




TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Laura Russell
Planning and Building Director 

DATE: January 11, 2023

RE: Authorize Town Manager to Execute Any and All Contract Amendments with Department of Housing and Community Development

RECOMMENDATION

Staff recommends that the Town Council authorize the Town Manager to execute any and all amendments with the California Department of Housing and Community Development for Agreement 19-PGP-13804 which provides grant funding and reimbursement to support the Town's implementation of its Housing Strategic Plan and Housing Element Update.

BACKGROUND

On November 13, 2019, the Town Council adopted a resolution supporting the Town's application for Senate Bill 2-Planning Grant Program (PGP) funds and authorized the Town Manager to apply for grant funds and execute an agreement and all other documents required to secure the grant. At the time the resolution was adopted, Town staff were working with the State Department of Housing and Community Development (HCD) to work out the details of the grant including a specific grant funding amount and so no grant amount was identified in the Town's adopted resolution.

The HCD subsequently executed an agreement with the Town. The agreement was set to expire December 31, 2022, but Town staff and HCD worked to extend the agreement through June 30, 2024. HCD requires the Town to adopt a resolution identifying the specific grant amount and also authorize the Town Manager to execute any future documents.

DISCUSSION

PGP funds are intended to assist municipalities with:

- Increasing housing production
- Streamlining the approval of housing development affordable to owner and renter households at all income levels

- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote development consistent with the State Planning Priorities
- Ensure geographic equity in the distribution and expenditures of funds

The Town sought PGP funds to assist with implementing the Town's Housing Strategic Plan, which included the preparation and adoption of any updates to the Town's accessory dwelling unit (ADU) ordinance, Housing Element update, application streamlining, general plan updates, and updates to zoning ordinances. The majority of these funds are being spend on the Housing Element update and associated actions.

HCD approved up to \$160,000 in reimbursable grant funds to support the Town's activities. HCD requires the Town to adopt a resolution identifying the specific grant amount, which was not originally specified, and authorize the Town Manager to execute any future documents.

FISCAL IMPACT

The adoption of the resolution will enable the Town to seek reimbursement of up to \$160,000 of Town expenses to support the above-listed activities.

ATTACHMENTS

1. Resolution Identifying the PGP Grant Amount and Authorizing the Town Manager to execute any related documents
2. PGP Grant Agreement and Amendment 1

RESOLUTION NO. _____-2023

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY
AUTHORIZING THE TOWN MANAGER TO EXECUTE DOCUMENTS
ASSOCIATED WITH THE PLANNING GRANT PROGRAM AGREEMENT 19-PGP-
13804**

WHEREAS, the State of California, Department of Housing and Community Development (Department) has issued a Notice of Funding Availability (NOFA) dated March 28, 2019, for its Planning Grants Program (PSG): and

WHEREAS, the Town of Portola Valley (Town) submitted a project application for the PGP program to accelerate the production of housing and submitted a 2-019 PGP grant application as described in the Planning Grants Program NOFA and SB 2 Planning Grants Program Guidelines released by the Department for the PGP Program, and;

WHEREAS, the Department was authorized to provide up to \$123 million under the SB 2 Planning Grants Program from the Building Homes and Jobs Trust Fund to Cities related to the PGP Program.

WHEREAS, the Department approved the Town's grant application and awarded the Town up to \$160,000 in grant funding.

WHEREAS, the Department and the Town executed an agreement (19-PGP-13804) to reimburse the Town up to \$160,000 towards efforts to increase housing, streamline approval of housing, facilitate housing affordability, ensure geographic equity and promote consistency with State Planning Priorities.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Portola Valley, California, that the Town of Portola Valley authorizes the Town Manager to enter into, execute, and deliver a State of California Agreement (Standard Agreement for the amount of \$160,000), and any and all other documents, and any amendments thereto, on behalf of the Town required or deemed necessary or appropriate to evidence and secure the PGP grant, the Town's obligations related thereto, and all amendments thereto (collectively, the "PGP Grant Documents").

The Town shall be subject to the terms and conditions as specified in the Standard Agreement, the SB 2 Planning Grants Program Guidelines, and any applicable PGP guidelines published by the Department. Funds are to be used for allowable expenditures as specifically identified in the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timeline represented in the application will be enforceable through the executed Standard Agreements. The Town hereby agrees to use the funds for eligible uses in the manner approved in agreement 19-PGP-13804 executed with the Department and in accordance to the Planning Grants NOFA, the Planning Grants Program Guidelines, and the 2019 Planning Grants Program Applications.

The Town Manager is authorized to execute the Town of Portola Valley's Planning Grants Program application, the PGP Grant Documents, and any amendments thereto, on behalf of the Town and required by the Department for receipt of the PGP grant.

Passed and adopted by the Town Council of the Town of Portola Valley, California, at meeting thereof held on the 11th Day of January 2023, by the following vote of the members thereof:

REGULARLY PASSED AND ADOPTED this 11th Day of January, 2023

Jeff Aalfs
Mayor

ATTEST:

Melissa Thurman, MMC
Town Clerk

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES SCO ID:
STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev 04/2020)

AGREEMENT NUMBER AMENDMENT NUMBER Purchasing Authority
Number

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 5 PAGES 19-PGP-13804

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1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR NAME

Town of Portola Valley

2. The term of this Agreement is:

START DATE

03/02/2021

THROUGH END DATE

06/30/2024

3. The maximum amount of this Agreement after this Amendment is:

\$160,000.00

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

This amendment is to extend the term of this agreement by 18 months from 3/2/2021 through 12/31/2022 to 3/2/2021 through 6/30/2024.

Exhibit B, Budget Detail and Payment Provisions, is hereby deleted in its entirety and replaced with Exhibit B, Budget Detail and Payment Provisions Am. 1 (Rev. December 8, 2022) attached hereto and made a part hereof.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Town of Portola Valley

CONTRACTOR BUSINESS ADDRESS

765 Portola Road

CITY

Portola Valley

STATE

CA

ZIP

94028

PRINTED NAME OF PERSON SIGNING

Jeremy Dennis

TITLE

Town Manager

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

12-13-22

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

2020 W. El Camino Ave., Suite 130

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Rebecca Taylor

TITLE

Contracts Office Manager, Contract Services Section

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

12/21/2022

CALIFORNIA DEPARTMENT OF GENERAL SERVICE APPROVAL

EXEMPTION (If Applicable)

Exempt per: SCM Vol. 1 4.04. A.3 (DGS memo date 06/12/1981)

Exhibit B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Application for Funds

- A. The Department is entering into this Agreement on the basis of, and in reliance on facts, information, assertions and representations contained in the Application and any subsequent modifications or additions thereto approved by the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. The Grantee warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of the Grantee's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect the Department's approval, disbursement, or monitoring of the funding and the grant or activities governed by this Agreement, the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

2. Grant and Reimbursement Limit

The maximum total amount granted and reimbursable to the Grantee pursuant to this Agreement shall not exceed \$160,000.00.

3. Grant Timelines

- A. This Agreement is effective upon approval by all parties and the Department, which is evidenced by the date signed by the Department on page one, Standard Agreement, STD 213 (the "Effective Date").
- B. All Grant funds must be expended by December 31, 2023.
- C. The Grantee shall deliver to the Department all final invoices for reimbursement on or before September 30, 2023, to ensure meeting the December 31, 2023 deadline.
- D. It is the responsibility of the Grantee to monitor the project and timeliness of draws within the specified dates.

4. Allowable Uses of Grant Funds

- A. The Department shall not award or disburse funds unless it determines that the grant funds shall be expended in compliance with the terms and provisions of the Guidelines, the NOFA, and this Agreement.

- B. Grant funds shall only be used by the Grantee for project activities approved by the State that involve the preparation and adoption of project activities as stated in the scope of work, project description, project timeline and other parts of the application, and eligible activities and uses pursuant to Article III of the Guidelines.
- C. Grant funds may not be used for administrative costs of persons employed by the Grantee for activities not directly related to the preparation and adoption of the proposed activity.
- D. The Grantee shall use no more than 5 percent of the total grant amount for costs related to administration of the project.
- E. A Grantee that receives funds under this Program may use a subcontractor. The subcontract shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the Grantee of its responsibilities under the Program.
- F. After the contract has been executed by the Department and all parties, approved and eligible costs for eligible activities may be reimbursed for the project(s) upon completion of deliverables in accordance with Schedule F: Project Timeline and Budget and the Statement of Work and subject to the terms and conditions of this Agreement.
- G. Only approved and eligible costs incurred for work after the NOFA date, continued past the date of execution and acceptance of the Standard Agreement and completed during the grant term will be reimbursable.
- H. Approved and eligible costs incurred prior to the NOFA date are ineligible.

5. Performance

The Grantee shall take such actions, pay such expenses, and do all things necessary to complete the scope of work specified in Exhibit A and as incorporated by the SB 2 Program application in accordance with the schedule for completion set forth therein and within the terms and conditions of this Agreement.

6. Fiscal Administration

- A. The Grantee is responsible for maintaining records which fully disclose the activities funded by the PGP grant. Adequate documentation for each reimbursable transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to PGP grant funds. If the allowability of expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and the State shall determine the reimbursement method for the amount disallowed. The State's

- determination of the allowability of any expense shall be final, absent fraud, mistake or arbitrariness.
- B. Work must be completed prior to requesting reimbursement. The Department may make exceptions to this provision on a case by case basis. In unusual circumstances, the Department may consider alternative arrangements to reimbursement and payment methods based on documentation demonstrating cost burdens, including the inability to pay for work.
- C. Prior to receiving reimbursement, the Grantee shall submit the following documentation:
- 1) Government Agency Taxpayer ID Form (GovTIN; Fi\$cal form);
 - 2) A Request for Funds on a form provided by the Department; and
 - 3) Any and all documentation requested by the Department in the form and manner as outlined in the following subsection D.
- D. Grantee shall submit all required reimbursement documentation to the following address:
- Department of Housing and Community Development
Housing Policy Development
Land Use Planning Unit
Attention: PGP Program Manager
2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833
P. O. Box 952050
Sacramento, CA 94252-2050
- E. The Grantee shall submit invoices for reimbursement to the Department according to the following schedule:
- 1) At maximum, once per quarter; or
 - 2) Upon completion of a deliverable, subject to the Department's approval; and
 - 3) At minimum, one invoice for reimbursement annually.
- The Department will use the 2019 calendar year beginning with January, with first requests for reimbursement accepted on or after September 30, 2019.
- F. The request for reimbursement must be for a minimum of 15 percent of the maximum grant amount awarded. The Department may consider exceptions to the minimum amount requested on a case-by-case basis. All invoices shall reference the contract

number and shall be signed and submitted to the Department's Program Manager at the address provided above in Section 6, item D of Exhibit B. Invoices shall include at a minimum the following information:

- 1) Names of the Grantee's personnel performing work;
 - 2) Dates and times of project work;
 - 3) Itemized costs in accordance with the Schedule F: Project Timeline and Budget and Statement of Work, including identification of each employee, contractor, subcontractor staff who provided services during the period of the invoice, the number of hours and hourly rates for each of the Grantee's employees, contractor(s), sub-recipient(s) or subcontractor's staff member(s), authorized expenses with receipts, and contractor, sub-recipient and subcontractor invoices; and
 - 4) Any other documents, certifications, or evidence deemed necessary by the Department prior to disbursement of grant funds.
- G. The Department will reimburse the Grantee directly for all allowable project costs as promptly as the Department's fiscal procedures permit upon receipt of an itemized signed invoice.
- H. The Department recognizes that budgeted deliverable amounts are based upon estimates. Grantees may request, in writing, a budget adjustment across deliverables subject to written approval by the Department, as long as the total budget does not exceed the maximum amount awarded to the Grantee.
- I. Grant funds cannot be disbursed until this Standard Agreement has been fully executed.
- J. Grant fund payments will be made on a reimbursement basis; advance payments are not allowed. The Grantee, its subcontractors and all partners, must have adequate cash flow to pay all grant-related expenses prior to requesting reimbursement from the Department. The Department may consider alternative arrangements to reimbursement and payment methods based on documentation demonstrating cost burdens, including the inability to pay for work pursuant to Section 601(f) of the Guidelines.
- K. The Grantee will be responsible for compiling and submitting all invoices, supporting documentation and reporting documents. Invoices must be accompanied by reporting materials where appropriate. Invoices without the appropriate reporting materials will not be paid.
- 1) Supporting documentation may include, but is not limited to; purchase orders, receipts, progress payments, subcontractor invoices, timecards, or any other

documentation as deemed necessary by the Department to support the reimbursement to the Grantee for expenditures incurred.

- L. The Grantee will submit for reimbursements to the Department based on actual costs incurred, and must bill the State based on clear and completed objectives and deliverables as outlined in the application, in Schedule F: Project Timeline and Budget, the Statement of Work, and/or any and all documentation incorporated into this Standard Agreement and made a part thereof.
- M. The Department may withhold 10 percent of the grant until grant terms have been fulfilled to the satisfaction of the Department.