

**AFFORDABLE HOUSING PRODUCTION, PRESERVATION,
AND OWNERSHIP; TECHNICAL ASSISTANCE, RESEARCH AND POLICY; AND
RENTER PROTECTION AND HOMELESSNESS PREVENTION FUNDING
MEMORANDUM OF UNDERSTANDING**

(South Bay Cities Council of Governments FY2025-26)

This Affordable Housing Production, Preservation, and Ownership; Technical Assistance, Research and Policy; and Renter Protection and Homelessness Prevention Funding Memorandum of Understanding (“**MOU**”), effective July 1, 2025 (“**Effective Date**”), is between the Los Angeles County Affordable Housing Solutions Agency, a special act agency (“**Agency**”), and South Bay Cities Council of Governments, a [entity type] (“**Recipient**”), each individually a “**Party**” and collectively the “**Parties.**”

RECITALS

This MOU is made with reference to the following facts:

- A. In September 2022, Governor Newsom signed Senate Bill 679, known as the Los Angeles County Regional Housing Finance Act (“**Act**”). The Act created Agency to increase the supply of affordable housing by providing enhanced funding and technical assistance for renter protections, affordable housing preservation, and new affordable housing production.
- B. In November 2024, Los Angeles County voters approved “**Measure A**,” known as the Affordable Housing, Homelessness Solutions, and Prevention Now Transactions and Use Tax Ordinance. Measure A established a one-half percent sales tax on every dollar of goods sold in Los Angeles County to provide dedicated funding for various purposes, including reducing and preventing homelessness and increasing the supply of affordable housing.
- C. Measure A directs the Los Angeles County Auditor-Controller (“**County Auditor-Controller**”) to disburse 35.75% of the proceeds generated to Agency for use in accordance with the Act’s and Measure A’s requirements through fiscal year 2029-2030 (and thereafter, such percentage may be modified by the Los Angeles County Board of Supervisors every five years, except that such percentage may not be less than 33.33%). These include, among other things, that: Agency use 60% of its Measure A funds for affordable housing production, preservation, and ownership (“**PPO**”) (Gov. Code, § 64830(d)(1); Measure A, § 29(B)); that Agency use 5% of its Measure A funds for technical assistance, research, and policy development (“**Technical Assistance**”) (Gov. Code, § 64830(d)(4)); and that Agency use 30% of its Measure A funds for Renter Protection and Homelessness Prevention (“**RPHP**”) (Gov. Code, § 64830(d)(2)).
- D. The Act requires Agency’s Board to adopt an Annual Expenditure and Strategy Plan, which must set forth the share of revenue and estimated funding to be spent on each of the above-stated categories (“**Annual Expenditure and Strategy Plan**”). Agency’s Board adopted the first Annual Expenditure and Strategy Plan on June 25, 2025 (and it is anticipated that the Board will adopt subsequent Annual Expenditure and Strategy Plans on an annual

basis). The Annual Expenditure and Strategy Plan establishes the proportional amount of revenues and estimated funding that Agency will distribute to Recipient and each of the other “**Eligible Jurisdictions**” (as defined herein) for each funding category. Exhibit A, attached hereto and incorporated herein by reference, contains the allocations as approved by Agency’s Board in the Annual Expenditure and Strategy Plan.

E. Of the funds allocated for PPO, Agency must disburse 70% of such funds to Eligible Jurisdictions in accordance with each jurisdiction’s pro rata share of the total lower income housing needs assessment goal for Los Angeles County allocated pursuant to Government Code section 65584 (“**Pro Rata RHNA Share**”). (Gov. Code, § 64830.5(a)(1)(A)-(F), (a)(2)(A)(i).).

F. Each Eligible Jurisdiction and its Pro Rata RHNA Share is provided in Exhibit A. Recipient’s Pro Rata RHNA Share for 2025-2026 is **1.91%**.

G. Of the funds allocated for Technical Assistance, Agency must disburse 70% of such funds to Eligible Jurisdictions on a per low-income renter basis. (Gov. Code, § 64830.5(a)(1)(A)-(F), (a)(2)(C)(i)) (“**Technical Assistance Allocation**”).

H. Each Eligible Jurisdiction and its Technical Assistance Allocation is provided in Exhibit A. Recipient’s Technical Assistance Allocation is **0.21%**.

I. Of the funds allocated for RPHP, Agency must disburse 70% of such funds to Eligible Jurisdictions. Agency has elected to make such disbursement based on a per low-income renter basis. (Gov. Code, § 64830.5(a)(1)(A)-(F), (a)(2)(B)(i)) (“**RPHP Allocation**”). Each Eligible Jurisdiction and its RPHP Allocation is provided in Exhibit A. Recipient’s RPHP Allocation is **1.28%**.

J. The Act and Measure A provide that Eligible Jurisdictions may receive their respective Pro Rata RHNA Share of PPO funds, Technical Assistance Allocation, and RPHP Allocation directly from Agency, provided that direct allocations are subject to the conditions and restrictions set forth in the Act and Measure A for the receipt and use of the funds.

K. The Parties have entered into this MOU to comply with the Act and Measure A and memorialize the terms and conditions governing the disbursement and use of Recipient’s Pro Rata RHNA Share of PPO funds, Technical Assistance Allocation, and RPHP Allocation.

TERMS AND CONDITIONS

The Parties agree as follows:

1. Incorporation. The Parties agree that the Recitals above constitute the factual basis upon which Agency and Recipient have entered into this MOU. Agency and Recipient each acknowledge the accuracy of the Recitals and hereby agree to the incorporation of the Recitals into this MOU as though fully set forth herein.

77 **2. Term; Extension.** The term of this MOU is one year starting on the Effective Date. The
78 term will automatically renew for successive one-year terms unless either Party provides
79 the other Party with a written notice of non-renewal at least 30 days before the end of the
80 then-current term. Any renewal terms shall be on the same terms and conditions provided
81 herein, except that the allocations provided in Exhibit A shall be automatically updated to
82 reflect the allocations set forth in the Annual Expenditure and Strategy Plan adopted by the
83 Board for that fiscal year (e.g., if this MOU is renewed for FY 2026-2027, the allocations
84 provided in Exhibit A shall be those provided in the Board's Annual Expenditure and
85 Strategy Plan for FY 2026-2027). This MOU will terminate upon the earlier of: (i) the fifth
86 anniversary of the Effective Date; or (ii) the expiration of the then-current term following
87 a Party's timely notice of non-renewal.

88 2.1. In the event that, during the term of this MOU, the Pro Rata RHNA Share changes as a
89 result of a subsequent RHNA cycle, an addendum will be provided to each Eligible
90 Jurisdiction's MOU, including this MOU, to incorporate the change.

91 **3. Recipient Acknowledgment.**

92 3.1. **Eligible Jurisdiction; Pro Rata RHNA Share.** Recipient acknowledges and
93 agrees that it is an Eligible Jurisdiction whose Pro Rata RHNA Share is **1.91%**.

94 3.2. **Recipient's Share of PPO Funds.** In accordance with Section 3.1 above, Recipient
95 acknowledges and agrees that it will receive **1.91%** of the PPO funds available to
96 be disbursed by Agency to the Eligible Jurisdictions for 2025-2026. Such share of
97 PPO funds may change from time to time.

98 3.3. **Eligible Jurisdiction; Technical Assistance Allocation.** Recipient acknowledges
99 and agrees that it is an Eligible Jurisdiction whose Technical Assistance Allocation
100 is **0.21%**.

101 3.4. **Recipient's Share of Technical Assistance Funds.** In accordance with Section 3.3
102 above, Recipient acknowledges and agrees that it will receive **0.21%** of the
103 Technical Assistance funds available to be disbursed by Agency to the Eligible
104 Jurisdictions for 2025-2026. Such share of Technical Assistance funds may change
105 from time to time.

106 3.5. **Eligible Jurisdiction; RPHP Allocation.** Recipient acknowledges and agrees that
107 it is an Eligible Jurisdiction whose RPHP Allocation is **1.28%**.

108 3.6. **Recipient's Share of RPHP Funds.** In accordance with Section 3.5 above,
109 Recipient acknowledges and agrees that it will receive **1.28%** of the RPHP funds
110 available to be disbursed by Agency to the Eligible Jurisdictions for 2025-2026.
111 Such Share of RPHP funds may change from time to time.

112 3.7. **Recipient Reallocation to Agency.** If Recipient so chooses, it may elect to re-
113 allocate all or a portion of its funding allocation for any allocation to Agency to

114 partner with on the operation or to solely operate a program on Recipient's behalf
115 within Recipient's jurisdiction.

116 **4. Disbursement Schedule.** Agency will disburse funds to Recipient in accordance with the
117 Master Funding Policy and Guidelines for Eligible Jurisdictions ("**Master Funding Policy**
118 **and Guidelines**") published by Agency after the County Auditor-Controller disburses
119 Measure A proceeds to Agency.

120 **5. Direct Allocation of PPO Funds.** Prior to disbursing a direct allocation of PPO Funds to
121 Recipient, the following conditions of Government Code section 64830.5(a)(2)(A)(iv)(I)
122 shall be met:

123 5.1. Recipient agrees to adopt and adhere to Agency financing policies and guidelines,
124 including public engagement and notice provisions.

125 5.2. All funded projects are in compliance with Agency's eligible uses and affordability
126 requirements.

127 5.3. Recipient agrees to allocate its funding within 12 months through administrative
128 processes without being subject to additional legislative process.

129 5.4. Recipient is in compliance with Affirmatively Furthering Fair Housing in
130 California guidelines. If Recipient is a regional agency, it shall expend the funds
131 only in jurisdictions that are in compliance with Affirmatively Furthering Fair
132 Housing in California guidelines.

133 By executing this MOU, Recipient hereby agrees to adopt and adhere to Agency's Master
134 Funding Policy and Guidelines (including public engagement and notice provisions) and
135 any other policies and guidelines adopted by Agency related to the disbursement of funds
136 to, or use of funds by, Eligible Jurisdictions. Execution of this MOU shall therefore satisfy
137 the condition at subsection 5.1. Agency's Master Funding Policy and Guidelines will
138 establish provisions for Recipient to meet the remaining three conditions, which Recipient
139 shall meet prior to its receipt of a direct allocation of all or a portion of its PPO allocation.

140 **6. Use of PPO Funds.** For any fiscal year in which Recipient receives PPO funds from
141 Agency, Recipient will comply with all of the following:

142 6.1. **New Affordable Housing.** Pursuant to Measure A, Section 29 B, Recipient will
143 use at least 77.25% of PPO funds on constructing new affordable housing.

144 6.2. **Government Code Section 64830(d)(1).** Subject to Section 6.1 above, Recipient's
145 use of PPO funds will comply with the requirements of Government Code section
146 65830(d)(1), attached hereto as Exhibit B-1 and incorporated herein by reference.

147 6.3. **Prohibited Uses.** Except as expressly authorized by Government Code section
148 64710, Recipient will not use PPO funds to perform or undertake any functions
149 related to supports and services provided to people experiencing homelessness.

- 150 6.4. **Supplemental Capacity for Existing Efforts.** Recipient's use of PPO funds shall
151 be consistent with Government Code section 64710(a)(1).
- 152 6.5. **Timing.** Upon receipt of a disbursement of PPO funds from Agency, Recipient will
153 obligate its funding within 12 months through administrative processes without
154 being subject to additional legislative process and will ensure that funds allocated
155 to projects are expended within five years or as otherwise provided in Government
156 Code section 64830.5(a)(2)(A), attached hereto as Exhibit B-2 and incorporated
157 herein by reference, and any program policies and guidelines adopted by the Board.
- 158 6.6. **Period of Affordability.** Recipient shall record a restrictive covenant specifying
159 an appropriate period of affordability in accordance with any program policies and
160 guidelines adopted by Agency's Board.
- 161 7. **Use of Technical Assistance Funds.** For any fiscal year in which Recipient receives
162 Technical Assistance funds from Agency, Recipient will comply with all of the following:
- 163 7.1. **Government Code Section 64830(d)(4).** Recipient's use of Technical Assistance
164 funds will comply with the requirements of Government Code section 65830(d)(4),
165 attached hereto as Exhibit B-3 and incorporated herein by reference.
- 166 7.2. **Prohibited Uses.** Except as expressly authorized by Government Code section
167 64710, Recipient will not use Technical Assistance funds to perform or undertake
168 any functions related to supports and services provided to people experiencing
169 homelessness.
- 170 7.3. **Supplemental Capacity for Existing Efforts.** Recipient's use of Technical
171 Assistance funds shall not supplant, but may complement and supplement existing
172 efforts by cities, counties, districts, and other local, regional and state entities that
173 were in existence as of January 1, 2022. Nothing in this paragraph shall be
174 construed to prohibit use of funds for new efforts.
- 175 7.4. **Timing.** Upon receipt of a disbursement of Technical Assistance funds from
176 Agency, Recipient will obligate its funding within 12 months and will ensure that
177 funds allocated to projects are expended within five years as provided in any
178 program policies and guidelines adopted by Agency's Board.
- 179 8. **Use of RPHP Funds.** For any fiscal year in which Recipient receives RPHP funds from
180 Agency, Recipient will comply with all of the following:
- 181 8.1. **No Unrestricted Allocations.** Government Code section 64830.5(a)(2)(B)(iii)
182 prohibits Agency from making unrestricted direct allocations to government
183 entities. Recipient therefore agrees to be subject to the restrictions set forth in this
184 MOU and in t Agency's policies and guidelines for the receipt and use of RPHP
185 funds.

186 8.2. **Government Code Section 64830(d)(2).** Recipient’s use of RPHP funds will
187 comply with the requirements of Government Code section 65830(d)(2), attached
188 hereto as Exhibit B-4 and incorporated herein by reference.

189 8.3. **Prohibited Uses.** Except as expressly authorized by Government Code section
190 64710, Recipient will not use RPHP funds to perform or undertake any functions
191 related to supports and services provided to people experiencing homelessness.

192 8.4. **Supplemental Capacity for Existing Efforts.** Recipient’s use of RPHP funds shall
193 not supplant, but may complement and supplement existing efforts by cities,
194 counties, districts, and other local, regional and state entities that were in existence
195 as of January 1, 2022. Nothing in this paragraph shall be construed to prohibit use
196 of funds for new efforts.

197 8.5. **Timing.** Upon receipt of a disbursement of RPHP funds from Agency, Recipient
198 will obligate its funding within 12 months and will ensure that funds allocated to
199 projects are expended within five years as provided in any program policies and
200 guidelines adopted by Agency’s Board.

201 9. **Construction Labor Requirements.**

202 9.1. **Measure A.** Recipient will ensure that at least 80% of the housing units produced
203 with PPO funds provided by Agency are built subject to a project labor agreement
204 that satisfies the requirements of Section 28 of Measure A, attached as Exhibit C-1
205 and incorporated herein by reference.

206 9.2. **The Act.** Recipient will ensure that any construction or rehabilitation project
207 receiving PPO funds provided by Agency complies with the requirements of
208 Government Code section 64720.5, attached as Exhibit C-2 and incorporated herein
209 by reference.

210 10. **Recruitment and Retention of Workers.** Recipient will ensure that all contracts funding
211 social services positions, including but not limited to eviction prevention workers, comply
212 with Section 27 of Measure A, attached as Exhibit C-3, attached hereto and incorporated
213 herein by reference.

214 11. **Records and Monitoring.**

215 11.1. **Progress Reports.** Recipient will submit Quarterly Progress Reports (“QPRs”)
216 and an Annual Report (“**Annual Report**”) to Agency on Recipient’s use of PPO
217 funds, Technical Assistance funds, and RPHP funds. Among other things, each
218 QPR must address (with supporting documentation, as reasonably required by
219 Agency) how Recipient has used, or plans to use, the PPO funds, Technical
220 Assistance funds, and RPHP funds in accordance with this MOU, including, but
221 not limited to, Sections 6 through 8 above. If Agency creates a template QPR,
222 Recipient shall use Agency’s template. Beginning July 1, 2025, Recipient must
223 submit QPRs to Agency in accordance with the schedule set forth in Master

224 Funding Policy and Guidelines for Eligible Jurisdictions. The July QPR submission
225 will represent Recipient's Annual Report to Agency.

226 11.2. **Financial Records.** Recipient shall maintain financial records, supporting
227 documents and agreements, statistical reports, official files, and any other evidence
228 necessary to demonstrate compliance with this MOU. The foregoing shall be
229 maintained on file by Recipient for at least five years after the expiration or
230 termination of this MOU and made available to Agency upon request.

231 11.3. **Audit Requirements.** Agency shall contract for an annual audit, to be initiated
232 within six months after the end of the fiscal year being audited, for the purpose of
233 determining Recipient's compliance with this MOU, the Act, and Measure A. Upon
234 completion of the annual audit, Agency will provide Recipient with a copy thereof.

235 12. **Compliance with Funding Requirements.** Recipient and any of its sub-recipients shall
236 comply with the programmatic and financial grant implementation policies and guidelines
237 included in the Master Funding Policy and Guidelines for Eligible Jurisdictions, published
238 by the Agency, for all categories of funds.

239 13. **Indemnification.** Recipient agrees to indemnify, defend (with counsel reasonably
240 approved by Agency) and hold harmless Agency and its board members, officials, officers,
241 employees, agents, and volunteers, at Recipient's sole expense, from and against any and
242 all claims actions, losses, damages, liability, and/or legal proceedings brought against
243 Agency, its board members, officials, officers, employees, agents, and volunteers arising
244 out of Recipient's performance of, or lack of performance of, any of its obligations under
245 this MOU.

246 14. **Dispute Resolution; Breach and Remedies.**

247 14.1. **Avoidance of Disputes.** The Parties recognize that, as public agencies that are
248 mutually interested in the efficient and effective use of Measure A revenues to
249 prevent homelessness and increase access to affordable housing, the Parties desire
250 to avoid legal disputes related to this MOU or to the pass-down and expenditure of
251 Measure A revenues. The Parties therefore commit to make their respective best
252 efforts to work collaboratively and cohesively to address questions of eligible uses
253 or other compliance-related issues prior to the issue rising to the level of a dispute.

254 14.2. **Dispute Resolution.** Except as otherwise provided below, before proceeding in
255 accordance with Sections 14.3 and 14.4, the Parties will attempt to informally
256 resolve any disputes that arise from the application or interpretation of this MOU.
257 The aggrieved Party shall notify the other Party of its intent to invoke this dispute
258 resolution procedure within 10 business days after such dispute arises. If the Parties
259 fail to resolve the dispute within 10 business days after delivery of such notice, each
260 Party shall, within five business days thereafter, nominate a senior officer of its
261 management to meet at a mutually agreed location to resolve the dispute. If the
262 dispute remains unresolved within 10 business days after such a meeting, each
263 Party, without further delay, shall have the right to proceed in accordance with

Sections 14.3 and 14.4. Notwithstanding the foregoing, this Section 14.2 does not apply to a dispute involving Recipient's alleged misuse or misappropriation of funds in violation of the Act, Measure A, or other applicable laws.

14.3. Recipient's Breach. Recipient shall be in breach under this MOU if it fails to perform or satisfy any obligation or requirement set forth herein, or if it fails to comply with the Agency's established policies and guidelines, the Act, Measure A or other applicable law. If such violation is subject to cure, it shall be deemed a breach of this MOU after 60 calendar days of receiving written notice from Agency.

14.4. Remedies.

14.4.1. Recipient's sole remedy shall be to institute an action at law or equity to seek specific performance of the terms of this MOU. Recipient shall not be entitled to recover damages for any breach by Agency hereunder. For clarity, this Section allows for Recipient to obtain a court order to receive disbursement of Agency funds that Recipient is legally entitled to receive or to obtain a declaration of rights among the Parties under the law or this MOU.

14.4.2. If Agency alleges that Recipient has misused or misappropriated funds in violation of the Act, Measure A, or both, Agency may institute an action at law or equity to pursue all available legal or equitable remedies without providing a period for cure. In addition to the foregoing, Agency may pause disbursements of PPO funds, Technical Assistance funds, and/or RPHP funds to Recipient until such time as Agency reasonably determines that Recipient is complying with this MOU or a court of competent jurisdiction orders Agency to resume disbursing PPO funds, Technical Assistance funds, and/or RPHP funds to Recipient.

15. Most Favored Nation. Recipient acknowledges that Agency receives Measure A revenues for the purpose of passing through funding to multiple Eligible Jurisdictions throughout the County of Los Angeles and that each Eligible Jurisdiction, including Recipient, benefits from terms that ensure that another Eligible Jurisdiction (or its Subrecipients or contractors) does not take actions against Agency that would put Agency's pool of funds at risk. Therefore, Agency recognizes that the terms of this MOU, including the indemnity provisions and limitations on damages against Agency, are most effective if applicable to all Eligible Jurisdictions. Recipient shall therefore be subject to the same terms and conditions of the Eligible Jurisdiction that receives the most favorable terms in its Funding Memorandum of Understanding with Agency. This most favored nation clause is not triggered by, and shall not preclude, Agency from settling or resolving disputes with Eligible Jurisdictions or other claimants; it is only intended to ensure the standardization of the various MOUs.

16. Notice.

302 16.1. **Methods.** All notices, consents, requests, demands, and other communications
303 required or permitted under this MOU must be in writing and are conclusively
304 deemed effective:

305 (A) On personal delivery;

306 (B) On confirmed delivery by courier service;

307 (C) On the first business day after transmission if sent by registered electronic
308 mail transmission, with unmodifiable proof of content, delivery, and time
309 of delivery;

310 (D) If delivered by non-registered email, when the recipient, by an email sent to
311 the email address for the sender stated in this Section 1616 or by a notice
312 delivered by another method in accordance with this Section 1616
313 acknowledges having received the sender's email, provided that an
314 automatic "read receipt" does not constitute acknowledgment of an email
315 for purposes of this Section 1616; or

316 (E) On the third day after deposit in the United States mail, by certified or
317 registered mail, postage prepaid, addressed to the other Party.

318 16.2. **Courtesy Notice.**

319 (A) If a Party gives notice under Section 16.116.1(A), (B), or (E) above, the
320 noticing Party will make a good-faith effort to also send a courtesy copy of
321 the notice to the other Party by email.

322 (B) Failure to receive a courtesy copy is not a defect in notice.

323 16.3. **Addresses.**

324 (A) Notices and other written communications to Agency must be sent to:

325
326 Los Angeles County Affordable Housing Solutions Agency
327 Kenneth Hahn Hall of Administration
328 500 W Temple St., Room B50-b
329 Los Angeles, CA 90012
330 Attention: Ryan Olson, Controller
331 Email: ryan.olson@lacahsa.gov
332

333 With a copy to:

334
335 Best Best & Krieger LLP
336 300 South Grand Ave., 25th Floor
337 Los Angeles, CA 90071

Attn: Michael Maurer and Paula de Sousa
Email: Michael.Maurer@bbklaw.com

(B) Notices and other written communications to Recipient must be sent to:

South Bay Cities Council of Governments
357 Van Ness Way, Suite 110
Attention: Jacki Bacharach
Email: jacki@southbaycities.org

With a copy to:

South Bay Cities Council of Governments
357 Van Ness Way, Suite 110
Attention: David Leger
Email: david@southbaycities.org

16.4. **Change of Address.** Either Party may change its address or email address by giving the other Party notice of the change in any manner permitted by this MOU.

16.5. **Refused or Undeliverable Notice.** Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the Party to be notified is deemed effective as of the first date that the notice was refused, unclaimed, or deemed undeliverable by the postal authorities, courier service, or other delivery service (as applicable).

17. Miscellaneous.

17.1. **Governing Law; Venue.** This MOU is governed by the laws of the State of California. Venue lies only in the state and federal courts in Los Angeles County, California.

17.2. **Integrated Agreement.** This MOU is the entire agreement between the Parties concerning the subject matter hereof and supersedes all prior written and oral agreements or understandings between the Parties. This MOU cannot be modified except by a written document signed by both Parties. No Party is relying on any other negotiation, discussion, or agreement in connection with the subject matter of this MOU. This is a fully integrated agreement.

17.3. **Independent Representation by Counsel.** The Parties represent that in executing this MOU they have relied solely upon their own judgment, belief, and knowledge, and the advice and recommendations of their own independently selected counsel.

17.4. **Capacity to Contract.** Recipient has the capacity and the authority to fulfill the obligations required of it hereunder and nothing prohibits or restricts the right or ability of Recipient to carry out the terms hereof.

- 377 17.5. **Authority to Execute.** Each person executing this MOU on behalf of Recipient
378 represents and warrants to Agency that they are duly authorized to execute and
379 deliver this agreement on behalf of Recipient.
- 380 17.6. **Enforcement Costs.** If any action or proceeding is brought by any Party against
381 any other Party to enforce any of the provisions hereof, or to seek damages by
382 reason of any alleged breach of any of the provisions hereof (whether at the trial
383 court level, appellate level, in a bankruptcy, probate or administrative proceeding
384 or otherwise), the prevailing Party shall be entitled to recover from the other Party
385 its attorney's fees in such amount as the court may adjudge reasonable in such
386 action or proceeding, together with the prevailing Party's other costs and expenses
387 (including, without limit, court costs and other litigation costs and expenses).
- 388 17.7. **Assignment.** Recipient may not assign this MOU without Agency's prior written
389 consent, which may be withheld for any reason.
- 390 17.8. **Severability.** If any provision of this MOU is held by a court of competent
391 jurisdiction to be invalid, void, or unenforceable and the invalidity or
392 unenforceability of such a provision does not deny a Party the material benefit of
393 this MOU, then the other provisions of this MOU that can be given effect without
394 the invalid provision remain in effect.
- 395 17.9. **Headings.** This MOU's headings are inserted solely for convenience of reference
396 and are not intended to govern, limit, or aid in the construction of any term or
397 provision hereof.
- 398 17.10. **Counterparts; Electronic Signatures.**
- 399 (A) This MOU may be signed and delivered in counterparts.
- 400 (B) In addition to any other lawful method of executing this MOU, this MOU
401 may be signed and delivered by each Party either: (i) electronically by
402 facsimile (e.g., scanned image or PDF copy); or (ii) digitally through the
403 use of EchoSign, DocuSign, or such other commercially available digital-
404 signature software that results in verified and confirmed signatures
405 delivered electronically to each Party.
- 406 (C) Each electronic or digital signature of a Party is treated as an original, as if
407 personally signed by that Party.
- 408 17.11. **Agreements with Third Parties.** If Recipient enters into any agreements with
409 contractors, consultants, subrecipients or other parties ("**Other Contracting**
410 **Party**") for the use of PPO Funds, Technical Assistance Funds, or RPHP Funds for
411 the implementation of eligible activities ("**Third-Party Contracts**"), such Third-
412 Party Contracts shall be consistent with the terms of this MOU. Recipient shall
413 include in all Third-Party Contracts a requirement to comply with all terms of this
414 MOU applicable to the work or services provided by the Other Contracting Party,
415 and all legal requirements, including the Measure A requirements.

416
417 17.12. **No Third-Party Beneficiary.** There is no intended third-party beneficiary of this
418 MOU.

419 17.13. **No Waiver.** No waiver of a provision of this MOU is valid unless it is made in
420 writing and signed by the Party against whom such waiver is sought to be enforced.
421 A failure to enforce a right hereunder does not constitute a continuing waiver of
422 that right or a waiver of any other right hereunder. No waiver, benefit, privilege, or
423 service that is voluntarily given or performed by a Party gives the other Party any
424 contractual right by custom, estoppel, or otherwise.

425 17.14. **Successors and Representatives.** This MOU binds and inures to the benefit of the
426 Parties and their respective heirs, personal representatives, successors, and (where
427 permitted) assignees.

428 *(Signatures on the following page)*

IN WITNESS WHEREOF, the Parties have executed this MOU as indicated below.

RECIPIENT

South Bay Cities Council of Governments a [entity type]

By: _____
Jacki Bacharach, Executive Director

APPROVED AS TO FORM

By: _____
[attorney name][title]

AGENCY

Los Angeles County Affordable Housing
Solutions Agency, a special act agency

Los Angeles County Affordable Housing Solutions Agency, a Special Act Agency

By: _____
Ryan Olson, Controller

APPROVED AS TO FORM

By: _____
Michael Maurer, Agency Co-General Counsel

EXHIBIT A

Eligible Jurisdictions

Eligible Jurisdiction	PPO Pro Rata RHNA Share¹	Technical Assistance Share	RPHP Share
Burbank-Glendale-Pasadena Regional Housing Trust	1.03%	0.09%	0.56%
City of Glendale	0.69%	0.09%	0.55%
City of Long Beach	1.38%	0.20%	1.21%
City of Los Angeles	22.80%	1.72%	10.34%
City of Santa Clarita	0.63%	0.04%	0.23%
Gateway Cities Council of Governments/Gateway Cities Affordable Housing Trust	2.37%	0.35%	2.12%
Las Virgenes/Malibu Council of Governments	0.07%	0.01%	0.04%
North Los Angeles County Transportation Coalition JPA	0.76%	0.09%	0.56%
San Fernando Valley Council of Governments	0.09%	0.01%	0.04%
San Gabriel Valley Council of Governments/San Gabriel Valley Regional Housing Trust	4.22%	0.36%	2.14%
South Bay Cities Council of Governments/South Bay Regional Housing Trust	1.91%	0.21%	1.28%
Unincorporated Los Angeles County	4.86%	0.23%	1.39%
Westside Cities Council of Governments	1.19%	0.09%	0.55%

¹ As approved by Agency's Board on 6/25/2025. Pursuant to the Act, the Pro Rata RHNA Shares attributable to the Councils of Governments exclude any share attributable to an individually listed jurisdiction.

EXHIBIT B-1

Government Code Section 64830

64830.

...

- (d) Subject to funding eligibility and adjustment pursuant to subdivision (b) of Section 64717, the agency shall distribute regional housing revenue in the form of a grant, loan, or other financing tool pursuant to subdivision (q) of Section 64720 in a manner that achieves the following shares in the annual expenditure plan:
 - (1) A minimum of 40 percent of the annual programmatic budget, excluding any bond indebtedness, shall be spent on affordable housing creation, preservation, and ownership as follows:
 - (A) The following conditions shall apply with regard to affordable housing creation:
 - (i) Funding pursuant to this subparagraph may be used for the following purposes, including, but not limited to, land acquisition, housing acquisition, financing, and ownership programs, including the agency serving as a single source of financing as appropriate, income assistance for extremely low income households, and project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households.
 - (ii) Financing for any development costs associated with a project or funding grant that is for housing that is 100 percent affordable, which means restricted to any household that earns less than 80 percent of the area median income (AMI), including permanent supportive housing that includes onsite supportive services. An eligible project may also include a subset of at least 50 units, or 50 percent of the total units, whichever is greater, in a larger development that includes units targeted up to 120 percent of AMI, in which case the agency may only fund units that are designated for extremely low and very low income households, and agency funds shall not be used in connection with any unit that is income restricted due to development incentives, density bonuses, or similar programs.
 - (I) For each of the eligible jurisdictions, as defined in paragraph (1) of subdivision (a) of Section 64830.5, 25 percent of all funded units shall be reserved for extremely low income households, as defined in Section 50106 of the Health and Safety Code, and 25 percent shall be reserved for very low

income households, as defined in Section 50105 of the Health and Safety Code, over any two-year period, with regular monitoring by the citizens' oversight committee and board of units funded and constructed during that two-year period.

- (II) For each project, 10 percent of the units in the project shall be reserved for extremely low income households and 10 percent of the units shall be reserved for very low income households.
- (B) Funding pursuant to this paragraph for affordable housing preservation programs may be used to acquire, rehabilitate, place affordability restrictions on, and preserve existing housing units, housing from the private market, and units in residential hotels as defined in paragraph (1) of subdivision (b) of Section 50519 of the Health and Safety Code for affordability, in order to prevent the loss of affordability and expand permanent affordability. Funding provided pursuant to this subparagraph shall be subject to both of the following conditions:
 - (i) Existing residents of buildings acquired for the purpose of affordable housing preservation shall not be permanently displaced, even if the resident's household income exceeds the moderate-income limits in Section 50093 of the Health and Safety Code.
 - (ii) Buildings acquired for the purpose of affordable housing preservation shall achieve 100 percent occupancy by extremely low or very low income households over time through unit turnover.

Grants, loans, or other financing provided to community land trusts and other similarly structured nonprofit entities to acquire, rehabilitate, and preserve existing housing units are an eligible use pursuant to this subparagraph.

Programs to enable low- or moderate-income households to become or remain homeowners, including, but not limited to, below market rate ownership programs, downpayment assistance programs, residential rehabilitation loan programs, and grants or loans to assist in the rehabilitation or replacement of existing mobile homes located in a mobile home or manufactured home are eligible uses pursuant to this subparagraph.

- (C) Funding provided pursuant to this paragraph shall be subject to the following conditions in the event that demolition or rehabilitation of housing units is required:
 - (i) (I) Any funded development or affordable housing grant on any property that includes a parcel or parcels that currently have residential uses, or within the five years preceding the grant have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that

restricts rents to levels affordable to persons and families of low or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low- or very low income households, shall be subject to a policy requiring the replacement of all those units to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy.

(II) Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915, provided that any dwelling unit that is or was, within the five-year period preceding the grant, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income shall be replaced with units made available at affordable rent or affordable housing cost to, and occupied by, low-income persons or families.

(ii) If existing residents are required to be relocated due to demolition or rehabilitation needs, the developer is required to provide relocation benefits to the occupants of those housing rental units subject to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1. The developer shall comply with either the local government requirements for relocation assistance to displaced households or the policy set by the agency for relocation assistance to displaced households, whichever provides a greater benefit to the relocated or displaced households.

(iii) If existing occupants who are lower income households are required to vacate their units due to demolition or rehabilitation needs, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development that is affordable to the household at an affordable rent, as defined in Section 50053 of the Health and Safety Code, or an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code.

...

(Amended by Stats. 2024, Ch. 80, Sec. 73. (SB 1525) Effective January 1, 2025.)

EXHIBIT B-2

Government Code Section 64830.5(a)(2)(A)

64830.5(a)(2).

...

(A)

- (i) Seventy percent of annual funding for the purpose of affordable housing preservation, affordable housing production, income assistance for extremely low-income households, and long-term, project-based rental assistance shall be allocated, based on the eligible jurisdiction's pro rata lower income housing need, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (1) of subdivision (d) of Section 64830.
- (ii)
 - (I) Thirty percent of annual funding for the purpose of affordable housing preservation, affordable housing production, and long-term rental assistance, with no time limit, shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.
 - (II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.
- (iii) If an eligible jurisdiction is found to be out of compliance with affordability targets at the end of a two-year period, the board may take any of the following actions:
 - (I) Limit the funding for the jurisdiction to extremely low and very low income housing units only until compliance is reestablished.
 - (II) Require the funding allocated to the jurisdiction to be administered by the agency instead of the jurisdiction.
 - (III) Increase funding incentives as needed to meet project and programmatic targets.
- (iv)
 - (I) Any eligible jurisdiction may receive a direct allocation of all or part of the jurisdiction's funding described in this subparagraph if all of the following conditions are met:
 - (ia) The jurisdiction agrees to adopt and adhere to agency financing policies and guidelines, including public engagement and notice provisions outlined in this chapter.

- (ib) All funded projects are in compliance with the agency’s eligible uses and affordability requirements.
- (ic) The jurisdiction agrees to allocate its funding within 12 months through administrative processes without being subject to additional legislative process.
- (id) The jurisdiction is in compliance with Affirmatively Furthering Fair Housing in California guidelines.

(II)

- (ia) Once committed to a specific project, funds shall remain available for expenditure for an additional five years, unless an extension is authorized pursuant to sub-subclause (ib).
- (ib) If the funds have not been expended within five years of receipt as required in sub-subclause (ia), the jurisdiction shall show that it has made adequate progress towards completing the project. If the agency finds that the city has made adequate progress, the agency shall authorize an additional 24 months to grant entitlements to the remainder of the project. If the agency does not find that the city has made adequate progress, the funds shall be transferred to the agency. The agency shall hold the funds until the city submits a plan satisfactory to the agency to move forward with the project or allocate funds to another qualified project consistent with the jurisdiction’s expenditure plan.
- (ic) For purposes of this subclause, “adequate progress” means the project has received the land use approvals or entitlements necessary for at least 75 percent of the project’s units. . . .

. . .

(Amended by Stats. 2024, Ch. 80, Sec. 73. (SB 1525) Effective January 1, 2025

EXHIBIT B-3

Government Code Section 64830

64830.

...

- (d) Subject to funding eligibility and adjustment pursuant to subdivision (b) of Section 64717, the agency shall distribute regional housing revenue in the form of a grant, loan, or other financing tool pursuant to subdivision (q) of Section 64720 in a manner that achieves the following shares in the annual expenditure plan:

...

- (4) At least 5 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for technical assistance, research, and policy development. Eligible uses for these funds include, but are not limited to, all of the following:
- (A) Collecting and tracking information related to displacement and displacement risk, rents, and evictions in the region.
 - (B) Drafting model affordable housing land use ordinances that may be adopted by any jurisdiction in the County of Los Angeles.

...

(Amended by Stats. 2024, Ch. 80, Sec. 73. (SB 1525) Effective January 1, 2025.

EXHIBIT B-4

Government Code Section 64830

64830.

...

- (d) Subject to funding eligibility and adjustment pursuant to subdivision (b) of Section 64717, the agency shall distribute regional housing revenue in the form of a grant, loan, or other financing tool pursuant to subdivision (q) of Section 64720 in a manner that achieves the following shares in the annual expenditure plan:

...

(2)

- (A) At least 30 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be spent on countywide renter protection and support programs.
- (B) These programs include any effort that helps renters of lower income households, as defined in Section 50079.5 of the Health and Safety Code.
- (C) Eligible uses of the funds include, but are not limited to, all of the following:
 - (i) Preeviction and eviction legal services, counseling, advice and consultation, training, renter education and representation, and services to improve habitability that protect against displacement of tenants.
 - (ii) Providing rental assistance for lower income households. Rental assistance shall be provided to a specific household for a reasonable amount of time not to exceed six months, and shall be paired with supportive services, such as eviction prevention and defense, to the greatest extent possible.
 - (iii) Providing relocation assistance for lower income households beyond what is legally required of landlords according to local or state law.

...

(Amended by Stats. 2024, Ch. 80, Sec. 73. (SB 1525) Effective January 1, 2025.

EXHIBIT C-1

Measure A Labor Requirements

SECTION 28. CONSTRUCTION WORK.

- A. It is the intent of this section to encourage the development of local job opportunities and career pathways into the building and construction trades, including but not limited to apprenticeship and pre-apprenticeship programs.
- B. Any construction or rehabilitation project receiving funding or financing from this Ordinance, including but not limited to a project of fewer than 40 units, shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with section 1720) of Part 7 of Division 2 of the Labor Code.
- C. A project of 40 or more units is eligible to receive funding or financing from this Ordinance only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works Project Labor Agreement 2020-2030 if the project is within the City of Los Angeles, or the Countywide Community Workforce Agreement executed by the Chief Executive Officer on June 7, 2023 if the project is elsewhere, or any successor to either agreement.
- D. For purposes of sections 28 and 29 of this Ordinance, the number of units means the maximum number of units authorized in an entitlement granted by the land use permitting authority for a development project, regardless of whether construction or rehabilitation proceeds in phases or project ownership is divided.
- E. The Designated Enforcement Agency (“DEA”) shall have authority to enforce Labor Code sections 1720-1815, as amended from time to time, for projects funded by the tax imposed by this Ordinance. Any developer, contractor, or subcontractor as to such projects shall be required to cooperate fully in any investigation the DEA initiates. For projects located in the City of Los Angeles, the DEA shall be the Department of Public Works, Bureau of Contract Administration. For projects elsewhere, the contracting Funding Recipient shall act as or designate the DEA. The DEA shall be authorized to work with joint labor management committees established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. section 175a) in order to carry out the enforcement/investigation duties under this Ordinance. A joint labor management committee may bring an action in any court of competent jurisdiction against an employer that fails to comply with the labor standards required under this Ordinance.
- F. Notwithstanding subsection C of this section, if a project labor agreement is agreed between the Funding Recipient or project developer, the Los Angeles/Orange Counties Building and Construction Trades Council, and the Western States Regional Council of Carpenters, then a project with 40 or more units is eligible to receive funding or financing from this Ordinance if all construction and rehabilitation is subject to that project labor agreement.
- G. For purposes of this Ordinance, “project labor agreement” has the meaning stated in subdivision (b)(1) of section 2500 of the Public Contract Code.

EXHIBIT C-2

Government Code Section 64720.5

64720.5.

- (a) Any construction or rehabilitation project receiving funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, including, but not limited to, a project with under 40 units, shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.
- (b) A project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works PLA. For purposes of this subdivision and subdivision (c), the number of units means the maximum number of units authorized in an entitlement granted by the land use permitting authority for the development project, regardless of whether construction or rehabilitation proceeds in phases or ownership is divided.
- (c) Notwithstanding subdivision (b), if a specific countywide project labor agreement is negotiated with mutual agreement between the Los Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing and approved by the agency, then a project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, only if all construction and rehabilitation is subject to the specific countywide project labor agreement rather than the Department of Public Works PLA.
- (d) For purposes of this section, “project labor agreement” has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.
- (e) For purposes of this section, “Department of Public Works PLA” means the City of Los Angeles Department of Public Works Project Labor Agreement 2020-2030 with Los Angeles/Orange Counties Building and Construction Trades Council, effective August 25, 2021.

(Added by Stats. 2022, Ch. 661, Sec. 1. (SB 679) Effective January 1, 2023.)

EXHIBIT C-3

Measure A Section 27

SECTION 27. IMPROVING RECRUITMENT AND RETENTION OF HOMELESSNESS SERVICE AND PREVENTION WORKERS.

- A. All contracts funding social services positions, including but not limited to homelessness services and eviction prevention workers, financed by the tax imposed by this Ordinance must:
1. Set sufficient payment rates to enable contractors to pay wages aligned with public and private market conditions;
 2. Allow amendments, as needed, to provide that incentives and wage increases for cost of living similar to those offered to County staff and/or Los Angeles Homeless Services Authority staff are also available to service provider and prevention worker staff;
 3. Allow annual adjustments to reflect cost-of-living adjustments, increases in administrative allowances, and operational cost changes due to inflation or other factors (such as supply shortages, insurance market changes, etc.);
 4. Be paid in a timely manner to prevent unnecessary cost increases borne by service providers; and
 5. Not result in displacement of public employees.

Multi-year contracts are encouraged to support system, service delivery, workforce, and nonprofit service provider stability.

- B. By June 30, 2025, the County shall establish a labor council with equal representation from organized labor and nonprofit social service provider leadership to discuss pay equity and career development at contracted service providers, especially with regard to racial disparities and for those with lived experience of homelessness. This council shall make recommendations to the Board of Supervisors on issues related but not limited to all levels of compensation, wages and benefits, and appropriate pay ranges as compared to County employees performing similar work, including the feasibility of contracts for social services positions financed by this Ordinance meeting or exceeding area wage standards, pay equity for service provider staff, and the allowance of cost-of-living adjustments. The labor council shall provide initial recommendations to the Board of Supervisors by June 30, 2026.
- C. Every three years, the Chief Executive Officer shall conduct a review every three years of current payment rates across service types (such as interim housing bed rates) to inform rate changes and, every five years, shall review current administrative rates allowed in service contracts compared with industry standards and best practices.