re-bid of this phase of the project is also contingent on the completion of a new Environmental Assessment to include additional HUD funds.

Due to the delay in executing Phase II of the project, our City Council declared a shelter emergency in August of 2022 which allowed the City to transition to an Interim Shelter site to provide emergency shelter solutions to our most vulnerable residents. In the additional phases (Phase III & IV), other housing options have been solidified. Phase III of the project includes four dormitory buildings with capacity to house up to 48 individuals in a non-congregate setting. Additionally, Phase III includes an administrative building to provide meals and supportive services. Furthermore, Phase IV anticipates eight additional custom containers that have been purchased which will increase the capacity for an additional 38 individuals to receive housing within the project site.

ANALYSIS AND DISCUSSION

On September 19, 2022, the City of Tracy submitted a proposal and budget to the San Joaquin County Program Administrator for Homeless Initiatives to help fund construction of Phase II of the Temporary Emergency Housing Facility. San Joaquin County stated that they had a fund from the American Rescue Plan Act that was able to provide capital projects funding for additional housing projects and would like to provide some of that additional funding to the cities with construction projects. Therefore, the City moved forward with submitting a funding proposal for the additional funding needed to complete the CIP 71112. The Mobility and Housing Department, Homeless Services Division qualified to receive \$7,167,798 million dollars in grant funds from the San Joaquin County American Rescue Plan Act allocation.

The grant funds will be used to fund the completion of the Phase II complete site build out which includes structure foundations, underground utilities, sidewalks, patio coverings, the kitchen structure, restrooms, showers, laundry and storage structures. In addition, this funding will cover the cost of fencing, gates, a trash enclosure, site exterior lighting, landscaping, outdoor and indoor furnishings, irrigation, control systems and exterior security systems. . These funds are beneficial to the City because they will aid the City in completing the original Phase II complete site build out to support further housing options and support services to our most vulnerable residents.

FISCAL IMPACT

The Mobility and Housing Department, Homeless Services Division will receive \$7,167,798 million dollars in grant funds from the San Joaquin County American Rescue Plan Act allocation. The \$7,167,798 million dollar grant is to be appropriated to the Temporary Emergency Housing project budget (CIP 71112).

CEQA DETERMINATION

The project is a temporary interim emergency housing site exempt from California Environmental Quality Act (CEQA) review in accordance with Government Code sections

65660-65662 (for Low Barrier Navigation Centers) and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs 15269(c)) (for Emergency Projects).

STRATEGIC PLAN

This agenda item supports City Council's Homelessness Strategic Plan.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Finance Committee make a recommendation that the City Council adopt a resolution: 1) Authorizing the acceptance of a grant award from San Joaquin County American Rescue Plan Act allocation in the amount of \$7,167,798 million dollars; and 2) Appropriating the total grant funds to the Temporary Emergency Housing project (Capital Improvement Project 71112).

Prepared by: Virginia Carney, Homeless Services Manager

Reviewed by: Sara Cowell, Director of Finance

Reviewed by: Bijal Patel, City Attorney

Reviewed by: Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – MOU San Joaquin County

Attachment B- TEHF Phases I and II Budget

Attachment A



**MEMORANDUM OF UNDERSTANDING
 BETWEEN
 SAN JOAQUIN COUNTY
 AND
 TRACY'S TEMPORARY EMERGENCY HOUSING FACILITY**

MOU ID: B-23-407

Funding Amount Approved - \$7,167,798

PARTIES:	COUNTY:	County of San Joaquin General Services Director 44 N. San Joaquin Street, Suite 590 Stockton, CA 95202 Contact: Marcia Cunningham Phone: (209) 468-3664 Email: mcunningham@sjgov.org
	CITY:	City of Tracy 333 Civic Center Plaza Tracy, CA 95376 Contact: Midori Lichtwardt Interim City Manager Phone: (209) 831-6115 Email: cm@cityoftracy.org Contact: Virginia Carney Homeless Services Manager Phone: (209) 831-6119 Email: virginia.carney@cityoftracy.org

This Memorandum of Understanding (“MOU”) is made and entered into this ___ day of _____, by and between the City of Tracy, a political subdivision of the State of California, through its City Manager’s Office (“CITY”), and San Joaquin County, a political subdivision of the State of California, through its General Services Department (“COUNTY”).

RECITALS

On July 25, 2023, the San Joaquin County Board of Supervisors approved a \$7,167,798 million funding allocation to support the completion of the construction of Tracy’s Temporary Emergency Housing Facility (TEHF Project). (Exhibit A).

On July 13, 2021, the Board of Supervisors authorized a one-time allocation of \$3,661,113 from unprogrammed Capital Outlay funds to support construction and related development costs for an emergency shelter facility in the City of Tracy (City). To date, the City has secured \$13,682,484.53(HHAP Round 3 allocation of \$251,795.53 for operations should not be included in the total CIP budget for capital needs and the actual number the City has secured is \$13,430,689) for the project, including \$4,242,148.68(HHAP Round 3 is also included in this number) in direct contributions from the County. On October 4, 2022, the Board approved recommendations for the County’s second tranche of funding through the American Rescue Plan Act, including a set aside of \$20,000,000 for housing and homelessness, a portion of which was designated for the project. If authorized for this additional contribution, funding from San Joaquin County supporting the project will total \$11,409,946.68 over three years:

HHAP Round 1 (2020)	\$329,240.15
HHAP Round 3 (2023)	251,795.53
First ARPA Allocation (2021)	3,661,113.00
Second ARPA Allocation (2023; pending)	<u>7,167,798.00</u>
Total County Contribution	\$11,409,946.68

ARPA funds will be used solely for the capital needs of the project (Exhibit B). Once fully operational, anticipated for May 2024, the facility will have the capacity to provide emergency shelter and related services each night to 68 homeless men and women at the location on West Arbor Avenue in Tracy, including kitchen, restroom, shower facilities, laundry, and administrative offices.

Operational costs are estimated at \$3,641,820 annually and will be funded by the City’s ARPA funds and General Fund.

Estimated Annual Operating Expenses

City Staff - Management	\$300,000
Operating - Service Providers (City Net)	2,169,701
Operating - Service Providers (TCCC)	602,119
Modular Rentals (5)	120,000
Operating Costs/Supplies	450,000
Total	\$3,641,820

According to the most recent point-in-time count of the unsheltered homeless conducted by the San Joaquin Continuum of Care on January 30, 2022, there were 155 people experiencing unsheltered homelessness within City limits, representing approximately 9% of total individuals counted that day Countywide. Once online, the Arbor Avenue Shelter is expected to play a critical role in reducing unsheltered homelessness in the City of Tracy and the South County region. This continued investment from the County serves an urgent

need in South County and will directly support the goals of the Regional Strategic Plan on Homelessness, the City of Tracy Strategic Plan on Homelessness, and the San Joaquin County Board of Supervisors.

COUNTY and CITY mutually desire to enter this MOU to memorialize the rights, duties, and obligations of each toward the other in connection with the services that the CITY will provide to and for the benefit of the COUNTY in connection with the award of the above-referenced funds.

Tracy's Temporary Emergency Housing Facility

PROJECT LOCATION:

370 W. Arbor Avenue
Tracy, CA 95304

APN # 212-230-05

Property Description:

- Zoned: M-1, Light Industrial

TOTAL FUNDING: \$7,167,798

- The City anticipates utilizing the second ARPA Allocation in the amount of \$7,167,798 Million to complete Phase II: Site Improvements & Sprung Structure. (Exhibit C & D)

Highlights

- **Sprung Structure** adds 6,300 sq. ft. which will accommodate up to 68 guests, a day room, and operator offices in an accessible climate-controlled space.
- **Auxiliary buildings**
 - Showers and Restrooms
 - Commercial Kitchen
 - Laundry Facility
- **Outdoor Amenities**
 - Shade Structures
 - Outdoor Furniture
 - Landscape
 - Exterior Lighting and Security Systems
- The TEHF project includes the construction of a 60' x 105' structure on the property that will accommodate 68 guests. It includes a day room and offices for operations, administration, and client services in an accessible climate-controlled space with fire alarms, security, and sprinkler systems.
- The 6,300 square-foot low-barrier shelter will accommodate people, pets, and possessions.
- Auxiliary structures will be prefabricated and will include a kitchen, restrooms, showers, laundry, and storage.

- The TEHF project will also include a selection of a service provider(s) to operate the facility and provide case management to connect clients experiencing homelessness with health, employment, and housing resources.

Site Improvements

- The site improvements include security fencing, fire access lanes, parking, landscaping, and space for future expansion based on funding availability.
- CITY must submit appropriate supporting documentation for COUNTY approval and the total cost of the TEHF projects shall not exceed the awarded amount of \$7,167,798.

NOW, THEREFORE, COUNTY and CITY do hereby mutually agree as follows:

I. PURPOSE OF THE MOU

On July 25, 2023, the COUNTY Board of Supervisors approved an award of \$7,167,798 of ARPA Funds (#20250) as requested by the CITY. San Joaquin County Fiscal Year 2023-2024 Public Improvement Budget (#1040148000), Account (#6601000000) appropriations were increased by \$7,167,798 to cover the award cost from the Capital Outlay Fund #37004.

The purpose of this MOU is to memorialize the use of funding to be provided to the CITY pursuant to COUNTY Board Letter B-23-407 (Exhibit B), approved on July 25, 2023, for the Projects described in the Recitals, above.

II. ORDER OF PRECEDENCE

Each of the items listed below is incorporated into this MOU by reference. In the event of any inconsistency in this MOU, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal and State of California statutes and regulations.
2. This MOU and its Exhibits:

Exhibit A: Order-Motion BOS 07 25 2023

Exhibit B: BOS Letter 07 25 2023

Exhibit C: Board Presentation City of Tracy 07 25 2023

Exhibit D: Project Budget City of Tracy Allocation for TEHF \$7,167,798

Exhibit E: City of Tracy PROPERTY LOCATION

Exhibit F: W-9/Employer ID #: 94-6000442

Exhibit G: REQUEST FOR FUNDS_HOMELESS TRACY 7 25 2023

III. SCOPE OF SERVICES

CITY agrees to provide Temporary Emergency Shelter and other services to the homeless in Tracy California - San Joaquin County, and shall utilize the COUNTY funding described herein for the Projects described in the Recitals, above.

CITY shall perform its services and work in accordance with currently approved methods and standards of practice in the CITY'S professional specialty.

IV. GENERAL PROVISIONS

A. Term of Agreement:

This Agreement shall commence on the date of execution through the 30th day of December 2025, unless said work is completed on a date prior thereto or unless terminated earlier as provided herein or extended upon mutual agreement.

B. Interpretation

This MOU shall not be interpreted in favor of any Party by virtue of said Party not having prepared this MOU.

If any time period provided for in this MOU ends on a day other than a Business Day, the time period shall be extended to the next Business Day.

C. Compensation:

1. COUNTY agrees to pay the CITY the sum of SEVEN MILLION ONE HUNDRED SIXTY-SEVEN THOUSAND SEVEN HUNDRED NINETY-EIGHT DOLLARS (\$7,167,798) for providing services as described in Sections I-III, above. Payments may be made in multiple installments as provided in subparagraphs (a) and (b) below. The payments cover \$7,167,798 of the TEHF Project.

a) Payments shall be paid within 15 business days of the signed "Request for Funds" form (Exhibit G). All documents showing the basis for cost estimates and quotes will need to be supplied to initiate the payments.

b) Copies of all supporting documents for the TEHF Project shall be submitted with the foregoing "Request for Funds" form by CITY to COUNTY (including, but not limited to, contractor/concessionaire quotes, agreements, invoices, purchase receipts, payments, and any other documents which show approval of the representatives of the City as reflected on page 1 of this MOU) shall be submitted by CITY to COUNTY no later than December 30, 2025, via email to CIPREQFUND@sjgov.org.

c) Any funds paid to CITY pursuant to this MOU that are not used for the approved TEHF Projects by December 30, 2025, shall be returned to COUNTY no later than February 1, 2025.

2. COUNTY shall monitor the CITY performance periodically throughout the term of this MOU, including reconciliation of payments to the actual cost, to ensure that the program is achieving satisfactory performance in relation to the objectives as stated in the Request for Funds.

3. Quarterly Project Status Reports are to be supplied by the CITY to the COUNTY. The first Quarterly Project Status Report will be due three months from the date the first payment is received by the CITY. CITY shall submit Project Status

Report(s) to the County of San Joaquin, County General Services Department, via email to CIPREQFUND@sjgov.org. All reports must reference MOU ID # B-23-407.

4. CITY agrees to maintain all program, fiscal, statistical, and management records and make such records available for inspection by COUNTY representatives upon request as described below. The records to be kept and maintained in connection with this MOU shall include, but are not limited to, Property documents, any and all costs associated with the Projects, the opening of the TEHF, invoices, records of services rendered, and recipient/contractor service-related correspondence. Failure to promptly comply with any COUNTY request for records and/or inspection pursuant to this Section IV shall constitute a breach of this MOU.
5. CITY agrees to maintain all records pertaining to service delivery and fiscal and administrative controls for a minimum of seven (7) years after final payment has been made, or until all pending County, State, and Federal audits are completed, whichever is later.

Upon request, the CITY shall make these records available in the COUNTY to all authorized County personnel within three (3) working days of the request for such records.

6. CITY shall account for all of the expenditures paid by the COUNTY under this MOU and agrees their financial records shall contain itemized records of all costs related to this MOU. The CITY agrees to follow Generally Accepted Accounting Principles (GAAP) to support COUNTY paid expenditures.
7. Total payments under this MOU shall not exceed SEVEN MILLION ONE HUNDRED SIXTY-SEVEN THOUSAND SEVEN HUNDRED NINETY-EIGHT DOLLARS (\$7,167,798) for the term of this MOU, as set forth in Section IV(A), above.

D. Invoicing:

CITY shall submit invoice(s) to the County of San Joaquin, County General Services Department, via email to CIPREQFUND@sjgov.org. All invoices must reference MOU ID # B-23-407 and the service(s) performed.

E. Indemnification:

CITY shall, at its expense, defend, indemnify, and hold harmless the COUNTY and its employees, officers, directors, contractors, and agents from and against any losses, liabilities, damages, penalties, costs, and fees, including without limitation reasonable attorneys' fees, and expenses from any claim or action, including, without limitation for bodily injury or death, arising from or pertaining to the subject matter of this MOU, except to the extent caused by the intentional act or gross negligence of COUNTY.

F. Special Terms and Conditions

- 1) Grantee shall participate in and provide relevant data elements, including, but not limited to, the client's provider information, housing supports, and referrals in a manner consistent with federal law, into Activate Care, and HMIS. Any health information provided to, or maintained within, the statewide Homeless Management Information System shall not be subject to public inspection or disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). For purposes of this paragraph, "health information" means "protected health information," as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and "medical information," as defined in subdivision (j) of Section 56.05 of the Civil Code.

G. Insurance:

CITY shall obtain and maintain continuously in effect at all times during the term of this License, at CITY'S sole expense, general liability insurance protecting COUNTY, its officers, employees, and agents against liability which may accrue against COUNTY by reason of CITY'S use of funds pursuant to this MOU. Such insurance must be in the amount of not less than Two Million Dollars (\$2,000,000) combined single limits coverage for personal injury, death, or property damage, and shall name the COUNTY and its agents as coinsured thereunder. In addition, the policy shall provide for a thirty (30) day notice to the COUNTY prior to cancellation or material change of the policy. CITY shall promptly supply the COUNTY with a certificate of insurance evidencing compliance with the above requirements.

CITY'S employees, contractors, and concessionaires shall be fully and adequately covered by Worker's Compensation Insurance, as required by law, and shall submit to the COUNTY a certificate of insurance evidencing compliance with such insurance requirements upon execution of this agreement. CITY shall not commence or continue operations on the Premises without the required Worker's Compensation Insurance being in force.

H. Notices:

Any notice required to be given pursuant to the terms and conditions hereof shall be in writing, and shall be effected by one of the following methods: personal delivery, prepaid Certified First-Class Mail, or prepaid Priority Mail with delivery confirmation. Unless otherwise designated in writing by either party, such notice shall be mailed to the addresses shown on page one (1) of this MOU.

I. Termination:

1. **Termination for Cause:** If the CITY breaches or habitually neglects its duties under this MOU without curing such breach or neglect upon fifteen (15) working days written notice, the COUNTY may, by written notice, immediately terminate this MOU without prejudice to any other remedy to which the COUNTY may be entitled, either at law, in equity, or under this MOU.

J. Conflict of Interest Statement:

CITY covenants that the CITY, its officers, employees, or their immediate family, presently has no interest, including, but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this MOU. CITY further covenants that in the performance of this MOU no person having any such interest shall be employed or retained by the CITY under this MOU. CITY shall not hire COUNTY'S employees to perform any portion of the work or services provided for herein including secretarial, clerical, and similar incidental services, except upon the written approval of the COUNTY. Performance of services under this MOU by associates or employees of the CITY shall not relieve the CITY from any responsibility under this MOU.

K. Force Majeure:

It is agreed that neither party shall be responsible for delays in delivery, acceptance of delivery, or failure to perform when such delay or failure is attributable to Acts of God, war, strikes, riots, lockouts, accidents, rules, or regulations of any governmental agencies or other matters or conditions beyond the control of either the CITY or the COUNTY.

L. Compliance:

CITY shall comply with all Federal, State, and local laws, regulations, and requirements necessary for the provision of work and services. Furthermore, the CITY shall comply with all laws applicable to wages and hours of employment, occupational safety, fire safety, health, and sanitation, including, but not limited to, payment of prevailing wage pursuant to California law. CITY shall maintain the current throughout the life of this MOU, all permits, licenses, certificates, and insurances that are necessary for the provision of contracted services.

M. Disputes and Remedies:

1. At the COUNTY's sole discretion, COUNTY may elect to raise a dispute, claim, or breach by submitting it, in writing, to CITY. Such dispute, claim, or breach would include conditions and time constraints required of CITY to remedy.
2. Neither the pendency of a dispute, claim, or breach nor its consideration will excuse the parties from full and timely performance in accordance with terms of this MOU.
3. Any legal action or proceeding with respect to this MOU shall be brought in the courts of the State of California for the County of San Joaquin, or the courts of the United States of America for the Eastern District of California, and in no other courts. CITY hereby accepts such jurisdiction and venue and generally and unconditionally waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non-conveniens. The provision of this paragraph shall survive the expiration or other termination of this MOU regardless of the cause of such termination.
4. In any action brought by a party to enforce the terms of this MOU, the prevailing party shall be entitled to reasonable attorney's fees and costs, including the

reasonable value of any services provided by in-house counsel. The reasonable value of services provided by either party's counsel shall be capped at the hourly rate charged by Deputy County Counsel IV attorneys in the office of the County Counsel of San Joaquin County, California.

N. Documents:

All drawings, specifications, documents, and other memoranda or writings relating to the work and services hereunder shall remain or become the property of the COUNTY whether executed by or for the CITY for the COUNTY, or otherwise by or for the CITY, or by or for a subcontractor operating under the CITY supervision, or direction, and all such documents and copies thereof shall be returned or transmitted to the COUNTY forthwith upon the COUNTY written demand, termination or completion of the work under this MOU.

O. Entire MOU and Modification:

This MOU and all documents incorporated by reference herein supersede all previous agreements between the Parties hereto, either oral or written, and constitute the entire understanding of the Parties with respect to the subject matter described herein. No changes, amendments, or alterations shall be effective unless in writing and signed by both Parties.

P. If any term of the MOU is found to be illegal, invalid, or unenforceable under applicable law, such term shall be excluded to the extent of such illegality, invalidity, or unenforceability; all other terms of this MOU shall remain in full force and effect; and, to the extent permitted and possible, the illegal, invalid or unenforceable term shall be replaced by a term that is legal, valid and enforceable and that comes closest to expressing the intention of such illegal, invalid or unenforceable term.

IN WITNESS WHEREOF, COUNTY and CITY have executed this MOU effective on the day and year first written above.

City of Tracy
333 Civic Center Plaza
Tracy, CA 95376

COUNTY OF SAN JOAQUIN, a
political subdivision of
the State of California

By: _____
Midori Lichtwardt
Interim City Manager
City Manager's Office

By: _____
Marcia Cunningham
Director
General Services Department

Temporary Emergency Housing Facility Phases 1 & 2											
Name: City of Tracy - Temporary Emergency Housing Facility Project		Allocated Activity Cost per Funding Available									
Location: 370 West Arbor Avenue Tracy		<i>*Italicized and highlighted gray is Board of Supervisor Request for funding</i>									
Secured Project Funding		\$ 4,500,000	\$ 690,000	\$ 329,240	\$ 414,042	\$ 836,294	\$ 3,661,113	\$ 3,000,000			
Tasks and Phases	Budget(1)	American Rescue Plan Act (City)	Housing Asset Funds (City)	Homeless Housing, Assistance & Prevention	Homeless Housing, Assistance & Prevention R2	Community Development Block Grant	San Joaquin County (ARPA)	Federal (Harder)	Estimated Expenditures Unfunded	San Joaquin County (Request to BOS)	Remaining Expenditures Unfunded (2)
Phase 1 - Site Preparation, Demolition and Underground Utilities											
Arbor Site Preparation - Contract	\$ 2,216,939		\$ 10,769				\$ 2,206,170		\$ -		
Arbor Site Preparation - Change Orders	\$ 1,018,051		\$ 197,848		\$ 414,042	\$ 406,161			\$ -		
Design, Construction Management, Inspection, Testing, etc.	\$ 296,772		\$ 153,306				\$ 143,466		\$ -		
Subtotal	\$ 3,531,762	\$ -	\$ 361,923	\$ -	\$ 414,042	\$ 406,161	\$ 2,349,636	\$ -	\$ -		
Phase 2 - Site Improvements											
Project Design & Construction Design Support	\$ 1,780,808	\$ 868,076	\$ 41,453	\$ 242,469		\$ 375,665	\$ 253,145		\$ -	\$ -	
Environmental - NEPA	\$ 144,201	\$ 15,000	\$ 61,600	\$ 67,600					\$ -	\$ -	
Project Administration, Management & Inspection Services	\$ 800,000	\$ 745,533				\$ 54,467			\$ -	\$ -	
Permits & Fees	\$ 75,000	\$ 45,015	\$ 17,601	\$ 12,384					\$ -	\$ -	
Power Supply & Distribution Equipment	\$ 905,506	\$ 834,064					\$ 71,441.88		\$ -	\$ -	
Sewer Lift Station	\$ 1,699,450	\$ 1,699,450					\$ -		\$ -	\$ -	
Construction Requirements (SWPPP, Temporary Fencing, Site Security, Construction Staking, As built records, Mobilization, etc.)	\$ 550,000	\$ 292,862	\$ 60,000	\$ 6,786			\$ 190,352		\$ -	\$ -	
Structure Foundations	\$ 825,000						\$ 509,261.00		\$ (315,739)	\$ (315,739)	
Underground Utilities	\$ 850,000							\$ 731,038	\$ (118,962)	\$ (118,962)	
Administration Modular - Relocate & Refurbish	\$ 350,000							\$ 350,000	\$ -	\$ -	
Sidewalks & Misc. Concrete	\$ 1,002,000						\$ 78,962		\$ (923,038)	\$ (923,038)	
Patio Pavers - Permeable	\$ 145,000								\$ (145,000)	\$ (145,000)	
Fire Access Road & Parking - Asphalt Pavements	\$ 920,000								\$ (920,000)	\$ (920,000)	
Sprung Structure - Structure Purchase	\$ 650,000							\$ 650,000	\$ -	\$ -	
Sprung Structure - Erection	\$ 300,000							\$ 300,000	\$ -	\$ -	
Sprung Structure - Build Out (HVAC, Fire, Data, Elec, Carpentry, etc.)	\$ 890,000							\$ 890,000	\$ -	\$ -	
Premanufactured Kitchen - Structure Purchase	\$ 759,000								\$ (759,000)	\$ (759,000)	
Premanufactured Kitchen - Utility Connections	\$ 50,000								\$ (50,000)	\$ (50,000)	
Kitchen Furnishings - (Portable Warming Equipment, Pots, etc.)	\$ 35,000								\$ (35,000)	\$ (35,000)	
Premanufactured Structures Purchase - Restrooms, Showers, Laundry, Mechanical, Storage	\$ 550,000		\$ 147,423.00				\$ 287,277.29		\$ (115,299)	\$ (115,299)	
Premanufactured Structures - Utility Connections	\$ 100,000								\$ (100,000)	\$ (100,000)	
Fencing & Gates	\$ 644,000								\$ (644,000)	\$ (644,000)	
Automated Entrance Gate	\$ 250,000								\$ (250,000)	\$ (250,000)	
Trash Enclosure	\$ 105,000								\$ (105,000)	\$ (105,000)	
Site Exterior Lighting	\$ 525,000								\$ (525,000)	\$ (525,000)	
Landscaping	\$ 375,000								\$ (375,000)	\$ (375,000)	
Irrigation & Control Systems	\$ 200,000								\$ (200,000)	\$ (200,000)	
Outdoor Site Furnishings (Shade Struct., Benches, Tables, signage etc.)	\$ 475,000								\$ (475,000)	\$ (475,000)	
Interior Furnishings, Furniture & Equipment	\$ 550,000								\$ (550,000)	\$ (550,000)	
Exterior Security Systems	\$ 150,000								\$ (150,000)	\$ (150,000)	
Miscellaneous Work	\$ 411,760								\$ (411,760)	\$ (411,760)	
Subtotal	\$ 17,066,725	\$ 4,500,000	\$ 328,077	\$ 329,240	\$ -	\$ 430,132	\$ 1,311,477	\$ 3,000,000	\$ (7,167,798)	\$ (7,167,798)	\$ -
Total Estimated Project Budget Phase 1 - 2	\$ 20,598,487	\$ 4,500,000	\$ 690,000	\$ 329,240	\$ 414,042	\$ 836,294	\$ 3,661,113	\$ 3,000,000	\$ (7,167,798)	\$ (7,167,798)	\$ -

Total Request to San Joaquin County BOS \$ (7,167,798)

1 All numbers are estimates pending completion of bid process for construction.
 2 The City is currently seeking additional funding opportunities for Phase 2

CITY ATTORNEY'S OFFICE

TRACY CITY COUNCIL

RESOLUTION NO. _____

1) AUTHORIZING THE ACCEPTANCE OF A GRANT AWARD FROM SAN JOAQUIN COUNTY AMERICAN RESCUE PLAN ACT ALLOCATION IN THE AMOUNT OF \$7,167,798 MILLION DOLLARS; AND 2) APPROPRIATING THE TOTAL GRANT FUNDS TO THE TEMPORARY EMERGENCY HOUSING PROJECT (CAPITAL IMPROVEMENT PROJECT 71112).

WHEREAS, in September 2022, the City of Tracy was contacted by San Joaquin County's Program Administrator for Homeless Initiatives in support of the City's efforts regarding the Temporary Emergency Housing Facility project (Project); and

WHEREAS, On September 19, 2022, the City of Tracy submitted a proposal and budget to the San Joaquin County Program Administrator for Homeless Initiatives to help fund construction of Phase II of the Project; and

WHEREAS, on July 25, 2023, the City of Tracy was approved for the additional American Rescue Plan Act funding allocation from the San Joaquin County Board of Supervisors in the amount of \$7,167,798 million dollars to partially fund the construction of Phase II of the Project; and

WHEREAS, the Project is part of the overall shelter campus project, parts of which are in various phases of design, development, and/or construction; and

WHEREAS, the grant funding will be used to cover capital expenses, which includes the purchase of a sprung structure, ancillary buildings, site improvements, and the Project is intended to provide a site for those seeking shelter within the City limits; and

WHEREAS, the City of Tracy will collaborate with San Joaquin County to provide additional resources and support to the City's unsheltered population as they are housed; and

WHEREAS, The Tracy Finance Committee heard this item on December 12, 2023 and recommended that the City Council adopt the proposed Resolution; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby accepts the grant award from San Joaquin County American Rescue Plan Act allocation in the amount of \$7,167,798 million dollars and authorizes the execution of requisite documents; and be it

FURTHER RESOLVED: That the City Council hereby appropriates the full grant proceeds of \$7,167,798 million of towards the Temporary Emergency Housing project (CIP 71112); and be it

FURTHER RESOLVED: The City Council finds that this action furthers the construction of temporary interim emergency housing and it therefore exempt from California Environmental Quality Act (CEQA) review in accordance with Government Code sections 65660-65662 (for Low Barrier Navigation Centers) and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs 15269(c)) (for Emergency Projects).

The foregoing Resolution 2023-_____ was adopted by the City Council on December 19, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California

Agenda Item 3B

RECOMMENDATION

Staff recommends that The Tracy Finance Committee make a recommendation that the City Council adopt a Resolution: 1) Authorizing the acceptance of a grant award from U.S. Department of Housing and Urban Development Economic Development Initiative sponsored by Congressman Josh Harder in the amount of \$3 Million Dollars; and 2) Appropriating the total grant funds to towards the construction of Phase II of the Temporary Emergency Housing Facility project (Capital Improvement Project 71112).

EXECUTIVE SUMMARY

Staff Recommends that The Tracy Finance Committee recommend that the City Council authorize the acceptance of a grant award in the amount of \$3 Million from the U.S. Department of Housing and Urban Development Economic Development Initiative sponsored by Congressman Josh Harder in the amount of \$3 Million dollars to partially fund the construction of Phase II of the Temporary Emergency Housing Facility project (Project)C. This phase of the project includes the construction of the Sprung Structure that will accommodate up to 68 guests, a day room, client services in an accessible climate-controlled space. Additional ancillary buildings include a kitchen, restrooms, showers, laundry, and storage.

BACKGROUND AND LEGISLATIVE HISTORY

Upon applying for this funding stream in the middle of 2022, the Temporary Emergency Housing Facility was to be the first emergency housing shelter in the City of Tracy. The shelter site was approved in March of 2021 and is located on 4.8 acres of City-owned property. Originally, Phase I of construction of this site included underground infrastructure work and the above ground construction of a 6,300 square foot Sprung structure that would accommodate up to 68 guests, a day room, offices, and client services in an accessible climate-controlled space.

Upon start of Phase I, there were significant delays in construction which gave the City authority to declare a shelter crisis. As a result, Phase I was split into two phases: Phase I, the underground and infrastructure and Phase II, the above ground construction of a 6,300 square foot Sprung structure that would accommodate up to 68 guests, a day room, offices, and client services in an accessible climate-controlled space, including additional auxiliary buildings include a kitchen, restrooms, showers, laundry, and storage.

Then the Project was expanded from two phases to four. Due to the delay in executing Phase II of the project, the City Council reaffirmed a shelter emergency crisis in August of 2022, and authorized the City Manager to provide interim emergency shelter solutions to our most vulnerable residents. In the additional phases (Phase III & IV), other housing options have been solidified. Phase III of the Project includes four dormitory buildings with capacity to house up to 48 individuals in a non-congregate setting. Phase III includes an administrative building to provide meals and supportive services. Phase IV anticipates eight additional custom containers that have been purchased which will increase the capacity for an additional 38 individuals to receive housing within the project site.

Phase I of the project resulted with the completion of the below ground construction of the project site in August of 2022.

ANALYSIS AND DISCUSSION

Increasing shelter bed capacity is a local and regional policy priority. The \$3 Million in Grant Funds from U.S. Department of Housing and Urban Development Economic Development will advance the completion of the Project.

The \$3 Million in Grant Funds from U.S. Department of Housing and Urban Development Economic Development was originally earmarked for Phase II of the project, and it continues to be identified as the funding for this Phase II of the Project. Phase II includes the 6,300 square foot sprung structure and the additional ancillary buildings.

Phase II Project Components and Funding Allocation from the Grant are summarized in the table below:

<u>Revenue Sources</u>	<u>Community Project Funding</u>
Sprung Building - Concrete Footings, Foundation, Slabs and Curbs	\$ 230,000
Sprung Building - Erection	\$ 287,500
Sprung Building - Concrete Slab Polishing	\$ 46,000
Sprung Building - Interior Build-Out including Fire Protection, Mechanical, Electrical, Plumbing, Communication and Low Voltage	\$ 977,500
Ancillary buildings	\$ 1,541,000
Total Committed	\$3,000,000

FISCAL IMPACT

The Mobility and Housing Department, Homeless Services Division will receive \$3 Million in grant funds from the from U.S. Department of Housing and Urban Development Economic Development Initiative specified for the Community project Funding/Congressionally Directed Spending to partially fund the construction of Phase II of the Temporary Emergency Housing Facility project. The \$3 Million grant is to be appropriated to the Temporary Emergency Housing project budget (CIP 71112).

CEQA DETERMINATION

The project is a temporary interim emergency housing site exempt from CEQA review in accordance with Government Code sections 65660-65662 (for Low Barrier Navigation Centers) and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs 15269(c))(for Emergency Projects).

STRATEGIC PLAN

This agenda item supports City Council's Homelessness Strategic Plan.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that The Tracy Finance Committee make a recommendation that the City Council adopt a Resolution: 1) Authorizing the acceptance of a grant award from U.S. Department of Housing and Urban Development Economic Development Initiative sponsored by Congressman Josh Harder in the amount of \$3 Million Dollars; and 2) Appropriating the total grant funds to towards the construction of Phase II of the Temporary Emergency Housing Facility project (Capital Improvement Project 71112).

Prepared by: Virginia Carney, Homeless Services Manager

Reviewed by: Sara Cowell, Finance Director
Bijal Patel, City Attorney
Karin Schnaider, Assistant City Manager

Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – City of Tracy FY 2023 Community Project Funding Grant Agreement NO. B-23-CP-CA-0130.

**FY 2023 COMMUNITY PROJECT FUNDING
GRANT AGREEMENT NO. B-23-CP-CA-0130**

Grantee Name: City of Tracy

Grantee Address: 333 Civic Center Plaza Tracy, CA 95376

Grantee's Unique Entity Identifier (UEI):

Grantee's Employer Identification Number (EIN)

Federal Award Identification Number (FAIN) B-23-CP-CA-0130

Assistance Listing Number and Name 14.251 Economic Development Initiative,
Community Project Funding, and Miscellaneous Grants

Period of Performance/Budget Period Start Date Date of grant obligation

Period of Performance/Budget Period End Date August 31, 2031

This Grant Agreement between the Department of Housing and Urban Development (HUD) and City of Tracy (the Grantee) is made pursuant to the authority of the Consolidated Appropriations Act, 2023 (Public Law 117-103) and the Explanatory Statement for Division L of that Act, which was printed in the Senate section of the Congressional Record on December 20, 2022 (Explanatory Statement).

In reliance upon and in consideration of the mutual representations and obligations under this Grant Agreement, HUD and the Grantee agree as follows:

ARTICLE I. Definitions

The definitions at 2 CFR 200.1 apply to this Grant Agreement, except where this Grant Agreement specifically states otherwise.

Budget period is defined in 2 CFR 200.1 and begins and ends on the dates specified above for the Period of Performance/Budget Period Start Date and Period of Performance/Budget Period End Date.

Period of Performance is defined in 2 CFR 200.1 and begins and ends on the dates specified above for the Period of Performance/Budget Period Start Date and Period of Performance/Budget Period End Date.

ARTICLE II. Total Grant Amount

Subject to the provisions of the Grant Agreement, HUD will make grant funds in the amount of \$3,000,000 available to the Grantee.

ARTICLE III. Award-Specific Requirements

A. Federal Award Description. The Grantee must use the Federal funds provided under this Grant Agreement (Grant Funds) to carry out the Grantee's "Project." Unless changed in accordance with Article III, section C of this Grant Agreement, the Grantee's Project shall be as described in the Project Narrative that is approved by HUD as of the date that HUD signs this Grant Agreement. For reference, HUD will attach this approved Project Narrative as Appendix 1 to the Grant Agreement on the date that HUD signs this Grant Agreement.

B. Approved Budget. The Grantee must use the Grant Funds as provided by the Approved Budget. Unless changed in accordance with Article III, section C of this Grant Agreement, the Approved Budget shall be the line-item budget that is approved by HUD as of the date that HUD signs this Grant Agreement. For reference, HUD will attach this approved line-item budget as Appendix 2 to this Grant Agreement on the date that HUD signs this Grant Agreement.

C. Project and Budget Changes. All changes to the Grantee's Project or Approved Budget must be made in accordance with 2 CFR 200.308 and this Grant Agreement. To request HUD's approval for a change in the Project or Approved Budget, the Grantee must submit a formal letter to the Director of HUD's Office of Economic Development - Congressional Grants Division through the assigned Grant Officer. The letter must be submitted by email to the assigned Grant Officer and must provide justification for the change. The email submitting the letter must also include a revised project narrative or revised line-item budget, as applicable, that includes the requested change. The Grantee is prohibited from making project or budget changes that would conflict with the Applicable Appropriations Act Conditions described in Article III, section D of this Grant Agreement. The assigned Grant Officer for this grant is provided in the Award Letter for this grant and found on HUD's website. The HUD Office of Economic Development – Congressional Grants Division will notify the Grantee in writing, by email, whether HUD approves or disapproves the change. Before the Grantee expends Grant Funds in accordance with any change approved by HUD or otherwise allowed by 2 CFR 200.308, the Grantee must update its grant information in Disaster Recovery Grant Reporting (DRGR) to reflect that change.

D. Applicable Appropriations Act Conditions. The conditions that apply to the Grant Funds as provided by the Consolidated Appropriations Act, 2023 and the Explanatory Statement are hereby incorporated and made part of this Grant Agreement. In the event of a conflict between those conditions, the conditions provided by the Act will govern. The Grant Funds are not subject to the Community Development Block Grants regulations at 24 CFR part 570 or Title I of the Housing and Community Development Act of 1974.

E. In accordance with 2 CFR 200.307(b), costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant. As authorized under 2 CFR 200.307(e)(2), program income may be treated as an addition to the Federal award, provided that the Grantee uses that income for allowable costs under this Grant Agreement. In accordance with 2 CFR 200.307(b), costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the grant. Any program income that cannot be expended on allowable costs under this Grant Agreement must be paid to HUD before closeout of the grant, unless otherwise specified by an applicable Federal statute.

F. The Grantee must use the Grant Funds only for costs (including indirect costs) that meet the applicable requirements in 2 CFR part 200 (including appendices). The Grantee's indirect cost rate information is as provided in Appendix 3 to this Grant Agreement. Unless the Grantee is an Institution of Higher Education, the Grantee must immediately notify HUD upon any change in the Grantee's indirect cost rate during the Period of Performance, so that HUD can amend the Grant Agreement to reflect the change if necessary. Consistent with 2 CFR Part 200, Appendix III (C.7), if the Grantee is an Institution of Higher Education and has a negotiated rate in effect on the date this Grant Agreement is signed by HUD, the Grantee may use only that rate for its indirect costs during the Period of Performance.

G. The Grantee must comply with any specific award conditions that HUD may attach to this Grant Agreement as provided by 2 CFR 200.208. If applicable, these conditions will be listed or added as Appendix 5 to this Grant Agreement.

H. The Grantee is responsible for managing the Project and ensuring the proper use of the Grant Funds. The Grantee is also responsible for ensuring the completion of the Project, the grant closeout, and compliance with all applicable federal requirements. The Grantee may subaward all or a portion of its funds to one or more subrecipients, as identified in the Project Narrative (Appendix 1) or as may be approved by HUD in accordance with 2 CFR 200.308. All subawards made with funding under this Grant Agreement are subject to the subaward requirements under 2 CFR Part 200, including 2 CFR 200.332, and other requirements provided by this Grant Agreement. The Grantee is responsible for ensuring each subrecipient complies with all requirements under this Grant Agreement, including the general federal requirements in Article IV. A subaward may be made to a for-profit entity only if HUD expressly approves that subaward and the for-profit entity is made subject to the same Federal requirements that apply to all other subrecipients, including the requirements 2 CFR part 200 provides for a "non-Federal entity" that receives a subaward.

ARTICLE IV. General Federal Requirements

A. If the Grantee is a unit of general local government, a State, an Indian Tribe, or an Alaskan Native Village, the Grantee is the Responsible Entity (as defined in 24 CFR part 58) and agrees to assume all of the responsibilities for environmental review and decision-making and action, as specified and required in regulations issued by the Secretary pursuant to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 and published in 24 CFR Part 58.

B. If the Grantee is a housing authority, redevelopment agency, academic institution, hospital or other non-profit organization, the Grantee shall request the unit of general local government, Indian Tribe or Alaskan Native Village, within which the Project is located and which exercises land use responsibility, to act as Responsible Entity and assume all of the responsibilities for environmental review and decision-making and action as specified in paragraph A above, and the Grantee shall carry out all of the responsibilities of a grantee under 24 CFR Part 58.

C. After December 29, 2022, neither the Grantee nor any of its contractors, subrecipients and other funding and development partners may undertake, or commit or expend Grant Funds or local funds for, project activities (other than for planning, management, development and administration activities), unless a contract requiring those activities was already executed on or before December 29, 2022, until one of the following occurs: (i) the Responsible Entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and given a release of funds; (ii) the Responsible Entity has determined and documented in its environmental review record that the activities are exempt under 24 CFR 58.34 or are categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or (iii) HUD has performed an environmental review under 24 CFR part 50 and has notified Grantee in writing of environmental approval of the activities.

D. Following completion of the environmental review process, the Grantee (recipient) shall exercise oversight, monitoring, and enforcement as necessary to assure that decisions and mitigation measures adopted through the environmental review process are carried out during project development and implementation.

E. The Grantee must comply with the generally applicable HUD and CPD requirements in 24 CFR Part 5, subpart A, including all applicable fair housing, and civil rights requirements. If the Grantee is a Tribe or a Tribally Designated Housing Entity (TDHE) as established under 24 CFR 1000.206, the Grantee must comply with the nondiscrimination requirements in 24 CFR 1000.12 in lieu of the nondiscrimination requirements in 24 CFR 5.105(a). The Grantee must report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of the Grantee's Project, consistent with the instructions and forms provided by HUD in order to carry out its responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987 (e.g. HUD-27061).

F. The Grantee must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements in 2 CFR part 200, as may be amended from time to time. If 2 CFR part 200 is amended to replace or renumber sections of part 200 that are cited specifically in this Grant Agreement, the part 200 requirements as renumbered or replaced by the amendments will govern the obligations of HUD and the Grantee after those amendments become effective.

G. The Grantee must comply with the Award Term in Appendix A to 2 CFR Part 25 ("System for Award Management and Universal Identifier Requirements") and the Award Term in Appendix A to 2 CFR Part 170 ("Reporting Subawards and Executive Compensation"), which are hereby incorporated into and made part of this Grant Agreement.

H. If the Total Grant Amount, as provided in Article II of this Grant Agreement, is greater than \$500,000, the Grantee must comply with the Award Term and Condition for Grantee Integrity and Performance Matters in Appendix 4 to this Grant Agreement.

I. Unless the Grantee is exempt from the Byrd Amendment as explained below, the Grantee must comply with the provisions of Section 319 of Public Law 101-121, 31 U.S.C. 1352, (the Byrd Amendment) and 24 CFR Part 87, which prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the executive or legislative branches of the Federal Government in connection with a specific contract, grant, loan, or cooperative agreement. The Grantee must include in its award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements), the requirements for the certification required by Appendix A to 24 CFR Part 87 and for disclosure using Standard Form- LLL (SF-LLL), "Disclosure of Lobbying Activities." In addition, the Grantee must obtain the executed certification required by Appendix A and an SF-LLL from all covered persons. "Person" is as defined by 24 CFR Part 87. Federally recognized Indian tribes and TDHEs established by Federally recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment. State-recognized Indian tribes and TDHEs established only under state law must comply with this requirement.

J. The Grantee must comply with drug-free workplace requirements in Subpart B of 2 CFR Part 2429, which adopts the governmentwide implementation (2 CFR Part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988, Pub. L. 100-690, Title V, Subtitle D (41 U.S.C. 701-707).

K. The Grantee must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as implemented by regulations at 49 CFR Part 24. The URA applies to acquisitions of real property and relocation occurring as a direct result of the acquisition, rehabilitation, or demolition of real property for Federal or Federally funded programs or projects. Real property acquisition that receives Federal financial assistance for a program or project, as defined in 49 CFR 24.2, must comply with the acquisition requirements contained in 49 CFR part 24, subpart B. Unless otherwise specified in law, the relocation requirements of the URA and its implementing regulations at 49 CFR part 24, cover any displaced person who moves from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD financial assistance

L. If Grant Funds are used for purchase, lease, support services, operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

M. The Grantee must comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. 1701u, and HUD's regulations at 24 CFR part 75, as applicable, including the reporting requirements in 24 CFR 75.25. Grants made to Tribes and TDHEs are subject to Indian Preference requirements in Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)). As stated in 24 CFR 75.3(c), grants to Tribes and TDHEs are subject to Indian Preference requirements in lieu of Section 3. Grantees that are not exempt from Section 3 must submit annual reports of Section 3

accomplishment Performance Measures in DRGR in January of the calendar year. This report reflects Section 3 accomplishments for the previous calendar year.

N. The Grantee must not use any Grant Funds to support any Federal, state, or local project that seeks to use the power of eminent domain, unless eminent domain is employed only for a public use. Public use includes use of funds for mass transit, railroad, airport, seaport, or highway projects, and utility projects which benefit or serve the general public (including energy-related, communication-related, water-related, and waste water-related infrastructure), other structures designated for use by the general public or with other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields, as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107-118). Public use does not include economic development that primarily benefits private entities.

O. The Grantee must not use any Grant Funds to maintain or establish a computer network that does not block the viewing, downloading, and exchanging of pornography. This requirement does not limit the use of funds necessary for any Federal, State, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.

P. The Grantee must administer its Grant Funds in accordance with the Conflict of Interest requirements set forth in Appendix 6 of this Grant Agreement.

Q. The Grantee must comply with the governmentwide debarment and suspension requirements in 2 CFR part 180 as incorporated and supplemented by HUD's regulations at 2 CFR part 2424.

R. The Grantee must comply with the award term and condition regarding trafficking in persons in Appendix 7 of this Grant Agreement.

S. The assurances and certifications the Grantee has made and submitted to HUD are incorporated by this reference and made part of this Grant Agreement.

ARTICLE V. Drawdown Requirements

A. The Grantee may not draw down Grant Funds until HUD has received and approved any certifications and disclosures required by 24 CFR 87.100 concerning lobbying, if applicable.

B. The Grantee must use HUD's Disaster Recovery Grant Reporting (DRGR) system to draw down Grant Funds and report to HUD on activities.

C. The Grantee must enter activity and budget information in DRGR that is consistent with the Grantee's Project and Approved Budget as described in Article III, sections A and B of this Grant Agreement and complies with HUD's instructions for entering information in DRGR found in the document titled "Grant Award Instructions" that accompanies the Grant Agreement.

D. The Grantee must only enter activities in DRGR that are described in the Approved Budget.

E. The Grantee must expend all Grant Funds in accordance with the activity and budget information in DRGR.

F. Each drawdown of Grant Funds constitutes a representation by the Grantee that the funds will be used in accordance with this Grant Agreement.

G. The Grantee must use DRGR to track the use of program income and must report the receipt and use of program income in the reports the Grantee submits to HUD under Article VI of this Grant Agreement. The Grantee must expend program income before drawing down Grant Funds through DRGR.

H. Notwithstanding any other provision of this grant agreement, HUD will not be responsible for payment of any Grant Funds after the date Treasury closes the account in accordance with 31 U.S.C. § 1552. Because Treasury may close the account up to one week before the September 30 date specified by 31 U.S.C. § 1552, the Grantee is advised to make its final request for payment under the grant no later than September 15, 2031.

ARTICLE VI. Program-Specific Reporting Requirements

In addition to the general reporting requirements that apply under other provisions of this Agreement, the following program-specific reporting requirements apply to the Grantee:

A. The Grantee must submit a performance report in DRGR on a semi-annual basis and must include a completed Federal financial report as an attachment to each performance report in DRGR. Performance reports shall consist of a narrative of work accomplished during the reporting period. During the Period of Performance, the Grantee must submit these reports in DRGR no later than 30 calendar days after the end of the 6-month reporting period. The first of these reporting periods begins on the first of January or June (whichever occurs first) after the date this Grant Agreement is signed by HUD.

B. The performance report must contain the information required for reporting program performance under 2 CFR 200.329(c)(2) and (d), including a comparison of actual accomplishments to the objectives of the Project as described in Article III, section A of this Grant Agreement, the reasons why established goals were not met, if appropriate, and additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

C. Financial reports must be submitted using DRGR or such future collections HUD may require and as approved by OMB and listed on the Grants.gov website (<https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>).

D. The performance and financial reports will undergo review and approval by HUD. If a report submission is insufficient, HUD will reject the report in DRGR and identify the corrections the Grantee must make.

E. No drawdown of funds will be allowed through DRGR while the Grantee has an overdue performance or financial report.

F. The Grantee must report and account for all property acquired or improved with Grant Funds as provided by 2 CFR part 200 using the applicable common forms approved by OMB and provided on the Grants.gov website (<https://www.grants.gov/web/grants/forms/post-award-reporting-forms.html>). This reporting obligation includes submitting status reports on real property at least annually as provided by 2 CFR 200.330, accounting for real and personal property acquired or improved with Grant Funds as part of Project Closeout, and promptly submitting requests for disposition instructions as provided by 2 CFR 200.311(c), 200.313(e), and 200.314(a).

ARTICLE VII. Project Closeout

A. The grant will be closed out in accordance with 2 CFR part 200, as may be amended from time to time, except as otherwise specified in this Grant Agreement.

B. The Grantee must submit to HUD a written request to closeout the grant no later than 30 calendar days after the Grantee has drawn down all Grant Funds and completed the Project as described in Article III, section A of this Grant Agreement. HUD will then send the Closeout Agreement and Closeout Certification to the Grantee.

C. At HUD's option, the Grantee may delay initiation of project closeout until the resolution of any findings as a result of the review of semi-annual activity reports in DRGR. If HUD exercises this option, the Grantee must promptly resolve the findings.

D. The Grantee recognizes that the closeout process may entail a review by HUD to determine compliance with the Grant Agreement by the Grantee and all participating parties. The Grantee agrees to cooperate with any HUD review, including reasonable requests for on-site inspection of property acquired or improved with Grant Funds.

E. No later than 120 calendar days after the Period of Performance, Grantees shall provide to HUD the following documentation:

1. A Certification of Project Completion.
2. A Grant Closeout Agreement.
3. A final financial report giving the amount and types of project costs charged to the grant (that meet the allowability and allocability

requirements of 2 CFR part 200, subpart E); a certification of the costs; and the amounts and sources of other project funds.

4. A final performance report providing a comparison of actual accomplishments with the objectives of the Project, the reasons for slippage if established objectives were not met and additional pertinent information including explanation of significant cost overruns.
5. A final property report, if specifically requested by HUD at the time of closeout.

ARTICLE VIII. Default

A default under this Grant Agreement shall consist of any use of Grant Funds for a purpose other than as authorized by this Grant Agreement, any noncompliance with statutory, regulatory, or other requirements applicable to the Grant Funds, any other material breach of this Grant Agreement, or any material misrepresentation in the Grantee's submissions to HUD in anticipation of this award. If the Grantee fails to comply with the terms and conditions of the Grant Agreement, HUD may adjust specific conditions of this Grant Agreement as described in 2 CFR part 200, as may be amended from time to time. If HUD determines that noncompliance cannot be remedied by imposing additional conditions, HUD may take one or more of the remedies for noncompliance described in 2 CFR part 200, as may be amended from time to time. HUD may also terminate all or a part of this award as provided by 2 CFR 200.340 and other applicable provisions of 2 CFR part 200, as may be amended from time to time. Nothing in this Grant Agreement shall be construed as creating or justifying any claim against the Federal government or the Grantee by any third party.

ARTICLE IX. HUD Contact Information

Except where this Grant Agreement specifically states otherwise, all requests, submissions, and reports the Grantee is required to make to HUD under this Grant Agreement must be made in writing via email to CPFGGrants@hud.gov.

This agreement is hereby executed on behalf of the Grantee and HUD as follows:

GRANTEE

(Name of Organization)

BY: _____
(Signature of Authorized Official)

(Typed Name and Title of Authorized Official)

(Date)

HUD

BY: _____
Robin J. Keegan,
Deputy Assistant Secretary for Economic Development

(Date)

APPENDIX 1 – Project Narrative

APPENDIX 2 – Approved Budget

APPENDIX 3 – Grantee’s Indirect Cost Rate Information

Subject to the applicable requirements in 2 CFR part 200 (including its appendices), the Grantee will use an indirect cost rate as represented by the Grantee below:

- The Grantee will not use an indirect cost rate to charge its indirect costs to the grant.
- The Grantee will use the indirect cost rate(s) identified in the table below to charge its indirect costs to the grant.

Agency/Dept./Major Function	Indirect cost rate	Direct Cost Base
_____	_____ %	_____
_____	_____ %	_____

[PLEASE NOTE: The grantee must check one of the two boxes above. If the second box is checked, the corresponding table must be filled out as described below.

The table must include each indirect cost rate that will be used to calculate the Grantee’s indirect costs under the grant. The table must also specify the type of direct cost base to which each included rate applies (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rate information for subrecipients.

For government entities, enter each agency or department that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR 200.414), and the type of direct cost base to which the rate will be applied.

For nonprofit organizations that use the Simplified Allocation Method for indirect costs or elects to use the de minimis rate of 10% of Modified Total Direct Costs in accordance with 2 CFR 200.414, enter the applicable indirect cost rate and type of direct cost base in the first row of the table.

For nonprofit organizations that use the Multiple Allocation Base Method, enter each major function of the organization for which a rate was developed and will be used under the grant, the indirect cost rate applicable to that major function, and the type of direct cost base to which the rate will be applied.]

**APPENDIX 4 –
Award Term and Condition for Grantee Integrity and Performance Matters**

Reporting of Matters Related to Grantee Integrity and Performance

1. General Reporting Requirement

If the total value of the Grantee's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then during that period of time the Grantee must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which Grantee Must Report

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must submit the information required about each proceeding that:

- a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
- b. Reached its final disposition during the most recent five-year period; and
- c. Is one of the following:
 - (1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;
 - (2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;
 - (3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and the Grantee's payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or
 - (4) Any other criminal, civil, or administrative proceeding if:
 - (i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on the Grantee's part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. The Grantee does not need to submit the information a second time under assistance awards that the Grantee received if the Grantee already provided the information through SAM because the Grantee was required to do so under Federal procurement contracts that the Grantee was awarded.

4. Reporting Frequency

During any period of time when the Grantee is subject to the requirement in paragraph 1 of this award term and condition, the Grantee must report proceedings information through SAM for the most recent five-year period, either to report new information about any proceeding(s) that the Grantee has not reported previously or affirm that there is no new information to report. If the Grantee has Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000, the Grantee must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (e.g., Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes—

(1) Only the Federal share of the funding under any Federal award with a cost share or match requirement; and

(2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

APPENDIX 5 – Specific Award Conditions
NONE.

APPENDIX 6 – Conflict of Interest Requirements

1. *Conflicts Subject to Procurement Regulations.* When procuring property or services, the grantee and its subrecipients shall comply with the applicable conflict-of-interest rules in 2 CFR 200.317 and 2 CFR 200.318(c). In all cases not governed by 2 CFR 200.317 and 2 CFR 200.318(c), the Grantee and its subrecipients must follow the requirements contained in paragraphs 2-5 below.

2. *General prohibition.* No person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee or subrecipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have a financial interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), sibling (including a stepsibling), grandparent, grandchild, and in-laws of a covered person.

3. *Exceptions.* HUD may grant an exception to the general prohibition in paragraph (ii) upon the Grantee's written request and satisfaction of the threshold requirements in paragraph (iv), if HUD determines the exception will further the Federal purpose of the award and the effective and efficient administration of the Grantee's Project, taking into account the cumulative effects of the factors in paragraph (v).

4. *Threshold requirements for exceptions.* HUD will consider an exception only after the Grantee has provided the following documentation:

- a. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how that disclosure was made; and
- b. An opinion of the Grantee's attorney that the interest for which the exception is sought would not violate state or local law.

5. *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the Grantee has satisfactorily met the threshold requirements in paragraph (iii), HUD will consider the cumulative effect of the following factors, where applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- b. Whether an opportunity was provided for open competitive bidding or negotiation;
- c. Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception

will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process regarding the assisted activity in question;

e. Whether the interest or benefit was present before the affected person was in a position as described in paragraph (ii);

f. Whether undue hardship will result either to the Grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

g. Any other relevant considerations.

6. *Disclosure of potential conflicts of interest.* The Grantee must disclose in writing to HUD any potential conflict of interest.

APPENDIX 7 – Award Term and Condition Regarding Trafficking in Persons

The following award term and condition, which is required by 2 CFR part 175, applies as written:

a. Provisions applicable to a grantee that is a private entity.

1. You as the grantee, your employees, subrecipients under this award, and subrecipients' employees may not—
 - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
 - ii. Procure a commercial sex act during the period of time that the award is in effect; or
 - iii. Use forced labor in the performance of the award or subawards under the award.
2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity:
 - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.

b. Provision applicable to a grantee other than a private entity.

We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either:

- i. Associated with performance under this award; or
- ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by HUD at 2 CFR 2424.

c. Provisions applicable to any grantee.

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. Definitions. For purposes of this award term:

1. “Employee” means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or
 - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
2. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. “Private entity”:

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

ii. Includes:

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

TRACY CITY COUNCIL

RESOLUTION NO. _____

1) AUTHORIZING THE ACCEPTANCE OF A GRANT AWARD FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ECONOMIC DEVELOPMENT INITIATIVE SPECIFIED FOR THE COMMUNITY PROJECT FUNDING/CONGRESSIONALLY DIRECTED SPENDING IN THE AMOUNT OF \$3 MILLION DOLLARS; AND 2) APPROPRIATING THE TOTAL GRANT FUNDS TO THE TEMPORARY EMERGENCY HOUSING FACILITY PROJECT (CAPITAL IMPROVEMENT PROJECT 71112);

WHEREAS, in May of 2022, the City of Tracy was notified that funding was made available to apply for under the U.S. Department Of Housing And Urban Development Economic Development grants for Economic Development Initiative specified for the Community Project Funding/Congressionally Directed Spending in the amount of \$3 Million dollars to partially fund the construction of Phase II of the Temporary Emergency Housing Facility; and

WHEREAS, in June of 2022, the City of Tracy submitted a proposal and budget to the Department of Housing and Urban Development in the amount of \$3 Million dollars to support the construction of Phase II of the Temporary Emergency Housing Facility project (Project); and

WHEREAS, on March 2, 2023, the City of Tracy was notified that funding was awarded to the City of Tracy in the amount of \$3 Million dollars to partially fund the construction of Phase II of the Project; and

WHEREAS, the Project is part of the overall shelter campus project, parts of which are in various phases of design, development, and/or construction; and

WHEREAS, the grant funding will be used to cover capital expenses, which includes the purchase of a sprung structure and ancillary buildings, and the Project is intended to provide a site for those seeking shelter within the City limits; and

WHEREAS, the City of Tracy will collaborate with the Department of Housing and Urban Development to provide additional resources and support to the City's unsheltered population as they are housed; and

WHEREAS, The Tracy Finance Committee heard this item on December 12, 2023 and recommended that the City Council adopt the proposed Resolution; now, therefore, be it

RESOLVED: That the City Council of the City of Tracy hereby accepts the grant award from U.S. Department of Housing and Urban Development in the amount of \$3 Million dollars and authorizes the execution of requisite documents; and be it

FURTHER RESOLVED: That the City Council hereby appropriates the full grant proceeds of \$3 Million of the total grant funds; and be it

FURTHER RESOLVED: The City Council finds that this action furthers the construction of temporary interim emergency housing and it is therefore exempt from California Environmental Quality Act (CEQA) review in accordance with Government Code sections 65660-65662 (for Low Barrier Navigation Centers) and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs 15269(c)) (for Emergency Projects).

The foregoing Resolution 2023-_____ was adopted by the City Council on December 19, 2023, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTENTION:	COUNCIL MEMBERS:

NANCY D. YOUNG
Mayor of the City of Tracy, California

ATTEST: _____
ADRIANNE RICHARDSON
City Clerk and Clerk of the Council of the
City of Tracy, California