

GRANT AGREEMENT

THIS GRANT AGREEMENT ("Agreement"), is made and effective as of _____, 2022 (the "Effective Date"), by and between the City of Arroyo Grande, a municipal corporation ("Grantor" or "City"), and Smart Share Housing Solutions, a California non-profit corporation ("Grantee").

RECITALS

WHEREAS, Grantor desires to provide funding received through the American Rescue Plan Act (ARPA) to support the development of affordable housing for individuals and families disproportionately impacted by the COVID-19 pandemic; and

WHEREAS, Grantee is a non-profit corporation focused on supporting the development of accessory dwelling units (ADUs) in the Arroyo Grande region; and

WHEREAS, the Grantee has proposed the Arroyo Grande ADU Production Demonstration and Outreach Project ("Project") to utilize ARPA funding from Grantor to assist and promote the construction of new ADUs in the City for rent to low and moderate income households and those disproportionately impacted by the COVID-19 pandemic.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on the Effective Date and shall remain and continue in effect until all requests described in Section 3 are processed, or unless sooner terminated pursuant to the provisions of this Agreement.

2. **ACTIONS**

(a) The Project described in "Exhibit A" attached hereto and incorporated herein by this reference, identifies the actions to be performed by Grantee during the implementation of this Agreement. Grantee agrees that any funds received from Grantor may only be used for the actions set forth in Exhibit A.

(1) Grantee will provide a detailed report to Grantor on the use of grant funds by December 31, 2024.

3. **PAYMENT OF GRANT FUNDS**

(a) Grantee is awarded a total of \$37,887;

- (b) Grantee must maintain receipts for expenditures made in furtherance of the actions outlined in Exhibit A. Grantee shall also prepare and submit to the City a report describing the relationship between the expenditure and the tasks and activities identified in Exhibit A. This report and the receipts described herein shall be submitted to the City by December 31, 2024.

4. **STATUS**

Nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship. Neither Grantee nor any of Grantee's agents, employees or contractors are or shall be considered to be agents or employees of Grantor in connection with the performance of Grantee's obligations under this Agreement.

5. **TERMINATION FOR CAUSE**

If Grantor determines that the Grantee has used funds for purposes that are not permitted or are prohibited under the terms and provisions of this Agreement, or if the Grantor determines that the Grantee has failed to fulfill its obligations under this Agreement in a timely and professional manner, or if the Grantee is in violation of the terms of this Agreement, then Grantor shall have the right to terminate this Agreement effective immediately upon giving written notice to Grantee.

6. **INDEMNIFICATION**

Grantee agrees to accept responsibility for losses or damage to any person or entity related to this Agreement, and shall defend, indemnify and hold harmless Grantor, its officers, employees and agents from any and all claims and demands, liability, damages, costs, expenses, judgments (including, but not limited to attorney fees and expert witness costs) that may be asserted by any person or entity, including Grantee, arising out of or in connection with the performance by Grantee hereunder and/or the use of the City of Arroyo Grande ARPA fund monies.

7. **COMPLIANCE WITH LAW**

Grantee agrees to comply with all City of Arroyo Grande, Federal and State laws and regulations applicable to Grantee. In particular, Grantee agrees to carry out the tasks identified in the Project, which is described in Exhibit "A" attached hereto and previously incorporated herein, and with all federal, State, and local laws, regulations, and orders related to use of ARPA fund monies.

8. **ASSIGNMENT**

Grantee shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of Grantor.

9. **GOVERNING LAW**

Grantor and Grantee understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the City of Arroyo Grande.

10. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, either oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

11. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

12. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Grantee warrant and represent that he/she has the authority to execute this Agreement on behalf of the Grantee and has the authority to bind Grantee to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

GRANTOR

GRANTEE

By: _____
Whitney McDonald, City Manager

By: _____
Anne Wyatt, Smart Share Home Solutions

Attachments:

Exhibit A- Arroyo Grande ADU Production Demonstration and Outreach Project

EXHIBIT A



Arroyo Grande Affordable ADU Demonstration Pilot Project

v.8/12/22

Total amount allocated: \$37,887 and project end date: Dec 31, 2024

Proposed activities; timeline; rough allocation of funds

1) Public Outreach activities—mix & match menu: Fall 2022- summer 2023; \$15K

Advance Advertising/marketing:

- a) Targeted Postcard mailer highlighting: 1) pre-approved plans opportunities; 2) AG City fee waiver opportunities (if passed); 3) CalHFA grant opportunities \$40K; 4) call to action— workshops and find more on website ; \$5000
- b) Webpage resources: creation and updates \$1500

Information sharing:

- c) Workshops for homeowners 5@\$1000: what, why & how; ADU options and process; \$5000
- d) Webinar production for AG homeowners \$500
- e) Print materials—production/printing/distribution \$1000

Resident specific follow up: ongoing

- f) Site feasibility visits—interested AG residents: 10@\$200=\$2000

- 2) Project management and permitting funds for demonstration project \$15,000—targeted to low-income homeowner; project 500 square feet or under; options: either fee waiver low income renter deed restricted or not, but would need a commitment to make the ADU housing for 5 years, minimum; homeowner must be willing to participate in sharing the process as an educational tool and be willing to show ADU for public tour at completion;

- Step 1: Identify Demonstration project: \$5000; spring/summer 2023 Screen/vet interested homeowners to qualify for subsidy: application production & review; ability to proceed/acquire construction loan; willingness to be part of educational campaign; contracts creation/execution; low income qualified; 10@\$500=\$5000
- Step 2: Once Demonstration project identified: \$10,000 Fall 2023-Summer 2024
 - Pre development assistance: \$5,000
 - CalHFA qualification assistance including \$5K deposit into escrow account, as eligible
 - Design assistance/counseling

- Loan funding assistance
- Permitting application processing assistance
- Development/Project management \$10,000
 - Contractor vetting/connection/decision
 - Contracts/process
 - Follow up: process—explanation, communication, mediation, timing/scheduling

**3) Showcase success: ADU Home tour (Demo project plus 3-5 other ADUs) \$7,887;
Fall 2024**

- Marketing & promotions—paid ads \$4000
- Planning and ADU homeowner outreach to enlist hosts—\$2000
- Staging/props \$1000
- Event: staffing/security \$887