

**AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE COUNTY OF NEVADA HEALTH AND HUMAN SERVICES AGENCY, CITY OF
GRASS VALLEY, AND CITY OF NEVADA CITY PERTAINING TO THE PROPOSED
APPLICATION FOR AND COORDINATION OF PERMANENT LOCAL HOUSING
ALLOCATIONS**

THIS MEMORANDUM OF UNDERSTANDING, hereinafter referred to as "MOU", is made and entered into this 1st day of July 2020 (the "Effective Date"), and amended on August 11, 2026 by and between Nevada County through the Health and Human Services Agency, hereinafter referred to as "County", City of Grass Valley, hereinafter referred to as "Grass Valley", and the City of Nevada City, hereinafter referred to as "Nevada City," collectively, the "Parties."

RECITALS

WHEREAS, WHEREAS, the State of California ("State"), California Department of Housing and Community Development ("Department") is authorized to provide up to \$296 million under the SB 2 Permanent Local Housing Allocation Program Formula Component from the Building Homes and Jobs Trust Fund, for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB 2)); and

WHEREAS, the California Department of Housing and Community Development ("HCD") issued a Notice of Funding Availability ("NOFA") dated February 26, 2020 under the Permanent Local Housing Allocation (PLHA) Program; and

WHEREAS, the Department issued another Notice of Funding Availability ("NOFA") dated December 29, 2023, and amended May 12, 2025, under the Permanent Local Housing Allocation ("PLHA") Program; and

WHEREAS, the County of Nevada is an eligible local government to apply for funding under the PLHA Program to administer one or more eligible activities, or a local or regional housing trust fund to whom eligible local governments may delegate their PLHA formula allocation and seek to create a legally binding agreement for the purposes of applying for PLHA funding; and

WHEREAS, HHSA is a department of the County of Nevada, and Grass Valley and Nevada City are legally recognized municipalities within the County of Nevada, California; and

WHEREAS, the County of Nevada, Grass Valley, and Nevada City desire to coordinate on a regionalized approach in application for, and allocation of, PLHA funding; and;

WHEREAS, through Resolutions 20-315 and 20-247 passed on July 14, 2020, and subsequently, Resolution 26-317 passed on June 16, 2026, this Board approved the submission of PLHA applications and adoption of the PLHA five (5) year plans and amendments; and

WHEREAS, the County is authorized to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA [**\$1,813,113**] in accordance with all applicable rules and laws; and

WHEREAS, Grass Valley is authorized to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA [**\$791,037**] in accordance with all applicable rules and laws; and

WHEREAS, Nevada City is authorized to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA [**\$470,030**] in accordance with all applicable rules and laws; and

WHEREAS, Grass Valley and Nevada City desire to delegate their PLHA allocation to the County to submit a regional application on their behalf and for the County to administer the PLHA grant award for each jurisdiction's formula allocation of PLHA funds pursuant to Guidelines section 300(c) and 300(d), and those stipulations as will be required in subsequent legally binding agreement between Grass Valley, Nevada City, and the County for this purpose;

Now, therefore, it is mutually understood and agreed to between the Parties as follows:

I. PURPOSE

This MOU delineates the understandings of the County, Grass Valley and Nevada City with regard to the submission of the PLHA application to HCD for the allocated funding and any other funds that may become available and are within the scope of eligible PLHA Activities.

II. TERMS AND DEFINITIONS

Throughout this MOU, all words used in this Agreement have the same meaning as defined in Program Guidelines, Section 101.

III. TERM

The term of this MOU shall commence as of the Effective Date stated above and shall continue for five (5) years or until the administration of the funds for all five rounds is complete, unless this MOU is terminated sooner according to the Termination clause herein, or the term is extended by mutual agreement of the Parties.

IV. UNDERSTANDINGS OF THE PARTIES

A. The County shall undertake the following:

1. Coordinate and facilitate the completion of the PLHA application, which shall include:
 - a. Coordinating interagency meetings and activities related to program implementation under PLHA and other funding sources' application processes (such as the Local Housing Trust Fund application and any subsequent PLHA competitive applications). This will include, but not be limited to, establishing reoccurring meetings, distribution of meeting notes and other meeting materials, and creating and maintaining documents and tools related to project planning, and delivery of funding allocations to projects.
 - b. Submitting the PLHA application in an amount not to exceed the combined 5-year estimate of the PLHA formula allocations for the County, Grass Valley, and Nevada City, as stated in the Appendix C of the current NOFA, totaling \$3,074,180.

2. Maintain a contractual relationship with HCD to ensure compliance with the funding requirements as set forth in PLHA program guidelines.
3. Maintain and manage fiscal responsibility over all funds received and committed through the PLHA allocation process for the County of Nevada, Grass Valley and Nevada City, consistent with all Program requirements.
4. Develop and implement accounting procedures related to tracking of the Parties' individual allocations of PLHA funds maintained within separate sub-accounts of the greater PLHA fund and related Western Nevada County Regional Housing Trust Fund, including the tracking of expenditures of the fund and related sub-accounts consisting of the individual entity's allocation.
5. Participate in project planning, technical assistance and/or public meetings related to the application process and distribution of funding process, including but not limited to developing written background materials on PLHA program and other funding sources, as determined, providing background and information pertaining to Community Development Agency and Health and Human Services Agency programs, policies and procedures and making them available to decision making entities and stakeholders throughout the process.
6. Cooperate and coordinate with Grass Valley and Nevada City in assembling the PLHA application and any other applications for funds that may become available and are within the scope of eligible PLHA Activities.
7. Identify, in coordination with the Parties, the steps necessary to create the Western Nevada County Regional Housing Trust Fund, into which the Parties' PLHA funds will be deposited and managed.
8. Designate appropriate staff to participate in collaborative decision-making regarding PLHA and application planning and implementation for any other identified funds.
9. Adopt resolutions necessary to fulfill PLHA and other funding source requirements including, but not limited to: the strategic plan to address homelessness, the provision of expanding affordable housing in Western Nevada County, the authorizations allowing for the County to apply for and accept PLHA noncompetitive and other competitive funds. HHSA staff will ensure these items are completed prior to funding submission deadlines.
10. In coordination with the Parties, ensure compliance with all threshold requirements under PLHA guidelines, and all other requirements specified in other potential funding sources including but not limited to, establishing and maintaining a Local Housing Trust Fund/
11. Enter into all required legally binding agreements with Grass Valley and Nevada City pertaining to the submission of the PLHA application and administering on their behalf their formula allocation of Program funds into the Western Nevada County Regional Housing Trust Fund for eligible activities consistent PLHA Program requirements.
12. Use PLHA funds for eligible activities as approved by HCD and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the County and HCD.

13. Establish PLHA funding priorities in coordination with delegating jurisdictions and in compliance with PLHA Guidelines in line with the purposes of directing allocations of PLHA funds to projects agreed to by the Parties.

B. Grass Valley shall undertake the following:

1. Delegate available PLHA funding allocation to the County for the purposes of administering funds back into the community based on agreed to funding levels and priorities, as described in Section IV(A)(13).
2. Prepare and provide information and documentation for completion of the PLHA application in accordance with the established project timeline.
3. Work with HHSA staff to provide all information and documentation required for completion of any other identified funds applications.
4. Support County efforts, when required, to ensure compliance with all City regulations, public meeting requirements, and any processes related to the planning and delivery of funds to a proposed funding project.
5. Designate appropriate staff or consultants to participate in collaborative decision making regarding PLHA, and other potential funding sources.
6. Have a representative participate in special meetings for the purpose of considering PLHA funding allocation decisions and vote to represent Grass Valley as part of a three-agency committee allocation process.
7. Work cooperatively with the Parties to identify the steps necessary to create the establishment of the Western Nevada County Regional Housing Trust Fund, into which the Parties' PLHA funds will be deposited and managed.
8. Enter into all required legally binding agreements necessary for the submission of the PLHA application and administration of its formula allocation of Program funds into the Western Nevada County Regional Housing Trust Fund for eligible activities consistent PLHA Program requirements.
9. Work with the Parties to establish PLHA funding priorities in coordination with delegating jurisdictions and in compliance with PLHA Guidelines in line with the purposes of directing allocations of PLHA funds to projects agreed to by the Parties.

C: Nevada City shall undertake the following:

1. Delegate available PLHA funding allocation to the County for purposes of administering the funds back into the community based on agreed to funding levels and priorities, as described in Section IV(A)(13).

2. Prepare and provide information and documentation for completion of the PLHA application in accordance with the established project timeline.
3. Work with HHSA staff to provide all information and documentation required for completion of any other identified funds application.
4. Support County efforts, when required, to ensure compliance with all City regulations, public meeting requirements, and any processes related to the planning and delivery of funds to a proposed funding project.
5. Designate appropriate staff or consultants to participate in collaborative decision making regarding PLHA, and other potential funding sources.
6. Have a representative participate in special meetings for the purpose of considering PLHA funding allocation decisions and vote to represent Nevada City as part of a three-agency committee allocation process.
7. Work cooperatively with the Parties to identify the steps necessary to create the establishment of the Western Nevada County Regional Housing Trust Fund, into which the Parties' PLHA funds will be deposited and managed
8. Enter into all required legally binding agreements necessary for the submission of the PLHA application and administration of its formula allocation of Program funds into the Western Nevada County Regional Housing Trust Fund for eligible activities consistent PLHA Program requirements.
9. Work with the Parties to establish PLHA funding priorities in coordination with delegating jurisdictions and in compliance with PLHA Guidelines in line with the purposes of directing allocations of PLHA funds to projects agreed to by the Parties.

D: Collectively, the Parties Agree:

1. Not less than quarterly, to meet to identify new potential funding sources, review the current funding allocations, review Activities accomplished under this MOU, evaluate the efficacy of this MOU, assess the quality of the working relationship between HHSA, Grass Valley and Nevada City, determine the status of work products, and assess future Activities for potential PLHA funding by the partnership or assignment of funds from the Western Nevada County Regional Housing Trust Fund.
2. Meet in good faith to promptly address any disputes arising under this MOU.
3. The County shall retain the portion of the PHLA grant funds awarded earmarked for administrative fees to reimburse the costs of County staff time and expenses in fulfilling its obligations under this Agreement.
4. Nothing in this Agreement removes the Parties' authority to determine how each jurisdiction's portion of the grant funds shall be spent. The Parties intend to designate how each

jurisdiction's PHLA grant funds shall be spent in a forthcoming agreement establishing a Western Nevada County Regional Housing Trust Fund.

E: Funding

1. In addition to the PLHA allocations for each governmental entity previously described in this MOU, County, Grass Valley and Nevada City shall work cooperatively together to identify and seek sufficient future funding, including additional state or federal grants, foundations grants and/or other funding sources, to promote the sustainability of the Local Housing Trust Fund and affordable housing project goals.

F: ALTERATION OF TERMS

No alteration or variation of the understandings of this MOU shall be valid unless made in writing and signed by all three parties.

G: TERMINATION

Any party may terminate their participation in this MOU for any reason, or without cause, by giving 60 days' written notice to the other two entities, which shall be served in conformity with the notice provisions contained in this MOU.

1. Upon termination, the party terminating their participation shall gain control of their remaining funding allocation to use consistent with the application submitted and Plan approved, unless an amendment to the Plan is sought with the State.

H: NOTICES

Any notice required or permitted to be given under this MOU shall be in writing and shall be served by registered mail or personal service upon the other party.

I: AMENDMENTS

Any material changes to any of the clauses above must be mutually agreed upon by all three entities, and shall only become effective when in writing and fully executed by duly authorized officials of the Parties hereto.

J: PARTIES AS INDEPENDENT

In agreeing to the obligations and understandings set forth herein, each Party acknowledges that it shall act in an independent capacity, and not as the employees, agents, or officials of the other. Each Party agrees that neither its agents nor employees have any rights, entitlement or claim against the other for any type of employment benefits or workers' compensation. Each Party shall hold the other harmless and indemnify against any such claim by its agents or employees.

K: INDEMNIFICATION

Nothing herein shall be construed as a limitation of any entities liability, and all parties shall indemnify, defend, and hold harmless the County of Nevada, its officers, officials, employees, agents and volunteers from any and all liabilities, claims, demands, damages, losses and expenses (including, without limitation, defense costs and attorney fees) which result from the negligent act, willful misconduct, or error or omission of any entity, except such loss or damage which was caused by the sole negligence or willful misconduct of the County, its employees, agents or volunteers.

Nothing herein shall be construed as a limitation of County's liability, and County shall indemnify, defend, and hold harmless Grass Valley and Nevada City from any and all liabilities, claims, demands, damages, losses and expenses (including, without limitation, defense costs and attorney fees) which result from the negligent act, willful misconduct, or error or omission of County, its employees, agents or volunteers, except such loss or damage which was caused by the sole negligence or willful misconduct of either Grass Valley or Nevada City, its employees, agents or volunteers.

L: INSURANCE

It is agreed that the Parties to this MOU shall maintain at all times during the term of this MOU insurance coverage in the amounts of not less than One Million Dollars (\$1,000,000) to cover all of its operations. Specifically, but not limited to, not less than One Million Dollars (\$1,000,000) general liability, One Million Dollars (\$1,000,000) automobile liability, One Million Dollars (\$1,000,000) workers' compensation, and One Million Dollars (\$1,000,000) professional liability (E&O).

Signatures:

By: _____
Honorable Lisa Swarthout, Chair, of the Board of Supervisors

Date:

Attest:

Lauriana Cecchi, Interim Clerk of the Board of Supervisors

Date:

By: _____
Hilary Hodge, Mayor of City of Grass Valley

Date:

By: _____
Daniela Fernandez, Mayor of City of Nevada City

Date:

Approved as to Form:

Dean Pucci, City Attorney for Nevada City

David Ruderman, City Attorney for Grass Valley

Trevor Koski, County Counsel for County of Nevada