

AGENDA

BOARD OF COMMISSIONERS HOUSING AUTHORITY OF THE COUNTY OF MERCED

Regular Meeting
Tuesday, October 18, 2022
12:00 p.m.

Closed session immediately following

Housing Authority of the County of Merced
Administrative Building
405 "U" Street
Board Room – Building B (Second Floor)
Merced, CA 95341
(209) 386-4139

Rick Osorio, Chairperson
Hub Walsh, Vice-Chair
Evelyn Dorsey
Robert Dylina
Diana Odom Gunn
Margaret Pia

All persons requesting disability related modifications or accommodations may contact the Housing Authority of the County of Merced at (209) 386-4139, 72 hours prior to the public meeting.

All supporting documentation is available for public review in the office of the Clerk of the Board located in the Housing Authority Administration Building, Second Floor, 405 "U" Street, Merced, CA 95341 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

The Agenda is available online at www.merced-pha.com

Use of cell phones, pagers, and other communication devices is prohibited while the Board Meeting is in session. Please turn all devices off or place on silent alert and leave the room to use.

I. CALL TO ORDER AND ROLL

II. UNSCHEDULED ORAL COMMUNICATION

NOTICE TO THE PUBLIC –

This portion of the meeting is set aside for members of the public to comment on any item within the subject-matter jurisdiction of the Commission, but not appearing on the agenda. Items presented under public comment may not be discussed or acted upon by the Commission at this time.

For items appearing on the agenda, the public is invited to comment at the time the item is called for consideration by the Commission. Any person addressing the Commission under Public Comment will be limited to a 3-minute presentation.

All persons addressing the Commission are requested to state their name and address for the record. Public comments must not interfere with orderly discussion or otherwise disrupt the meeting (CA Gov. Code 54957.9, SB 1100 (2022)). Slanderous, profane, threatening remarks or disorderly conduct that disrupts the meeting are prohibited (CA Gov. Code 36813, White v. City of Norwalk, 900 F.2d 1421 (1990)). Disruptive conduct may be grounds for removal from the meeting.

III. COMMISSIONER and/or AGENCY ADDITIONS/DELETIONS TO THE AGENDA

(M/S/C): ___ / ___ / ___



IV. APPROVAL OF THE FOLLOWING MEETING MINUTES

- 1. September 20, 2022, Regular Meeting (M/S/C): ____/____/____

V. CONSENT CALENDAR

- 1. Rent Delinquency Report September 2022
- 2. Financial Reports for September 2022
- 3. Public Housing Occupancy/Vacancy Report
- 4. HCV Special Program Counts

(M/S/C): ____/____/____

VI. INFORMATION/DISCUSSION ITEM(S)

- 1. Staff Report – Clerk of the Board/Human Resources/Development
- 2. Staff Report – SEMAP
- 3. VASH Notice of Funding Opportunity (NOFO)

VII. EXECUTIVE DIRECTOR REPORT

- 1. Boys & Girls Club Gala

VIII. WRITTEN CORRESPONDENCE

None

IX. RESOLUTION ITEM(S)

- 1. **Resolution No. 2022-19:** Approving and authorizing the Executive Director to execute a right of entry and access agreement with Planada Community Services District for a test well located at 8916 Gerard Road, Planada, CA

(M/S/C): ____/____/____

X. ACTION ITEM(S)

None

XI. COMMISSIONER’S COMMENTS

XII. CLOSED SESSION ITEM(S)

- 1. Pursuant to Government Code §54957.6
Union Negotiations
David Ritchie, Legal Counsel
Rosa Vazquez, Executive Director
Maria F. Alvarado, Human Resources Manager

XIII. ADJOURNMENT

(M/S/C): ____/____/____



MINUTES
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE COUNTY OF MERCED

Regular Meeting
Tuesday, September 20, 2022

- I. The meeting was called to order by Chairperson Osorio at 12:01 p.m. and the Secretary was instructed to call the roll.

Commissioners Present:

Rick Osorio, Chairperson
Hub Walsh, Vice-Chairperson
Evelyne Dorsey
Robert Dylina
Diana Odom Gunn
Margaret Pia

Commissioners Absent:

None

Chairperson Osorio declared there was a quorum present.

Staff Present:

Rosa Vazquez, Executive Director/Board Secretary
David Ritchie, Legal Counsel
Blanca Arrate, Director of Housing Programs
Tracy Jackson, Director of Housing Programs
Melina Basso, Director of Procurement & Asset Management
Cliff Hatanaka, Finance Officer
Bruce Milgrom, Finance Officer
Maria F. Alvarado, Board Clerk & HR Manager

Others Present:

None

II. UNSCHEDULED ORAL COMMUNICATION

None

III. COMMISSIONER and/or AGENCY ADDITIONS/DELETIONS TO THE AGENDA

Chairperson Osorio requests that Resolution No. 2022-10 through 2022-17 be approved with a single tabulated vote.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

IV. APPROVAL OF THE FOLLOWING MEETING MINUTES

1. July 13, 2022, Regular Meeting

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed



V. CONSENT CALENDAR

1. Rent Delinquency Report for July 2022
2. Financial Reports for July 2022
3. Public Housing Occupancy/Vacancy Report

Item V. 4 – Commissioner Dylina requested that Item V. 4. HCV Special Program Counts be approved separately as it is a new report and requires review and discussion.

(M/S/C): Commissioner Dylina/Commissioner Odom Gunn/Motion Passed

4. HCV Special Program Counts

(M/S/C): Commissioner Dylina/Commissioner Odom Gunn/Motion Passed

VI. INFORMATION AND DISCUSSION ITEM(S)

1. The Development Ad-Hoc Committee met prior to the meeting to review and discuss the contents of the Clerk of the Board/Human Resources/Development Staff Report. No additional discussion required as information was also provided in the packet.

VII. EXECUTIVE DIRECTOR REPORT

1. Executive Director Vazquez announced that the Authority received notification that the Authority has been awarded an additional sixteen (16) vouchers for the Housing Choice Voucher Program. These vouchers are regular tenant vouchers and not part of any special programs.
2. The Board was notified that the Authority will be applying for the newly announced Stability Voucher Program. Updates will be provided to the Board as available.

VIII. WRITTEN CORRESPONDENCE

None

IX. RESOLUTIONS ITEM(S)

1. **Resolution No. 2022-10:** Awarding the Carbon Monoxide Detector Conversion contract to Beam Construction and Management Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

2. **Resolution No. 2022-11:** Awarding the Atwater Migrant Center Roofing, Gutters, and Swamp Coolers contract to Beam Construction and Management Inc. and authorize the Executive Director, Rosa Vazquez, to



sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

3. **Resolution No. 2022-12:** Awarding the Los Banos Migrant Center Roofing, Gutters, and Swamp Coolers contract to Beam Construction and Management Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

4. **Resolution No. 2022-13:** Awarding the Merced Migrant Center Roofing, Gutters, and Swamp Coolers contract to Beam Construction and Management Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

5. **Resolution No. 2022-14:** Awarding the Felix Torres Migrant Center Roofing contract to Fresno Roofing Co., Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

6. **Resolution No. 2022-15:** Awarding the Merced Migrant Center Mini Split contract to Beam Construction and Management Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

7. **Resolution No. 2022-16:** Awarding the Atwater Mini Split Installation contract to Central Valley Air Conditioning, Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

8. **Resolution No. 2022-17:** Awarding the Los Banos Mini Split Installation contract to Central Valley Air Conditioning, Inc. and authorize the Executive Director, Rosa Vazquez, to sign or take any other action necessary to carry out the completion of the work.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed



9. **Resolution No. 2022-18:** Resolution of the Housing Authority of the County of Merced Honoring the memory of Commissioner Jose Manuel Resendez Jr.

(M/S/C): Commissioner Pia/Commissioner Odom Gunn/Motion Passed

X. ACTION ITEM(S)

1. **Action Item 2022-A-02:** Consideration of Action of the Board of Commissioners of the Housing Authority of the County of Merced Regarding Payoff Demand, Substitution of Trustee & Reconveyance of Deed for 1522 Vine Circle, Atwater, CA 95301.

(M/S/C): Commissioner Odom Gunn/Commissioner Pia/Motion Passed

XI. COMMISSIONER'S COMMENTS

The Board held a minute of silence in honor and remembrance of Commissioner Jose Resendez.

Commissioner Dylina recommends that the Authority improve its visibility in meetings and with community partners as well as educating these other agencies on what the Authority does.

XII. CLOSED SESSION ITEM(S)

The Board of Commissioners went into closed session at 12:57 p.m. The following people were present:

Board Members

Rick Osorio, Chair
Hub Walsh, Vice-Chair
Evelyne Dorsey
Robert Dylina
Diana Odom Gunn
Margaret Pia

Others Present

Rosa Vazquez, Executive Director/Board Secretary
David Ritchie, Legal Counsel
Maria F. Alvarado, HR Manager/Board Clerk

1. Public Employee Discipline/Dismissal/Release (§ 54957)

The Board returned to Regular Session at 1:12 p.m. and direction was given to staff.

XIII. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:12 p.m.

Chairperson Signature

Date: October 18, 2022

Secretary Signature

Date: October 18, 2022



Aged Receivables Report as for 9/2022 - As of 10-05-2022

Property	0 - 30 days	31-60 days	61 - 90 days	Over 90 days	Total Unpaid Charges	Balance
AMP 1						
ca023001 PH - Merced	6,203.67	3,071.41	0.00	11,110.74	20,385.82	20,385.82
ca023010 PH - Merced	3,702.10	1,449.38	0.00	4,236.04	9,387.52	9,387.52
ca023013 PH - Merced Sr	839.32	542.35	0.00	2,011.59	3,393.26	3,393.26
ca023021 PH - Acquisition	0.00	0.00	0.00	0.00	0.00	0.00
ca023023 PH - Acquisition	458.00	458.00	0.00	1,571.00	2,487.00	2,487.00
AMP 1 TOTALS	11,203.09	5,521.14	0.00	18,929.37	35,653.60	35,653.60
AMP 2						
CA023003 PH - Atwater - Cameo	101.00	0.00	0.00	-446.00	-345.00	-345.00
ca023006 PH - Livingston	2,363.00	403.00	0.00	1,340.06	4,106.06	4,106.06
012a PH - Atwater	2,215.10	1,895.52	0.00	9,698.94	13,809.56	13,809.56
012b PH - Winton	24.60	0.00	0.00	0.00	24.60	24.60
AMP 2 TOTALS	4,703.70	2,298.52	0.00	10,593.00	17,595.22	17,595.22
AMP 3						
ca023002 PH - Los Banos	1,733.00	810.59	0.00	4,063.00	6,606.59	6,606.59
ca023004 PH - Los Banos - Abby, B, C & D	1,802.00	1,066.00	0.00	-1,971.21	896.79	896.79
ca023005 PH - Dos Palos - West Globe	442.00	385.00	0.00	167.00	994.00	994.00
ca023011 PH - Los Banos - J & K St	996.00	702.00	0.00	0.00	1,698.00	1,698.00
012c PH - Dos Palos - Alleyne	843.66	0.00	0.00	0.00	843.66	843.66
012d PH - Dos Palos - Globe	382.00	0.00	0.00	-82.00	300.00	300.00
AMP 3 TOTALS	6,198.66	2,963.59	0.00	2,176.79	11,339.04	11,339.04
AMP 4						
ca023024 PH 1st Street	255.73	0.00	0.00	-723.00	-467.27	-467.27
AMP 4 TOTALS	255.73	0.00	0.00	-723.00	-467.27	-467.27
VALLEY VIEW						
atw Atwater Elderly	0.00	0.00	0.00	0.00	0.00	0.00
dp Dos Palos Elderly	0.00	0.00	0.00	0.00	0.00	0.00
mid Midway	0.00	0.00	0.00	200.00	200.00	200.00
pbc - atw	719.00	420.00	0.00	145.49	1,284.49	1,284.49
pbc - dp	684.00	359.00	0.00	-558.72	484.28	484.28
pbc - mid	2,050.87	1,621.00	0.00	19,585.81	23,257.68	23,257.68
VALLEY VIEW TOTALS	3,453.87	2,400.00	0.00	19,372.58	25,226.45	25,226.45
FELIX TORRES YEAR ROUND						
ft.yr Felix Torres Year Round Center	5,438.82	3,046.00	0.00	7,557.00	16,041.82	16,041.82
FELIX TORRES YEAR ROUND TOTALS	5,438.82	3,046.00	0.00	7,557.00	16,041.82	16,041.82
HOUSING AUTHORITY TOTALS	31,253.87	16,229.25	0.00	57,905.74	105,388.86	105,388.86

Housing Authority of the County of Merced
Financial Statement - AMP 1 (.fs-amp1)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
TENANT INCOME					
NET TENANT INCOME (1)	713,179	603,449	109,730	18	658,301
TOTAL GRANT INCOME (2)	622,266	626,505	-4,239	-1	683,465
TOTAL INCOME	1,335,445	1,229,954	105,491	9	1,341,766
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (3,4)	331,395	390,489	59,094	15	425,972
TOTAL TENANT SERVICES EXPENSES	2,236	1,562	-674	-43	1,700
TOTAL UTILITY EXPENSES	200,301	194,612	-5,689	-3	212,287
TOTAL MAINTENANCE EXPENSES (5)	320,752	344,476	23,724	7	375,771
TOTAL GENERAL EXPENSES (6,7)	156,211	139,821	-16,390	-12	152,544
TOTAL HOUSING ASSISTANCE PAYMENTS	2,537	4,587	2,050	45	5,000
TOTAL FINANCING EXPENSES	43,945	40,282	-3,663	-9	43,947
TOTAL NON-OPERATING ITEMS	34,573	34,573	0	0	37,716
TOTAL EXPENSES	1,091,950	1,150,402	58,452	5	1,254,937
NET INCOME	243,495	79,552	163,943	206	86,829

- (1) Lower Covid related rents, not realized \$110M
- (2) Lower Operating Subsidy -\$4M
- (3) Lower Personnel Costs \$37M
- (4) Lower Asset Mgmt Fees to be paid at yearend \$19M
- (5) Lower Supplies and higher Contract Maintenance Costs \$16M
- (6) Higher Property Insurance -\$11M, Lower W/C Ins +\$ 5M
- (7) Higher PILOT Expenses, based on higher rent revenue -\$10M

Housing Authority of the County of Merced
Financial Statement - AMP 2 (.fs-amp2)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME (1)	549,777	473,550	76,227	16	516,599
TOTAL GRANT INCOME (2)	403,117	422,576	-19,459	-5	460,996
TOTAL INCOME	952,894	896,126	56,768	6	977,595
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (3,4,5)	228,926	273,372	44,445	16	298,227
TOTAL TENANT SERVICES EXPENSES	1,593	1,463	-130	-9	1,600
TOTAL UTILITY EXPENSES (6)	191,130	181,401	-9,729	-5	197,902
TOTAL MAINTENACE EXPENSES (7,8)	304,065	279,158	-24,907	-9	304,498
TOTAL GENERAL EXPENSES (9,10,11)	116,772	109,219	-7,553	-7	119,157
TOTAL HOUSING ASSISTANCE PAYMENTS	1,324	1,034	-290	-28	1,125
TOTAL FINANCING EXPENSES	22,079	17,545	-4,534	-26	19,145
TOTAL NON-OPERATING ITEMS	65,425	65,428	0	0	71,372
TOTAL EXPENSES	931,314	928,620	-2,698	0	1,013,026
NET INCOME	21,580	-32,494	54,070	-166	-35,431

- (1) Lower COVID related rent, not realized \$76M
- (2) Lower Operating Fund -\$20M
- (3) Lower Personnel Costs \$28M
- (4) Higher Legal Expenses \$3M
- (5) Lower Asset Management Fees to be paid at yearend \$13M
- (6) Higher Utilities, invoices received in July -\$9M
- (7) Higher General Maint. Exp -Pension and Fuel -\$14M
- (8) Higher Maintenance Supplies -\$9M
- (9) Higher Property Insurance Expense -\$7M
- (10) Higher PILOT Expenses, based on higher rent revenues -\$7M
- (11) Lower Workman's Comp. Ins. \$7M

Housing Authority of the County of Merced
Financial Statement - AMP 3 (.fs-amp3)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME (1)	534,014	449,856	84,158	19	490,756
TOTAL GRANT INCOME (2)	430,612	467,269	-36,657	-8	509,747
TOTAL INCOME	964,626	917,125	47,501	5	1,000,503
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (3,4)	282,785	302,588	19,803	7	330,095
TOTAL TENANT SERVICES EXPENSES	1,857	1,001	-856	-85	1,100
TOTAL UTILITY EXPENSES (5)	157,013	145,453	-11,560	-8	158,688
TOTAL MAINTENANCE EXPENSES (6,7,8)	280,429	301,895	21,466	7	329,340
TOTAL GENERAL EXPENSES (9,10,11)	116,695	-116,695	-12,943	11	113,185
TOTAL HOUSING ASSISTANCE PAYMENTS	2,877	1,375	-1,502	-109	1,500
TOTAL FINANCING EXPENSES	20,240	20,240	0	0	22,083
TOTAL NON-OPERATING ITEMS	53,556	53,559	0	0	58,425
TOTAL EXPENSES	915,452	929,863	14,408	11	1,014,416
NET INCOME	49,174	-12,738	61,909	-486	-13,913

- (1) Lower COVID related rents. Not realized \$84M
- (2) Lower Operating Subsidy -\$37M
- (3) Lower Legal Expenses \$9M
- (4) Lower Asset Mgmt Fees to be paid at yearend \$13M
- (5) Higher Utilities Expenses, invoices received in July & Aug -\$11M
- (6) Lower Maintenance Personnel Expenses \$45M
- (7) Higher Maintenance Contract Services -\$16M
- (8) Higher Supplies Costs -\$7M
- (9) Higher Property Insurance due to prior year experience -\$9M
- (10) Higher PILOT costs due to higher Tenant Rents -\$7M
- (11) Lower Workman's Comp. \$ 3M

Housing Authority of the County of Merced
Financial Statement = AMP4 - 1st Street, Merced (.fs-amp4)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME (1)	21,069	12,639	8,430	67	13,782
TOTAL GRANT INCOME	24,701	26,235	-1,534	-6	28,618
TOTAL INCOME	45,770	38,874	6,896	18	42,400
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES	8,389	11,132	2,743	25	12,198
TOTAL TENANT SERVICES EXPENSES	2	0	-2	N/A	0
TOTAL UTILITY EXPENSES	6,174	5,797	-377	-6	6,323
TOTAL MAINTENACE EXPENSES (2,3)	16,622	5,863	-10,759	-183	6,429
TOTAL GENERAL EXPENSES	3,977	3,047	247	8	3,316
TOTAL HOUSING ASSISTANCE PAYMENTS	0	88	88	100	100
TOTAL FINANCING EXPENSES	1,230	1,122	-108	-10	1,221
TOTAL NON-OPERATING ITEMS	43,777	43,780	3	0	47,757
TOTAL EXPENSES	80,171	70,829	-8,165	-21	77,344
NET INCOME	-34,401	-31,955	-2,446	8	-34,944

- (1) Lower COVID related rent, not realized \$8M
- (2) Higher Building Supplies -\$3M
- (3) Higher Contract Work (Building and Landscape) -\$7M

Housing Authority of the County of Merced
Financial Statement - All HCV Properties with Sub (.fs-hcvs)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
TOTAL GRANT INCOME (1,2,3)	19,079,366	22,818,081	-3,738,715	-16	24,892,450
TOTAL OTHER INCOME	765	2,739	-1,974	-72	3,000
TOTAL INCOME	19,080,131	22,820,820	-3,740,689	-16	24,895,450
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (4,5,6,7)	1,572,122	1,708,707	136,585	13	1,864,061
TOTAL TENANT SERVICES EXPENSES	4,890	0	-4,890	N/A	0
TOTAL MAINTENACE EXPENSES (8)	36,343	22,066	-14,277	-65	24,075
TOTAL GENERAL EXPENSES	71,823	82,170	10,347	13	89,635
TOTAL HOUSING ASSISTANCE PAYMENTS (9,10)	18,243,066	20,897,349	2,654,283	13	22,797,109
TOTAL FINANCING EXPENSES	70,191	70,191	0	0	76,570
TOTAL EXPENSES	19,998,435	22,780,483	2,782,048	12	24,851,450
NET INCOME	-918,304	40,337	-958,641	-2,377	44,000

- (1) HUD withheld additional funding issued in March 2021 -\$1,113M
- (2) Lower than forecasted HAP Funding -\$2,626M
- (3) Higher Admin Fees \$43M
- (4) Higher Admin Salaries * Temp Salaries -\$ 36M
- (5) Lower Legal Fees \$9M
- (6) Lower Mgmt Fee and Bookkeeping Fees \$96M
- (7) Lower Inspections, invoices not received \$52M
- (8) Higher remodeling expenses for moving staff equipment and records -\$14M
- (9) Lower HAP payments to landlords \$2,300M
- (10) Lower Port out Expenses \$319M

Housing Authority of the County of Merced
Financial Statement - Central Office Cost Center (cocc)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
OTHER INCOME					
TOTAL OTHER INCOME (1,2,3)	877,240	1,124,827	-247,587	-22	1,227,078
TOTAL INCOME	877,240	1,124,827	-247,587	-22	1,227,078
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (4,5,6,7)	846,912	915,464	68,552	7	998,682
TOTAL TENANT SERVICES EXPENSES	2,684	0	-2,684	N/A	0
TOTAL UTILITY EXPENSES	41,597	40,887	-710	-2	44,605
TOTAL MAINTENANCE EXPENSES (8)	66,984	79,024	12,040	15	86,200
TOTAL GENERAL EXPENSES (9)	40,772	37,444	-3,328	-9	40,845
TOTAL FINANCING EXPENSES	73,249	73,249	0	0	79,909
TOTAL NON-OPERATING ITEMS	5,905	0	-5,905	N/A	0
TOTAL EXPENSES	1,078,102	1,146,068	67,966	3	1,250,241
NET INCOME	-200,862	-21,241	-179,621	846	-23,163

- (1) Lower Management and Bookkeeping Fees due to lower HAP issued -\$104M
- (2) Lower Asset Mgmt Fee to be paid at yearend -\$38M
- (3) Lower Admin Fee from Capital Fund to be paid before yearend -\$106M
- (4) Lower Personnel Costs \$12M
- (5) Higher Legal Expenses \$7M
- (6) Higher Consulting Expenses Accounting and CARES Act -\$21M
- (7) Lower Admin Training \$15M
- (8) Lower Maintenance and Supplies -\$12M
- (9) Higher Property Ins and W/C \$3M

Housing Authority of the County of Merced
Financial Statement - Langdon Villas (langdon)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME	66,230	65,230	1,000	2	71,160
TOTAL OTHER INCOME (1)	240,149	262,075	-21,926	-8	285,907
TOTAL INCOME	<u>306,379</u>	<u>327,305</u>	<u>-20,926</u>	<u>-6</u>	<u>357,067</u>
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (2)	66,259	77,297	11,038	14	84,327
TOTAL UTILITY EXPENSES	0	1,474	1,474	100	1,600
TOTAL MAINTENANCE EXPENSES (3)	6,179	10,219	4,040	40	11,150
TOTAL GENERAL EXPENSES	36,166	36,344	178	0	39,640
TOTAL FINANCING EXPENSES	146,410	146,410	0		159,716
TOTAL NON-OPERATING ITEMS	3,152	3,157	5	0	3,439
TOTAL EXPENSES	<u>258,166</u>	<u>274,901</u>	<u>16,735</u>	<u>6</u>	<u>299,872</u>
NET INCOME	<u><u>48,213</u></u>	<u><u>52,404</u></u>	<u><u>-4,191</u></u>	<u><u>-8</u></u>	<u><u>57,195</u></u>

(1) Note paid off at The Grove \$22M

(2) Lower Legal \$2M, Consult \$7M, Other Admin. \$ 2M

(3) Lower Contract Exp. \$4M

Housing Authority of the County of Merced
Financial Statement - Obanion Learning Center (obanion)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME (1)	173,685	181,742	-8,057	-4	198,270
TOTAL INCOME	<u>173,685</u>	<u>181,742</u>	<u>-8,057</u>	<u>-4</u>	<u>198,270</u>
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES	18,994	19,734	740	4	21,527
TOTAL UTILITY EXPENSES (2)	74,449	73,502	-947	-1	80,186
TOTAL MAINTENANCE EXPENSES (3)	30,561	36,414	5,853	16	39,705
TOTAL GENERAL EXPENSES	3,000	1,463	-1,537	-105	1,601
TOTAL NON-OPERATING ITEMS	49,317	49,313	-4	0	53,800
TOTAL EXPENSES	<u>176,320</u>	<u>180,426</u>	<u>4,106</u>	<u>2</u>	<u>196,819</u>
NET INCOME	<u><u>-2,635</u></u>	<u><u>1,316</u></u>	<u><u>-3,951</u></u>	<u><u>-300</u></u>	<u><u>1,451</u></u>

(1) Lower Commercial Rent and Utility reimbursement -\$8M

(2) Lower Utilities , Invoices rec'd in July \$1M

(3) Lower general Maintenance supplies and Contract Services \$6M

Housing Authority of the County of Merced
Felix Torres Year Round (.fs-ftyr)
Budget Comparison
Period = Oct 2021-Aug 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME (1)	491,354	519,321	-27,967	-5	566,530
TOTAL OTHER INCOME	85	0	85	N/A	0
TOTAL INCOME	491,439	519,321	-27,882	-5	566,530
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (2)	66,111	82,185	14,523	18	89,650
TOTAL UTILITY EXPENSES (3)	85,878	92,125	6,247	7	100,492
TOTAL MAINTENANCE EXPENSES	85,805	89,551	3,746	4	97,683
TOTAL GENERAL EXPENSES (4)	39,266	35,244	-4,022	-11	38,457
TOTAL FINANCING EXPENSES	19,393	19,393	0	0	21,157
TOTAL NON-OPERATING ITEMS	179,182	179,179	-3	0	195,471
TOTAL EXPENSES	475,635	497,677	20,491	4	542,910
NET INCOME	15,804	21,644	-7,391	-34	23,620

- (1) Lower COVID related rents \$28M
- (2) Lower Pension Exp \$15M
- (3) Lower Utilities , Invoices not rec'd \$ 6M
- (4) Higher Personnel/Fuel Exp. -\$6M
- (5) Lower Supplies and Contract Exp \$ 9M
- (6) Higher Property Insurance -\$4M

Housing Authority of the County of Merced
Property = atw dp mid vv-bond pbc-b-atw pbc-b-dp pbc-b-mid
Budget Comparison
Period = Oct 2021-Aug 2022

	PTD Actual	PTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
NET TENANT INCOME (1)	585,941	544,544	41,397	8	594,061
TOTAL OTHER INCOME (2)	11,427	0	11,427	N/A	0
TOTAL INCOME	597,368	544,544	52,824	10	594,061
EXPENSES					
TOTAL ADMINISTRATIVE EXPENSES (3,4,5)	110,190	159,148	48,958	31	173,586
TOTAL UTILITY EXPENSES (6)	91,185	88,990	-2,195	-2	97,079
TOTAL MAINTENANCE EXPENSES (7.8)	154,466	152,306	-2,160	-1	166,130
TOTAL GENERAL EXPENSES	42,373	39,204	-3,169	-8	42,776
TOTAL FINANCING EXPENSES (9)	65,252	65,252	0	0	71,190
TOTAL NON-OPERATING ITEMS	37,142	37,147	5	0	40,519
TOTAL EXPENSES	500,608	542,047	41,439	8	591,280
NET INCOME	96,761	2,497	94,264	-3,775	2,781

- (1) Higher Tennant Rent \$41M
- (2) Accounting Prior Period Adj. \$11M
- (3) Lower Personnel Costs \$27M
- (4) Lower Legal And Admin Expenses \$14M
- (5) Lower Mgt Fee \$ 8M
- (6) Higher Utility Expenses \$2M
- (7) Landscaping/Fencing funded by Improvement Note Payable \$432M (Adj), not included in operating expenses
- (8) Higher Contract Costs -\$6M
- (9) Property Ins. & W/C Expense up -\$3M

Financial Stmt - Migrant (.fs-mig)
Budget Comparison
Period = Jul 2021-Jun 2022

	YTD Actual	YTD Budget	Variance	% Var	Annual
			Fav/-Unfav	Fav/-Unfav	
Revenue & Expenses					
INCOME					
Total - Grant Income (1)	1,237,327	1,489,586	-252,259	-17	1,489,586
TOTAL INCOME	1,237,327	1,489,586	-252,259	-17	1,489,586
EXPENSES					
Total - Center Personnel (2)	464,844	698,100	233,256	33	698,100
Total - Operating Expenses (3)	444,934	427,840	-17,094	-4	427,840
Total - Maintenance Expenses (4,5)	55,952	87,550	31,598	36	87,550
Total - Contractor Administration	121,740	125,694	3,954	3	125,694
Total - Debt Service and Replacement	149,857	150,402	545	0	150,402
TOTAL	1,237,327	1,489,586	252,259	17	1,489,586
NET INCOME	0	0	0	0	0

- (1) Migrant Program is a zero budget program. Merced HA is reimbursed for expenditures
- (2) Lower Personnel Costs \$233M
- (3) Higher Supplies and Materials \$17M
- (4) Lower Contracted Maintenance \$7M
- (5) Lower Minor Rehabilitation \$22M

Total Number of Public Housing Units: 421
 Number of Occupied Units: 410
 Number of Vacant Units: 11

Unit ID	Prospective Resident	Move - In Date	Security Deposit Amount
86	YES	10/27/22	\$500.00
114	YES	250 Seleced From Waitinglist	\$500.00
365	NO	10/20/22	\$500.00
426	YES	250 Seleced From Waitinglist	\$500.00
387	YES	10/20/22	\$500.00
225	YES	250 Seleced From Waitinglist	\$500.00
292	YES	10/20/22	\$500.00
362	NO	100 Selected From Waitinglist	\$500.00
3	YES	250 Seleced From Waitinglist	\$500.00
476	YES	250 Seleced From Waitinglist	\$500.00
430	NO	100 Selected From Waitinglist	\$500.00

Special Program Voucher Counts

Voucher Program Name	Allocation	Voucher Under HAP	Vouchers Searching	Referrals Pending Review/Documentation	Packets needed to fully HAP
Veterans Affairs Supportive Housing (VASH)	123	113	9	0	1
Emergency Housing Voucher (EHV)	68	22	35	1	10
Mainstream (MS5)	26	8	3	0	15
Shelter Plus Care (SPC)	8	3	2	0	3
Independent Living Program (ILP)	10	6	2	0	2
Family Unification Program (FUP)	27	23	1	0	3
Coordinated Entry System (CES)	150	112	3	2	33
Adult Protective Services (APS)	10	3	5	0	2
Funding for all special programs is through the Department of Housing & Urban Development (HUD).					

STAFF REPORT

TO: Board of Commissioners,
Housing Authority of the County of Merced

FROM: Maria Alvarado, Director of Housing & Community Development/
HR Manager/Clerk of the Board

DATE: October 18, 2022

SUBJECT: Housing Authority of the County of Merced Development Update

On October 6, 2022, an article was published in The Times regarding the City of Merced's affordable housing. In this article the City of Merced provided a list of nine (9) affordable housing projects that are in various stages of development.

Although not mentioned, several of those projects have Authority voucher/subsidy contributions or are projects that have solicited Authority subsidy. Below is a summary of those contributions.

- **The Retreat Apartments** – the Authority allocated thirty (30) vouchers for this site. The waiting list and waiting list sign up announcement are in the final stages of set up.
- **Mercy Village** – the Authority allocated sixty-five (65) vouchers for this site and once the project is fully launched the Authority will, similarly to The Retreat, set up the waiting list and waiting list sign up announcement.
- **Twelve Thirteen Project** – Ryan Wilson from Upholdings, has contacted the Authority seeking forty-five (45) project-based vouchers. Upholdings was notified that the Authority is awaiting HUD response for the PBV allocation request. If and when approved we would add Upholdings to the RFP solicitation list.
- **Linc Housing** – Rose Cuyno from Linc Housing remains in contact with the Authority awaiting the resolution of the Authority's PBV allocation request.

The Authority's request for an increase in project-based allocations remains under review. A follow up call with the HUD representative is being scheduled. Final resolutions updates will be provided as soon as possible.

Additionally, CalAHA has moved forward with the development draft drawings for the vacant lots. Mr. Al Jenkins has been contracted to complete this task.

The Authority has drafted its submission for the Stability Voucher Program. The Stability Voucher Program is similar to the successful Emergency Housing Voucher Program (EHVs), funded by the American Rescue Plan Act (ARPA) in that they include programmatic flexibilities to help families successfully secure a unit. In coupling Stability Vouchers with CoC-funded supportive services, families can be provided resources and services that will help them to obtain and maintain housing.

STAFF REPORT

TO: Board of Commissioners,
Housing Authority of the County of Merced

FROM: Rosa Vazquez, Executive Director

DATE: October 18, 2022

SUBJECT: Section Eight Management Assessment Program (SEMAP)

Every year the Authority is required to submit a Section Eight Management Assessment Program (SEMAP) report to the Department of Housing & Urban Development (HUD).

SEMAP is used to remotely measure the Authority's performance and administration of the Housing Choice Voucher (HCV) program. SEMAP uses HUD's national database of tenant information and information from audits conducted annually by independent auditors. HUD will annually assign each housing authority a rating on each of the fourteen (14) indicators and an overall performance rating of high, standard, or troubled.

The indicators of performance show whether the Authority helped eligible families to afford decent rental units at a reasonable subsidy cost as intended by Federal housing legislation. Of the fourteen (14) indicators seven (7) are self certified by the Authority. The remaining indicators are scored utilizing HUD's Public and Indian Housing Information Center (PIC) data which is derived from the 50058 actions processed by the Authority.

The 14 key indicators of Authority performance are:

- Proper selection of applicants from the housing choice voucher waiting list.
- Sound determination of reasonable rent for each unit leased.
- Establishment of payment standards within the required range of the HUD fair market rent.
- Accurate verification of family income.
- Timely annual reexaminations of family income.
- Correct calculation of the tenant share of the rent and the housing assistance payment.
- Maintenance of a current schedule of allowances for tenant utility costs.
- Ensure units comply with the housing quality standards before families enter into leases and the Authority enter into housing assistance contracts.
- Timely annual housing quality inspections.
- Performing of quality control inspections to ensure housing quality.

- Ensure that landlords and tenants promptly correct housing quality deficiencies.
- Ensure that all available housing choice vouchers are used.
- Expand housing choice outside areas of poverty or minority concentration.
- Enroll families in the family self-sufficiency (FSS) program as required and help FSS families achieve increases in employment income.

The Authority self-certifies to HUD 60 days after the end of the fiscal year. The Field Office will then issue a score within 120 days after the end of fiscal the year. The Authority is currently working on this self certification and will presented to the Board for approval at the upcoming November 2022 meeting.

NOTE: During the pandemic HUD allowed for PHAs to forgo submissions of SEMAP and carried over the SEMAP score from the prior year.

STAFF REPORT

TO: Board of Commissioners,
Housing Authority of the County of Merced

FROM: David G. Ritchie, Counsel

DATE: October 18, 2022

SUBJECT: CONSIDERATION OF A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF MERCED, CALIFORNIA, APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A RIGHT OF ENTRY AND ACCESS AGREEMENT WITH PLANADA COMMUNITY SERVICES DISTRICT FOR A TEST WELL LOCATED AT 8916 GERARD RD. PLANADA, CA.

The Authority are owners of a property located on Girard Rd. in Planada, which is currently undeveloped, but previously had a temporary metal structure (a structure that was previously declared as surplus by the Board earlier this year).

The Authority has been approached by the Community Services District with a request to enter into an agreement to access the Authority-owned property for the purpose of drilling a water test well, performing soils testing and water sampling (among other related activities) designed to determine whether a portion of the parcel would be an appropriate/feasible location for a full-production well meeting municipal water supply standards.

If such an installation is feasible, the Community Services District proposes to purchase a portion of the property needed for the production well from the Authority and the Parties would then enter into good-faith negotiations on a purchase and sale agreement in which a portion of the property needed to establish the well would be sold to the CSD. This test well access agreement establishes the option to purchase for the CSD, and the purchase agreement (if later approved by the Board) would then include agreements made that include but are not limited to: provisions for price and terms, subdivision of the parcel, and any included connections for Authority infrastructure to the municipal supply.

In the event that a production well is not feasible for the site, the CSD will restore the property to its current condition. This agreement grants a non-exclusive, revocable right to enter on to the property for the purposes described herein until November 15, 2024 or until terminated by the Parties.

RECOMMENDATION

Staff recommends approval.

ALTERNATIVES

The Board could decline to approve, and the CSD would look to locate their production well at a different location. The Authority would continue to retain the property in its current condition until the Board engaged in further development or disposition of the property.

ATTACHMENTS:

Form of Agreement - RIGHT OF ENTRY AND ACCESS AGREEMENT

Site Map

Resolution No. 2022-19

RESOLUTION NO. 2022-19

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF MERCED, CALIFORNIA, APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A RIGHT OF ENTRY AND ACCESS AGREEMENT WITH PLANADA COMMUNITY SERVICES DISTRICT FOR A TEST WELL LOCATED AT

WHEREAS, the Housing Authority of the County of Merced (“Authority”) are owners of a parcel located at 8916 Girard Rd. in Planada, CA APN 053-144-010-000; and

WHEREAS, the Planada Community Services District (“CSD”) has requested the right of entry upon and access to the Property for the purpose of drilling a water test well, undertaking soil tests, water sampling, and well inspections; and

WHEREAS, The Parties wish to execute an agreement, to grant the CSD a non-exclusive, revocable license to enter upon the Property for the purposes of these activities and granting an option to purchase on price and terms to be agreed upon at a later date after good-faith negotiations; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the County of Merced hereby finds and determines the following:

1. The above recitals are true and correct.
2. The Board of Commissioners hereby authorizes the Executive Director to execute the A Right of Entry and Access Agreement with The Planada Community Services District, attached hereto as Exhibit “A”.
3. This Resolution shall take effect immediately upon adoption of the Board of Commissioners.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Merced this 18h day of October, 2022 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Chairperson

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "Agreement") is made and entered into as of October _____, 2022, by the **Housing Authority of the County of Merced**, Property Owner, (herein called "Grantor"), and the **Planada Community Services District, a Public Entity** (herein called "Grantee").

WITNESSETH:

WHEREAS Grantor is the owner of the real property more particularly described on Exhibit A, attached hereto, and incorporated herein by reference (herein called the "Property").

WHEREAS, Grantee has requested the right of entry upon and access to the Property for the purpose of drilling a water test well, undertaking soil tests, water sampling, and well inspections, as set forth in this Agreement (herein called the "Due Diligence Activities") in connection with the proposed acquisition by Grantee of the Property.

WHEREAS, if the water test well is successful (that a full production well is feasible at the site location on the Property) in Grantee's sole and absolute discretion, the parties have agreed to then enter negotiations for a purchase sale agreement for Grantee to purchase a portion of the Property.

WHEREAS, Grantor has agreed to grant to Grantee, and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement.

WHEREAS Grantor and Grantee desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and incorporating these Recitals herein, Grantor and Grantee do hereby covenant and agree as follows:

1. Access by Grantee, Term and Indemnification.

(a) Grantor hereby grants to Grantee such nonexclusive easements and rights-of-way in, to, over, under and across the Property and any improvements thereon, for so long as this Agreement shall be in effect, as shall be necessary for access to the Site (the "Access Easement"). Subject to Grantee's compliance with the terms and provisions of this Agreement, until the earlier to occur of (i) November 15, 2024; or (ii) the earlier

termination of this Agreement, Grantee and Grantee's agents, employees, contractors, representatives and other designees (herein collectively called "Grantee's Designees") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities provided Grantee gives Grantor at least two (2) business days' prior written notice of each inspection ("Term").

(b) Grantee expressly agrees as follows: any activities by or on behalf of Grantee, including, without limitation, the entry by Grantee or Grantee's Designees onto the Property in connection with the Due Diligence Activities which will include the installation and maintenance of a water test well on the Grantor's property at the mutually agreed upon site on the Property at the location shown on the attached map attached hereto as **Exhibit B ("Site")**. Grantor agrees the Grantee has full access to the Property, as it reasonably deems necessary to access the water test well for water level measurements and water quality sampling purposes during the Term of this Agreement.

(c) Grantee shall protect, hold harmless, indemnify, and defend Grantor and its officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred by Grantee, its directors, and officers, Agents, or employees to the extent caused by, arising out of, or in any way resulting from the use of the Property by Grantee and its Agents.

2. Well Installation. The water test well will be a hole extending into the earth produced by drilling and auguring. The hole will be cased and screened at an appropriate depth for water level measurements and/or sampling. The excavation and installation of the water test well may begin at any time after the Agreement is fully executed and the terms and conditions for access are satisfied. The well shall be excavated, installed, and properly maintained in a first-class manner by Grantee at its sole expense.

3. Well Removal. At the termination of this Agreement the water test well will be removed, filled in/or plugged according to State regulations at Grantee's sole expense within thirty (30) days. The Grantee shall restore the property, again at its sole expense, as nearly as possible to the same condition as existed prior to the excavation and /or installation of the water test well.

4. Lien Waivers. Grantee shall provide Grantor with lien waivers following completion of the Due Diligence Activities from each contractor, material supplier, engineer, architect, and surveyor who might have lien rights, in form and substance reasonably satisfactory to Grantor and its counsel. Grantee shall be bound by the same indemnification, defense, and hold harmless obligation as specified above in Section 1(b) with respect to any claims or demands for payment, or any liens or lien claims made against Grantor or the Property, arising out of the Due Diligence Activities.

5. Insurance. Grantee shall, and shall cause all of Grantee's Designees performing the Due Diligence Activities to, procure or maintain a policy of commercial general liability insurance issued by an insurer reasonably satisfactory to Grantor Lessee shall carry and maintain in effect Commercial General Liability insurance (including but not limited to,

coverage for premises/operations, excavation, collapse and underground hazards, products/completed operations, broad form property damage (including blanket contractual liability), acts of independent contractors, and bodily injury and property damage) providing for minimum limits of One Million Dollars (\$1,000,000.00) annually for bodily injury, including death, and property damage, arising from any one occurrence, a Two Million Dollar (\$2,000,000.00) aggregate limit, and a deductible of not greater than One Hundred Thousand Dollars (\$100,000.00) per loss covering any of the Due Diligence Activities. Grantee shall deliver to Grantor a certificate of insurance evidencing that such insurance is in full force and effect prior to the commencement of any work on the Property. Such insurance shall be maintained in force throughout the Term of this Agreement.

6. Successors. To the extent any rights or obligations under this Agreement remain in effect, this Agreement shall be binding upon and enforceable against, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

7. Limitations. Grantor does not hereby convey to Grantee any right, title, or interest in or to the Property, but merely grants the specific rights and privileges hereinabove set forth.

8. No Recording of Agreement or Memorandum of Agreement. In no event shall this Agreement or any memorandum hereof be recorded, and any such recordation or attempted recordation shall constitute a breach of this Agreement by the party responsible for such recordation or attempted recordation.

9. Notices. All notices, demands and other communications shall be given in writing and shall be delivered by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) business days following deposit in the United States mail, postage prepaid, certified, or registered, return receipt requested. Notices shall be addressed as provided below for ~~ter~~respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

Grantee: Planada Community Services District
103 Live Oak Street
Planada, California 95365
Attn.: Daniel Chavez, District Manager
Phone: (209) 382-0213

Grantor: Housing Authority of the County of Merced
405 U Street,
Merced, CA, 95341
Attn: Rosa Vasquez, Executive Director
Phone: (209) 386-4108

Copy to (which shall not constitute Notice):
Maria F. Alvarado, Board Clerk
405 U Street,
Merced, CA, 95341
Phone: (209) 386-4139

Copy to (which shall not constitute Notice):
David G. Ritchie, Legal Counsel
2281 Lava Ridge Court, Suite 300
Roseville, CA 95661
Phone: (916) 780-9009

10. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

11. Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provision, to the extent enforceable, in any jurisdiction, shall nevertheless be binding and enforceable if and to the extent that the economic and legal substance of the transactions contemplated is not materially adversely affected in any matter as to any party and shall be construed and enforced so as to effectuate the intent of the entire Agreement, including the wholly or partially unenforceable provision, to the maximum extent legally permissible.

12. Amendments. Any amendments to this Agreement shall be effective only when executed in writing as an amendment to this Agreement executed by Grantor and Grantee.

13. Attorneys' Fees. If suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, or any other court action occurs arising out of this Agreement, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

14. No Third-Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Grantor and Grantee and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California (without giving effect to the laws of such state in relation to choice of laws).

16. Assignment of Agreement. Neither Grantor nor Grantee may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may not be unreasonably withheld.

17. Counterparts. This Agreement may be executed in one or more counterparts, including transmission of counterparts by facsimile or electronic mail in “portable document format” (.pdf) form or other electronic service (e.g., DocuSign), each of which shall be deemed an original but all of which, taken together, shall constitute one and the same agreement.

18. Construction. The parties acknowledge that each party and its counsel have reviewed and approved this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

19. No Other Grant of Rights. This Agreement does not demise or lease to Grantee any oil, gas or minerals in place underneath the surface of the Property or the right to extract and remove the same, which oil, gas, minerals and right are reserved to, and retained by, Grantor. During the duration of the Term, Grantor may not use the Property for the purpose of exploring for, extracting, producing or mining such oil, gas or minerals but may explore for, extract or produce oil, gas and minerals from the Property in a manner which does not interfere with Grantee’s use of the Property. Any and all real property rights not granted to Grantee in this Agreement are expressly excluded and reserved to Grantor.

20. Option to Purchase. Should Grantee determine, in its sole and absolute discretion, that a production well is feasible at the location of the Site, the parties agree to enter into good faith negotiations for a purchase sale agreement in which Grantee would purchase a portion of the Property from Grantor. Provisions of a purchase agreement to be agreed on include, but are not limited to: an option price to permit Grantee time to process its construction plans and secure funding; the purchase price; provisions for a subdivision and other permitting approvals for the Site, all at Grantee’s cost; and, that the market that now operates on the Property be connected at no charge Grantor to the Planada Water System. In the event the parties cannot reach agreement on a purchase price, they contemplate engaging an appraiser to render a neutral opinion on the value, taking into consideration the intrinsic value to Grantor.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed and sealed, all day and year first written above.

GRANTOR:

By: _____
Housing Authority of the County of Merced

Signature page continues.

Rosa Vasquez, Executive
Director

Date Executed: _____

GRANTEE:

Planada Community Services District

By: _____ Name: Daniel Chavez
Title: District Manager

Date Executed: _____

Attest:

Laura Saldana, Secretary of the Board

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN AS THE “LAND” IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF MERCED, DISTRICT OF PLANADA, AND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Assessor Parcel No. 053-144-010-000

Address: 8916 Gerard Avenue, Planada, CA, 95365

Acres: 11.48



Map: See attached Map

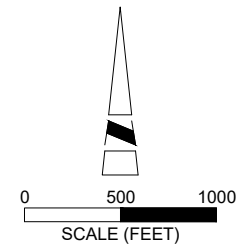
EXHIBIT B

**MAP OF PROPERTY, TEST WELL
LOCATION AND ACCESS POINT(S)**

Planada CSD
DWSRF Planning Study

LEGEND

-  Existing Well
-  Test Well No. 8A Location



Planada CSD
Water Supply Wells
Location Map

