

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF POMONA AND
NEIGHBORHOOD SERVICES – HOUSING STABILIZATION DIVISION**

This Memorandum of Understanding (this “**MOU**”) is entered into this 16th day of December (the “**Effective Date**”), by and between the City of Pomona, a California municipal corporation (the “**City**”), and Neighborhood Services – Housing Stabilization Department a (“**Beneficiary**”). Each party is at times individually referred to as a “**Party**” and collectively as the “**Parties**” herein.

RECITALS

- A. On March 10, 2021, the United States Congress passed, and on March 11, 2021, President Joseph Biden signed into law, the American Rescue Plan Act (“**ARPA**”).
- B. ARPA established the Coronavirus State Fiscal Recovery Fund (“**CSFRF**”) and Coronavirus Local Fiscal Recovery Fund (“**CLFRF**”), together known as the Coronavirus State and Local Fiscal Recovery Funds (“**SLFRF**”) program, which provides a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.
- C. The City received federal funding in the form of the SLFRF under ARPA in response to the coronavirus (“**COVID-19**”) pandemic. These funds may be used to carry out a wide range of community development activities, including those that benefit local communities.
- D. The interim final rule on SLFRF was issued by the Department of the Treasury effective May 17, 2021 with the final rule issued by the Department of the Treasury effective April 1, 2022. On December 29, 2022, Congress amended the SLFRF program in the Consolidated Appropriations Act, 2023 (“**2023 CAA**”) to provide state, local, territorial and Tribal governments more flexibility to use SLFRF funds to provide emergency relief from natural disasters, build critical transportation infrastructure, and support community development. On August 10, 2023, Treasury released an interim final rule implementing these new eligible uses, and this interim final rule was published in the Federal Register on September 20, 2023. Collectively the rules passed provide the rules and guidelines for how the ARPA funds may specifically be spent (the interim and final rules passed between 2021 and 2023 are herein referred to as the “**Rule**”).
- E. Under ARPA, the City may provide funds to cover personnel costs if doing so would fall within the scope of an eligible use of SLFRF, such as payroll costs for City employees and related administrative costs for overseeing illegal encampment outreach programs or rent stabilization programs. Personnel costs for this purpose include all salary and wages, covered benefits, and payroll taxes for such positions, as in effect at the time of payment.
- F. The City desires to provide and the Beneficiary desires to receive SLFRF Program funds (the “**Funds**”) from the City to help mitigate the negative economic impacts from the COVID-19 pandemic and to support the Beneficiary’s mission of addressing the housing/homelessness crisis.
- G. The Parties intend that this MOU constitute a transaction requiring payment and an obligation for the purposes of the SLFRF Program and the Rule.

NOW, THEREFORE, the Parties agree as follows:

1. SCOPE OF WORK & PAYMENT OF FUNDS

1.1. The City obligates, to the Beneficiary, Funds for only the specific purposes listed and described and shall pay for those purposes as scheduled in **Exhibit “A”**.

1.2. The City obligates, to the Beneficiary, Funds in the amount of **\$2,403,386.00**.

2. TERM

The term of this MOU shall commence on the July 1, 2024 and shall continue in full force and effect through December 31, 2026, unless the City terminates this MOU or any portion thereof at an earlier date as provided herein. Notwithstanding the foregoing, certain obligations shall survive the termination of this MOU, as provided herein.

3. RESTRICTIONS ON USE OF FUNDS

3.1. The Funds are subject to the following expenditure conditions:

3.1.1. The Beneficiary agrees to abide by all terms and conditions set forth in this MOU, ARPA, the Rule, and additional accompanying guidance.

3.1.2. The Funds shall be expended solely for the purposes, and not for any other purposes, as provided in this MOU and detailed in Exhibit “A”, and all eligible expenses must be incurred and the Funds expended by December 31, 2026.

3.1.3. The use of Funds are limited to necessary and reasonable business expenses incurred to prevent, prepare for, or respond to the COVID-19 pandemic, as well as necessary and reasonable expenses incurred to carry out the Beneficiary’s mission to provide affordable, safe, and high quality housing communities for families and seniors and to address a range of community development gaps including education, economic growth, public safety, health & well-being, and the environment and infrastructure.

4. DOCUMENTATION AND AUDIT REQUIREMENTS

The Beneficiary shall maintain true, proper, and complete documentation that evidences the Beneficiary’s expenditures for approved uses of the Funds (“**Records**”) through December 31, 2030. This Section 6 shall survive the termination of this MOU.

5. NOTICES

All notices, demands, requests or approvals shall be addressed to the following:

If to the City:	If to the Beneficiary:
Attn: Andrew Mowbray City of Pomona 505 South Garey Ave. Pomona, CA 91766 Email: Andrew.Mowbray@pomonaca.gov	Attn: Beverly Johnson City of Pomona, Neighborhood Svcs Dept 505 South Garey Ave. Pomona, CA 91766 Email: Beverly.Johnson@pomonaca.gov

6. VIOLATIONS AND TERMINATION

- 6.1. Effect of Violations. If the City discovers that the Beneficiary has breached any part of this MOU or made a material misrepresentation, or otherwise falsified any document provided to City to support the Beneficiary's intent on the use of the Funds, or the Beneficiary has misused the Funds or used them for an ineligible expenditure, the Beneficiary shall return the entirety of the Funds to the City within ten (10) calendar days of the City's written notice. The City's decision shall be final. Additionally, the City shall have all other remedies besides the remedy provided herein to enforce this MOU.
- 6.2. Termination. Notwithstanding anything to the contrary herein, the City shall have the right to terminate the MOU immediately, with or without cause, at any time, by providing written notice to the Beneficiary. Upon termination, the City shall have no further obligation to provide any Funds to the Beneficiary. The City has the sole and absolute discretion to terminate the Funds or any portion thereof at any time.

7. STANDARD PROVISIONS

- 7.1. Recitals and Exhibits. The City and the Beneficiary acknowledge that the above Recitals and attached Exhibits are true and correct and are hereby incorporated by reference in full into this MOU.
 - 7.2. Compliance With all Laws. The Beneficiary shall, at its own cost and expense, comply with all statutes, ordinances, regulations, and requirements of all governmental entities, including federal, state, county, or municipal, whether now in force or hereinafter enacted, and shall comply with all state and county guidance regarding the COVID-19 pandemic.
 - 7.3. Waiver. A waiver by either Party of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.
 - 7.4. Integrated Contract. This MOU represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.
 - 7.5. Interpretation. The terms of this MOU shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of the MOU or any other rule of construction which might otherwise apply.
 - 7.6. Amendments. This MOU may be modified or amended only by a written document executed by both the Beneficiary and the City and approved as to form by the City Attorney.
 - 7.7. Severability. If any term or portion of this MOU is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this MOU shall continue in full force and effect.
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7.8. Counterparts. This MOU may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed on the dates written below.

BENEFICIARY:

CITY OF POMONA

A California municipal corporation

Date: _____

Date: _____

Sign: _____

Sign: _____

Name: _____

Name: _____

Title: _____

Title: _____

Approved as to form by City
Attorney:

Name: _____

Sign: _____

Date: _____

EXHIBIT “A”

SCOPE OF SERVICES / SCHEDULE OF COMPENSATION

Rent Stabilization Program

The general purpose of this program is to fund personnel and other administrative costs of the Rent Stabilization Program. Implementation of an effective Rent Stabilization Program is an important goal of the City Council. This effort focuses on creating a comprehensive program to assist renters and housing providers within the City limits. In FY 2023-24 the Housing Stabilization Division was created within the Housing Division of Neighborhood Services which would include full time positions to work in the areas of rental registry support, inspection, and general program implementation and administration. Funding for the Rent Stabilization Program in the amount of \$2,403,386 will be paid for by the American Rescue Plan fund until December 2026.

Audits and Reports

Beneficiary is responsible for conducting an annual audit of its ARPA spending in compliance with the Office of Management and Budget (OMB) 2 CFR Chapter 1, Chapter II, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; Final Rule, as applicable. A copy of the required audit or financial statement must be forwarded to City upon completion. Any costs associated with the annual audit are the responsibility of Beneficiary.

Scope of Services

BENEFICIARY IS RESPONSIBLE FOR:

1. All program management for the Rent Stabilization Program as described above.

Schedule of Compensation

CITY IS RESPONSIBLE FOR:

1. All payments for personnel and other administrative costs as described below:

The **\$2,403,386.00** budget through December 2026 for the Rent Stabilization Program consists of the following:

- Salaries and Benefits (through December 2026) **\$2,204,585**

Title	FTE
Economic Development Director	0.30
Neighborhood Services Director	0.25
Neighborhood Services Assistant Director	0.50
Housing Stabilization Manager	0.35
Housing Stabilization Supervisor	0.50
Housing Grants Supervisor	0.50
Housing Grants Supervisor	0.10
Management Analyst	0.20
Housing Grants Coordinator	0.50
Administrative Assistant	0.10
Rent Stabilization Coordinator	1.00
Rent Stabilization Coordinator	1.00
Housing Specialist I	0.10
Administrative Assistant I	0.10
Housing Analyst	0.50
Total FTE	6.00

- Operating Expenses (through December 2026) **\$66,400.00**

Office Supplies	3,000.00
Postage	200.00
Mileage Reimbursement	1,000.00
Small Tools & Equipment	500.00
Equipment Rental	5,000.00
Audio-Visual Materials	200.00
Contract - City Attorney	5,500.00
Furniture & Equipment	51,000.00
Total	66,400.00

- Internal Service Allocations & Program Exp **\$132,401.00**

Controllable Contract Services	25,000.00
Info Systems Allocation	45,235.00
Liab Admin Alloc	48,212.00
Unempl Admin Alloc	120.00
WC Admin Alloc	13,834.00
Total	132,401.00