CALL AND NOTICE OF SPECIAL MEETING AT 6:00 PM OF THE VALLEJO CITY COUNCIL

AUGUST 12, 2025

COUNCIL MEMBERS
Andrea Sorce (Mayor)
Peter Bregenzer (Vice-Mayor)
Helen-Marie Gordon
Tonia Lediju, PhD
Alexander Matias
Diosdado "JR" Matulac
Charles Palmares

HYBRID MEETING
www.Cityofvallejo.net

Council Chambers
555 Santa Clara Street
Vallejo, CA 94590

NOTICE: Members of the Public will be able to participate in-person or remotely via Zoom	City Hall and the Council Chambers will be open to members of the public 30 minutes prior to the start of the meeting.
PUBLIC COMMENT: Members of the Public may provide public comments during the City Council Meeting in person or via ZOOM (https://ZoomRegular.Cityofvallejo.net), or via phone, by dialing (669) 900-6833.	**For additional instructions on how to speak remotely during public comment, please visit, www.cityofvallejo.net/publiccomment**
VIEW THE MEETING: **There are four different ways you can view this public meeting:** • **In Person** • **Watch Vallejo local channel 28** • **Stream from the City website: www.cityofvallejo.net/Streaming** • **Join the Zoom webinar: https://ZoomRegular.Cityofvallejo.net**	Scan QR code for live captions and translation in Spanish and Tagalog.

Hybrid Options are available for members of the public to participate. To participate remotely

Option to Join by Computer	**Option to Join by Phone**
From your browser go to https://ZoomRegular.CityofVallejo.net to launch and join the zoom application. Meeting ID: 914 0075 0676# Meeting Password: 131313	Dial (669) 900-6833 Enter Meeting ID: 914 0075 0676# Meeting Password: 131313 Press *9 to digitally raise your hand from the phone. Press *6 to unmute/mute

Any supplemental writing related to an agenda item for an open session of a regular meeting that is distributed to all or a majority of all members of the City Council less than 72 hours before the meeting will be posted concurrently on the City's website at www.cityofvallejo.net/agendas Written material distributed during the meeting, will be available at the meeting if prepared by the City or after the meeting if prepared by someone else. Such materials may be obtained from the City Clerk

Vallejo City Council Chambers ADA compliant. Devices for the hearing impaired are available from the City Clerk. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof

AGENDA

TO THE MEMBERS OF THE VALLEJO CITY COUNCIL:

You are hereby notified that I do hereby call the Vallejo City Council in special session to consider only the matters stated on the agenda listed below. NOTICE: Members of the public shall have the opportunity to address the City Council concerning any item listed on the agenda before or during consideration of that item. No other items may be discussed at this special meeting

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. ACTION CALENDAR

NOTICE: Members of the public wishing to address the Council on Action Calendar Items may do so in person by signing in to the Public Speaker's kiosk located in the back of the Council Chambers or via ZOOM (https://ZoomRegular.Cityofvallejo.net), or via phone, by dialing (669) 900-6833. Enter Meeting ID: 914 0075 0676#. Press *9 to digitally raise your hand from the phone. Press *6 to unmute/mute. For additional instructions on how to speak remotely during public comment, please visit, www.cityofvallejo.net/publiccomment. Each speaker is limited to five minutes pursuant to Vallejo Municipal Code Section 2.02.420 or as approved and announced by the Mayor. In person speakers will be recognized first

A. **ADOPT RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF VALLEJO:**

1. **AMENDING THE FISCAL YEAR 2025-2026 BUDGET TO ACCEPT AND APPROPRIATE $642,860.94 OF OPIOID LITIGATION FUND REVENUE TO SUPPORT THE BROADWAY PROJECT (STEP 2 of 2);**
2. **APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF VALLEJO AND SHELTER, INC. REGARDING THE BROADWAY PROJECT IN AN AMOUNT NOT TO EXCEED $389,655.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME; AND**
3. **APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF VALLEJO AND FIRM FOUNDATION COMMUNITY HOUSING REGARDING THE BROADWAY PROJECT IN AN AMOUNT NOT TO EXCEED $253,205.94 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME**

Recommendation: Adopt resolutions of the City Council of the City of Vallejo:

1. Amending the fiscal year 2025-2026 budget to accept and appropriate $642,860.94 of Opioid Litigation Fund Revenue to support the Broadway Project (Step 2 of 2).

2. Approving a grant agreement between the City of Vallejo and Shelter, Inc. regarding the Broadway Project in an amount not to exceed $389,655.00 and authorizing the City Manager to execute same.
3. Approving a grant agreement between the City of Vallejo and Firm Foundation Community Housing regarding the Broadway Project in an amount not to exceed $253,205.94 and authorizing the City Manager to execute same.

Contact: Gillian Haen, Assistant City Manager
Gillian.Haen@cityofvallejo.net

5. ADJOURNMENT

ADDITIONAL CITY INFORMATION

Members of the public can:

- Like us on Facebook and Instagram (@cityofvallejo)
- Sign up to receive City Communications via e-mail (www.cityofvallejo.net/subscribe)
- Sign up for emergency alerts at: alertsolano.com

Dated: Friday, August 8, 2025	Andrea Sorce, Mayor

I, Dawn Abrahamson, City Clerk do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to

Andrea Sorce (Mayor)
Peter Bregenzer (Vice-Mayor)
Helen-Marie Gordon
Tonia Lediju, PhD
Alexander Matias
Diosdado "JR" Matulac
Charles Palmares,

at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 4:45 p.m., Friday, August 8, 2025.

Dated: Friday, August 8, 2025	

DATE: August 12, 2025
TO: Mayor and Members of the City Council
FROM: Gillian Haen, Assistant City Manager
Natalie Peterson, Assistant to the City Manager
SUBJECT: **ADOPT RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF VALLEJO:**

1. **AMENDING THE FISCAL YEAR 2025-2026 BUDGET TO ACCEPT AND APPROPRIATE $642,860.94 OF OPIOID LITIGATION FUND REVENUE TO SUPPORT THE BROADWAY PROJECT (STEP 2 of 2);**
2. **APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF VALLEJO AND SHELTER, INC. REGARDING THE BROADWAY PROJECT IN AN AMOUNT NOT TO EXCEED $389,655.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME; AND**
3. **APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF VALLEJO AND FIRM FOUNDATION COMMUNITY HOUSING REGARDING THE BROADWAY PROJECT IN AN AMOUNT NOT TO EXCEED $253,205.94 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME**

RECOMMENDATION

Adopt resolutions of the City Council of the City of Vallejo:

1. Amending the fiscal year 2025-2026 budget to accept and appropriate $642,860.94 of Opioid Litigation Fund Revenue to support the Broadway Project (Step 2 of 2).
2. Approving a grant agreement between the City of Vallejo and Shelter, Inc. regarding the Broadway Project in an amount not to exceed $389,655.00 and authorizing the City Manager to execute same.
3. Approving a grant agreement between the City of Vallejo and Firm Foundation Community Housing regarding the Broadway Project in an amount not to exceed $253,205.94 and authorizing the City Manager to execute same.

REASONS FOR RECOMMENDATION

In May 2022 the City of Vallejo was awarded the Homekey grant with your co-applicants Firm Foundation Community Housing (developer) and Shelter, Inc, (operator) for the development of a Permanent Supportive Housing (PSH) Project commonly referred to as the Broadway Project. With the project nearing completion, on June 3, 2025 the City Council adopted a resolution approving a Lease and Operator with Shelter, Inc. and Firm Foundation Community Housing for the Broadway Project. On August 5, 2025, the City Council provided notice of intent to amend the fiscal year 2025-2026 budget to accept and appropriate $642,860.94 of opioid litigation fund revenue to support the Broadway project.

There are remaining close out funds needed to complete the Broadway Project construction, which will be covered by the funding granted to Firm Foundation Community Housing. There are also funds needed for start-up operational costs and furniture and equipment needed to open the project, which will be covered by

the funding granted to Shelter, Inc.

BACKGROUND AND DISCUSSION

On May 10, 2022, the City of Vallejo (City), Firm Foundation Community Housing (Firm), and Shelter, Inc. (Shelter) were awarded a California Department of Housing and Community Development (HCD) Homekey Program ("Homekey") Round 2 Grant of $11,621,866. Grant funds were approved to be used by Firm Foundation to develop and build a permanent supportive housing project to house chronically homeless individuals in Vallejo. On June 10, 2022, the Council accepted the grant and amended the City's budget to receive the grant. On June 14, 2022, the Council approved a resolution to appropriate Homekey Round 2 grant funding for the Broadway Project.

The Homekey Grant Program allowed eligible applicants such as the City to act as co-applicants with the project developer, Firm Foundation Community Housing, and operator, Shelter, Inc.

On June 10, 2025, City Council adopted a resolution approving a lease and operator agreement for the Broadway Project with Shelter, Inc. and Firm Foundation Community Housing.

The Project

The Broadway Project ("Project") is a permanent supportive modular housing project designed to house the chronically homeless. The estimated total cost of construction of the Project is $27M. Construction began on September 19, 2022, and is anticipated to be completed in August 2025. The property is anticipated to be fully eased and fully occupied within 90 days of construction completion. Firm Foundation currently owns the property and manages the Project construction in compliance with Homekey deliverables and timeline regulations. The Project will include 47 permanent supportive housing units (studios), affordable to extremely low to very low-income households, an on-site manager unit, a community room and courtyard. On-site wrap-around services will be provided by Shelter, Inc., to facilitate connections to services, benefits, and community resources.

The existing State, County, City and Housing Authority funding amounts for the Broadway Project are summarized below:

Funding Source	**Amount**
State of CA Homekey	$11,621,866
City of Vallejo American Rescue Plan Act (ARPA)	$192,740
Solano County American Rescue Plan Act (ARPA)	$3,000,000
City of Vallejo American Rescue Plan ACT (ARPA)	$200,000

Infill Infrastructure Grant Program	$2,559,656
Wells Fargo Grant*	$90,000
LMIHAF Loan	$3,300,000
City of Vallejo American Rescue Plan Act (ARPA)	$3,270,335
Measure P Loan Funding	$2,879,665
Total Project Funding	$27,114,262

*Awarded directly to Firm Foundation

Project Based Vouchers

The operations for the Navigation Center, including property management and wrap-around services, will be covered through the payment of the Project Based Vouchers.

Project-based vouchers (PBVs) are a component of a public housing agency's (PHA's) Housing Choice Voucher (HCV) Program. Project-based vouchers provide long-term affordable housing contracts for households with very low or extremely low incomes. These vouchers are part of the HCV Program, and are attached to specific units, unlike most housing choice vouchers, which are tenant-based. On December 3, 2024, the 2024 PBV Request for Proposals (RFP) for new construction, existing housing, and rehabilitation units was published. On January 22, 2025, through an application review panel, the proposal for the Broadway Village Project for existing housing units was ranked, scored, and selected according to the application requirements and scoring criteria.

On May 20, 2025, the Housing and Community Development Commission adopted a resolution recommending that the Housing Authority of the City of Vallejo Board of Directors award 47 project-based vouchers and approve the execution of the Project-Based Voucher Agreement Housing Assistance Payment (HAP) contract with Firm Foundation Community Housing for the property located at 2441 Broadway Street, Vallejo, CA 94589, commonly known as the Broadway Village Project.

On May 27, 2025, the Vallejo Housing Authority (VHA) Board adopted a Resolution approving the award and ratifying forty-seven (47) project-based vouchers (PBV) to Firm Foundation Community Housing and approving a PBV HAP contract for a term of up to 20 years, with extensions. The contract, including any approved extensions, would not exceed 40 years.

There may be up to a 90-day difference from when the project will be able to begin moving people into their units and when the PBV HAP contract is approved by the U.S. Department of Housing and Urban Development (HUD) and payments get initiated to begin funding the operations.

Opioid Settlement Agreement Funding

The State of California joined national lawsuits against manufacturers, distributors, and other entities responsible for aiding the opioid epidemic and anticipates receiving funds from several opioid judgments. Monies from settlements and bankruptcies are provided to states, cities, and counties through different Fund Accounts pursuant to the relevant National Opiod Settlement Agreements, National Mallinckrodt Bankruptcy Plan, and Endo Public Opioid Trust Agreement. California elected to distribute the majority of Mallinckrodt and Endo funds to participating cities and counties for opioid remediation activities at the local level.

The use of those opioid litigation funds is highly restricted, and funds must be used for opioid remediation purposes. Additionally, the State of California requires that at least 50% of Opioid funding be used toward "High Impact Abatement Activities (HIAA)":

No.	Activity
1.	Provision of matching funds of operating costs of substance use disorder (SUD) facilities within the Behavioral Heal Continuum Infrastructure Program (BHCIP)
2.	Creating new or expanded SUD treatment infrastructure
3.	Addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD
4.	Diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction
5.	Interventions to prevent drug addiction in vulnerable youth
6.	The purchase of naloxone for local entities, including for distribution efforts to expand access to naloxone for opioid overdose reversals

To date, the City of Vallejo has received $1,293,818.94 in opioid settlement funds. The City receives annual allocations of funding based on the terms of the specific settlement agreements with the drug manufacturing companies and distributing companies. It is currently anticipated that these annual allocations over the next several years will amount to roughly $200,000 per year. Funding is distributed to the state, counties and cities as the lawsuits settle. It is anticipated that the City of Vallejo will receive future funding, but the total amount is

not yet known. Council has allocated $650,958 of the funding towards other projects, leaving $642,860.94 available.

The Broadway Project will provide individual case management, connecting people to social and medical services, including substance-use disorder programs. Participants will have access to job training and assistance as they become permanently housed. With the population being served and the services being provided, staff believe that the project fulfills HIAA items #3 and #4 and that the funding for the Broadway Project operations and start-up costs are valid uses of these funds.

According to the 2024 Point in Time (PIT) Count, there are 1,725 unhoused individuals in Solano County, with 682 residing in Vallejo. The report further details that of the 1,725 County-wide unhoused population, 39.3% of the individuals self-reported substance use. With nearly 40% of the population reporting substance use, there is a high likelihood that the many individuals being supported by the Navigation Center will have substance-use disorders and benefit from the services provided.

Opioid Funding Request - Funding Gap Coverage

At its June 3, 2025 meeting, the Council was presented with the information on the funding needed to complete the Project and begin operations. The funding gaps included: up to $219,213 for the first 90 days of operations prior to the Project-Based Vouchers being allocated to the project, $417,867 to cover furniture, equipment and other operational needs, and $558,287 (including a $200,000 hard cost contingency) for construction completion.

At the same meeting, Council provided notice of intent to amend the fiscal year 2025-2026 budget in the amount of $642,860.94 of opioid litigation fund balance to support the Broadway project, provided that none of the funds be used for developer fees and requiring monthly project updates to HCD and quarterly in person updates to HCD and City Council. This item is the second step of the 2-step process to amend the budget. The terms of use and approved activities for the funds are outlined in the attached grant agreements. Shelter, Inc. will be granted an amount not to exceed $389,655.00 and Firm Foundation Community Housing will be granted an amount not to exceed $253,205.94.

FISCAL IMPACT

This item will Amend the Fiscal Year 2025-2026 Budget to transfer the among of $642,860.94 of unrealized revenues from the Opioid Litigation Funds, and encumber those funds for the Broadway Project expenditures, excluding any remaining developer fees. Approving the agreements will award a grant agreement in an amounts not to exceed $389,655.00 for Shelter, Inc. and $253,205.94 for Firm Foundation Community

Housing.

ENVIRONMENTAL REVIEW

The City filed a Notice of Exemption with the Clerk of the Board of Supervisors of the County of Solano and with the Office of Planning and Research for the Broadway Project on July 6, 2022.

ATTACHMENTS

1.	Resolution Amending 2025-26 FY Budget to Accept and Appropriate $642,860.94 of Opioid Litigation Fund Revenue to the Broadway Project CAO Stamp
2.	Resolution Approving National Opioid Settlement Agreements Funds Grant Agreement - Firm Foundation CAO Stamp
3.	National Opioid Settlement Agreements Grant Agreement_Firm Foundation. CAO Stamp
4.	Resolution Approving National Opioid Settlement Agreements Funds Grant Agreement - Shelter Inc. CAO Stamp
5.	National Opioid Settlement Agreement Grant Agreement - Shelter, Inc. CAO Stamp

CONTACT

Gillian Haen, Assistant City Manager
Gillian.Haen@cityofvallejo.net

Approved as to form:

By: _____ *for*
Veronica A.F. Nebb
City Attorney

RESOLUTION NO. 25- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO AMENDING THE FISCAL YEAR 2025-2026 BUDGET TO ACCEPT AND APPROPRIATE $642,860.94 OF OPIOID LITIGATION FUND REVENUE TO SUPPORT THE BROADWAY PROJECT (STEP 2 OF 2)

WHEREAS, addressing housing and homelessness is a multi-year City Council priority; and

WHEREAS, on May 10, 2022 the City of Vallejo (City), Firm Foundation Community Housing (Firm), and Shelter, Inc. (Shelter) were awarded a California Department of Housing and Community Development (HCD) Homekey Program ("Homekey") Round 2 grant of $11,621,866 for the construction of a permanent supportive modular housing project designed to house the chronically homeless (the "Broadway Project"); and

WHEREAS, on June 10, 2022, the City Council accepted the Homekey Round 2 grant and amended the City's budget to receive the grant funding, and, on June 14, 2022, the Council approved a resolution to appropriate Homekey Round 2 grant funding for the Broadway Project; and

WHEREAS, the State of California joined national lawsuits against manufactures, distributors, and other entities responsible for aiding the opioid epidemic and has received and anticipates receiving funds from several opioid judgments and settlements ("National Opioid Settlements Agreement"); and

WHEREAS, to date, the City of Vallejo has received $1,293,818.94 from such opioid settlements; and

WHEREAS, the diversion of people with substance abuse disorders (SUD) from the justice system into treatment and addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD are eligible and suggested uses of the funding; and

WHEREAS, Staff are requesting that $642,860.94 of the opioid settlement funds be allocated to the Broadway Project; and

WHEREAS, per Vallejo City Charter Section 703, amending the budget requires public notice prior to any action taken. The notice of intent to amend the budget (step 1) was provided by the City Council at a special meeting held on August 5, 2025, with direction that none of funding be applied towards payment of developer fees.

NOW THEREFORE, BE IT RESOLVED that the City Council hereby amends the fiscal year 2025-2026 Budget to appropriate $642,860.94 of Opioid Litigation Fund Revenue to support the Broadway Project, provided that none of said funds be applied towards payment of developer fees.

Adopted by the Council of the City of Vallejo at a special meeting held on August 12, 2025 with the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

ANDREA SORCE, MAYOR

ATTEST:

_____

DAWN G. ABRAHAMSON, CITY CLERK

Approved as to form:

By: _____ *for*
Veronica A.F. Nebb
City Attorney

RESOLUTION NO. 25- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF VALLEJO AND FIRM FOUNDATION COMMUNITY HOUSING REGARDING THE BOADWAY PROJECT FOR THE NATIONAL OPIOID SETTLEMENT AGREEMENTS FUNDS IN AN AMOUNT NOT TO EXCEED $253,205.94 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME

WHEREAS, addressing housing and homelessness is a multi-year City Council priority; and

WHEREAS, on May 10, 2022 the City of Vallejo (City), Firm Foundation Community Housing (Firm), and Shelter, Inc. (Shelter) were awarded a California Department of Housing and Community Development (HCD) Homekey Program ("Homekey") Round 2 Grant of $11,621,866 for the construction of a permanent supportive modular housing project designed to house the chronically homeless (the "Broadway Project"); and

WHEREAS, on June 10, 2022, the City Council accepted the grant and amended the City's budget to receive the grant funding, and, on June 14, 2022, the Council approved a resolution to appropriate Homekey Round 2 grant funding for the Broadway Project; and

WHEREAS, the Broadway Project is located at 2441 Broadway Street, Vallejo, CA; and

WHEREAS, the State of California joined national lawsuits against manufactures, distributors, and other entities responsible for aiding the opioid epidemic and has received and anticipates continuing to receive funds from several opioid judgments and settlements ("National Opioid Settlement Agreements"); and

WHEREAS, to date, the City of Vallejo has received $1,293,818.94 from such settlements; and

WHEREAS, the diversion of people with substance abuse disorders (SUD) from the justice system into treatment and addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD are eligible and suggested uses of the funding; and

WHEREAS, Firm is the developer overseeing the construction of the Broadway Project**.**

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo hereby approves the National Opioid Settlement Agreements Funds Grant Agreement between the City of Vallejo and Firm Foundation Community Housing, attached hereto as Exhibit "A", in an amount not to exceed $253,205.94 to be used towards eligible uses for the Broadway Project.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute the Agreement, with any modifications recommended by the City Attorney and the City Clerk to attest.

Adopted by the Council of the City of Vallejo at a special meeting held on August 12, 2025 with the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ANDREA SORCE, MAYOR

ATTEST:

DAWN G. ABRAHAMSON, CITY CLERK

Approved as to form:

By: _____ for
Veronica A.F. Nebb
City Attorney

National Opioid Settlement Agreements Funds Grant Agreement

This NATIONAL OPIOID SETTLEMENT AGREEMENTS FUNDS GRANT AGREEMENT ("**Agreement**") is made at Vallejo, California, dated for reference this 12th day of August 2025, by and between the City of Vallejo, a municipal corporation ("**City**"), and Firm Foundation Community Housing, a California nonprofit public benefit corporation, hereinafter referred to as "**Grantee**", with regard to the Broadway Project located at 2441 Broadway in Vallejo, California. The Parties hereby agree as follows:

1. Term. This Agreement takes effect as of the Effective Date and terminates as set forth in Section 6, below.

2. Disbursement of Funds. The City shall disburse to the Grantee a total sum not to exceed Two Hundred Fifty-Three Thousand, Two Hundred Five Dollars and Ninety-Four Cents ($253,205.94), in accordance with Sections 3 and 4 below, from the National Opioid Settlement Agreements Funds ("NOSA Funds").

3. Authorized Activities. The following terms apply to the Grantee's activities and expenditures related to this Agreement:

(a) The Grantee may seek reimbursement solely for costs it incurs in operating the Broadway Project and for supplies related thereto in accordance with applicable National Opioid Settlement Agreements, and applicable bankruptcy plan documents regarding use of the funds that derive from the opioid litigation against manufacturers and distributors of prescription opioids, which can be accessed on the Department of Health Care Services ("DHCS") Opioid Settlement website at: https://www.dhcs.ca.gov/provgovpart/Pages/California-Opioid-Settlements.aspx (**"Authorized Activities"**), and in accordance with the budget shown in Attachment 1 ("**Approved Budget**") and for no other purpose.

(b) In no event may that sum exceed the total "not-to-exceed amount" identified in Section 2 above. If Grantee receives a refund or credit for any cost for which it received a payment of NOSA Funds, Grantee shall return NOSA Funds in an amount equal to the refund or credit to the City by check payable to the City and delivered to the City at the address shown in Section 8 no later than ten (10) days following receipt of such refund or credit, unless otherwise agreed to in writing by the City.

(c) Any expenditures that are determined by subsequent audit to be unallowable are subject to repayment by the Grantee to the City within thirty (30) days of being notified of same unless the City approves in writing an alternative repayment plan.

(d) The Grantee shall be liable to City for any penalties assessed against City for Grantee's failure to comply with the Authorized Activities.

4. Reimbursement Basis. The City will make payments to the Grantee in arrears as follows:

(a) **Progress Payments**. On a monthly basis, the Grantee shall provide the City with a written report on the progress made on the Authorized Activities (in accordance with Section 7(c) below) and a detailed accounting of costs already incurred in sufficient detail for the City, in its opinion, to substantiate the request for reimbursement. The City will notify the Grantee within fifteen (15) business days following receipt of Grantee's invoice and written report of any circumstances or data identified by the City that would cause withholding of approval and payment. The City may request any additional documents it determines are needed to substantiate any requests for reimbursement. The City reserves the right to withhold payment for unauthorized expenditures. The City shall remit payment to Grantee within a reasonable time after invoice approval.

(b) **Final Payment**. As a condition of receiving final payment under this Agreement, the Grantee shall provide the City with all of the documents described in Section 4(a), above, covering the period since the Grantee last submitted a monthly payment request. The City may request any additional documentation it determines is needed to substantiate any requests for reimbursement. The City reserves the right to withhold payment for unauthorized expenditures. The City shall remit final payment to Grantee within a reasonable time after the final invoice is submitted and receipt and approval of final report and confirmation that no liens have been filed against the Broadway Project.

5. Books and Records. During the term of this Agreement and for five (5) years after the termination or expiration of this Agreement, the Grantee shall keep appropriate books, records, and accounts in connection with the NOSA Funds and activities performed under this Agreement and is subject to the following:

(a) The Grantee shall maintain all records related to this Agreement in accordance with generally accepted accounting practices, including the following records (i) general ledger and subsidiary ledgers used to account for the receipt of NOSA Funds and the disbursement of NOSA Funds to meet eligibility expenses; (ii) budget records for all fiscal years covered by this Agreement; (iii) payroll, time records, human resource records to support costs incurred for payroll expenses related to this Agreement; (iv) receipts of purchases made related to this Agreements; (v) contracts and subcontracts entered into using NOSA Funds and all documents related to such contracts; (vi) all documentation of reports, audits, and other monitoring of Contractors and the Grantee; (vii) all documentation supporting the performance outcomes of contracts, subcontracts, and this Agreement; (vii) all internal and external email/electronic communications related to use of NOSA Funds; and (ix) all investigative files and inquiring reports involving payment of NOSA Funds.

(b) The Grantee shall make its books, records, and accounts (both those that related to this Agreement and those that do not), employees, performance-related records, property, and equipment related to this Agreement available to the City's Finance Director, the City Auditor, and any independent auditor at all reasonable times so that the Finance Director, City Auditor, or an independent auditor may determine whether the Grantee has complied with this Agreement. If the City requests, the Grantee shall obtain and provide to the City, at the Grantee's sole cost, an independent financial audit of the Grantee's use of the NOSA Funds.

(c) Upon demand by the City, given in accordance with Section 8, the Grantee shall reimburse the City for all NOSA Funds that the Finance Director, City Auditor, or independent auditor determines were expended for activities other than Authorized Activities in accordance with this Agreement, with reimbursement to be by check payable to the City and delivered to the City at the address show in Section 8.

6. Termination. The City may terminate this Agreement if the City Manager determines that:

(a) The Grantee has failed to perform, or has performed unsatisfactorily, any provision or requirement of this Agreement, including to use the NOSA Funds solely for Authorized Activities;

(b) The Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this Agreement; or

(c) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this Agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities.

7. Other Requirements. In connection with its activities and expenditures related to this Agreement, the Grantee shall do the following:

(a) Grantee shall abide by all City, state and federal contracting standards related to the use of the grant money. Grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred pursuant to this Agreement in accordance with GAAP; and

(b) The Grantee shall enter into a written contract when it purchases goods or services using NOSA Funds; and

(c) On a monthly basis, the Grantee shall provide the City with a written report on the progress made on the Authorized Activities. This monthly report must include all the following: (i) a narrative explanation of the Grantee's progress toward all goals set forth in the Authorized Activities; (ii) an itemized list of all expenditures of NOSA Funds to date, including

the names of any contractors paid with NOSA Funds and the amount paid; (iii) any other information the City may request to demonstrate that the NOSA Funds are being used solely for Authorized Activities; (iv) a copy of each contract for the purchase of goods or services that is paid for in whole or in part with NOSA Funds; (v) all information required to be reported under Attachment 1; and (vi) any other information that the City may request to demonstrate that the ARPA Funds were used solely for Authorized Activities in accordance with this Agreement. The Grantee shall include with the report a certification that it used the NOSA Funds solely for Authorized Activities in accordance with the terms of this Agreement.

8. **Notices.** Any notice, request, report, or demand under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this Section 8 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:

Office of the City Manager
555 Santa Clara Street
Vallejo, California, 94590
Attention: Gillian Haen
Assistant City Manager

With a copy to:

Office of the City Attorney
555 Santa Clara Street
Vallejo, California, 94590
Attention: Veronica A. F. Nebb
City Attorney

If to the Grantee:

Firm Foundation Community Housing
Attention: Taryn Sandulyak
Executive Director
1035 B Street, Unit B
Hayward, CA 94541

9. **Effective Date.** This Agreement is effective on the data that all parties have signed it, as indicated by the dates in the signature blocks below.

10. **Indemnity.** The Grantee shall defend hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including but not limited to, any fees and/or costs reasonably incurred by the City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing provision (collectively, "**Liabilities**"), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this Agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgement, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct super vision and control of the Grantee.

11. **Insurance.** Grantee shall maintain insurance coverage throughout the term of this Agreement as follows:

(a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased or used by the Grantee, its subcontractors, wit limits of not less than two million dollars ($2,000,000) for any person, three million dollars ($3,000,000) for any occurrence, five millions dollars ($5,000,000) annual aggregate. The policy must provide contractual liability and products and completed operations coverage for the term of the policy. The policy must not include an exclusion for sexual abuse, physical abuse, or molestation.

(b) Workers' Compensation Insurance as required by the State of California with Statutory Limits and Employers' Liability Insurance with a limit of less than one million dollars ($1,000,000) per accident for bodily injury or disease.

(c) Builder's Risk (or Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions. Such coverage shall name the City of Vallejo as a loss payee as their interest may appear and provide that the insurer shall not have rights of recovery against the City and Grantee.

(d) The minimum limits of insurance required by this Section 11 may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or

excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.

(e) The City, its officials, employees, and volunteers must be covered by policy terms or endorsements as additional insureds as respect general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(f) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee's insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee's insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions or the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee's insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(g) The Grantee shall provide the City with 30 days' written notice of cancellation or material change I the policy language or terms.

(h) Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this Section 11 must be declared to and approved by the City in writing prior to execution of this Agreement.

(i) The Grantee shall furnish the City with certificates evidencing the insurance required. The certificates must be forwarded to the City's Risk Manager. Copies of policies must be delivered to the City on demand. Certificates of Insurance must be signed by an authorized representative of the insurance carrier.

(j) The City may terminate this Agreement if the certificates of insurance required have not been provided prior to execution of this Agreement or if the insurance is cancelled or the Grantee otherwise ceases to be insured as required by this Section 11.

(k) Any available insurance proceeds in excess of the specified minimum limits are coverages must be made available to the City.

(l) The Grantee's liability to the City is not in any way limits to or affected by the amount of insurance coverage required or carried by the Grantee in connection with this Agreement.

(m) In the event of damage or destruction to the Property or the Project improvements, all commercial property insurance (including Builder's Risk) proceeds shall be applied to the payment of the costs of repairing or rebuilding that part of the Property and Project improvements damaged or destroyed, provided that the extent of Grantee's obligation to restore the Property and Project improvements shall be limited to the amount of the insurance proceeds.

(n) If the Project improvements are damaged or destroyed, then Grantee shall, to the extent insured, or required to be insured, and with reasonable diligence, repair, reconstruct or replace cush improvements (to the extent the same is commercially feasible) to a condition substantially similar to their condition immediately prior to cush damage or destruction. All such repair, reconstruction or replacements shall be at the sole cost and expense of Grantee and, upon completion thereof, shall be free and clear of all mechanic's liens.

12. Conflict of Interest. The Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders the Grantee's performance under this Agreement.

13. Miscellaneous.

(a) **Assignment.** The Grantee may not assign or otherwise transfer this Agreement or any interest in it without the City's written consent, which the City may grant or dent in its sole discretion. An assignment or other transfer made contrary to this Section 13(a) is void.

(b) **Successors and Assigns.** This Agreement binds and insures to the benefit of the successors and assigns of the parties. This section 13(b) does not constitute the City's consent to any assignment of this Agreement or any interest in this Agreement.

(c) **Interpretation.** This Agreement is to be interpreted and applied in accordance with California law.

(d) **Waiver of Breach.** A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other party's breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any term or provision in this Agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) **Severability.** If a court with jurisdiction rules that nay nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

(f) **Counterparts.** The parties may sign this Agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles,

PDF's, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this Agreement.

(h) **Authority to Sign.** The person signing this Agreement on Grantee's behalf represents that he or she is authorized to do so and that no further action beyond his or her signature is required to bind Grantee to this Agreement. City shall have no obligations whatsoever under this Agreement, unless and until this Agreement is executed by the City Manager or the City Manager's authorized designee.

(i) **Compliance with all Laws, Requirements, and Orders.** The Grantee shall comply with all applicable laws, regulations, orders of public officials, and requirements in connection with this Agreement, including all non-discrimination and equal opportunity laws to ensure that Grantee does not deny benefits or services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity).

(j) **Tax Implications and Consequences.** The City makes no representations as to the tax consequences associated with the disbursement of NOSA Funds related to this Agreement, and any determination related to this issue is the sole responsibility of the Grantee. Grantee acknowledges consulting with its own tax advisors or tax attorneys regarding this transaction or having had an opportunity to do so prior to signing this Agreement. Grantee acknowledges the City cannot provide advice regarding the tax consequences or implications of the NOSA Funds disburses to Grantee under this Agreement.

(k) **Integration and Modification.** This Agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations – written, oral, express, or implied – and may be modified only by another written agreement signed by both parties.

(l) **Attachments.** Attachment 1 to this Agreement is incorporated herein by reference.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

SHELTER, INC.

By: _____
Taryn Sandulyak
Chief Executive Officer

DATE: _____

_____
Vallejo Business License No.

CITY OF VALLEJO

By: _____
Andrew Murray,
City Manager

DATE: _____

ATTEST:

By: _____
Dawn G. Abrahamson,
City Clerk

(City Seal)

APPROVED AS TO FORM:

By: _____
Veronica A. F. Nebb,
City Attorney

APPROVED AS TO INSURANCE

By: _____
Armond Sarkis,
Risk Manager

ATTACHMENT 1

Budget Narrative and Approved Budget

Purpose:

The purpose of the Budget Narrative is to provide support and an explanation for the amount requested in the Budget Table (itemized cost list).

The Grantee must provide cost information for each applicable category listed below and explain how the requested funds will allow the Grantee to achieve the program goals. Each expenditure must be supported by a justification to support the cost. All costs must be reasonable and allocable.

Cost Categories:

A. Direct Costs, including:

- Salaries and Benefits: List the classification/title, percentage of time, salary or hourly rates, and benefits costs (if applicable) for every person funded by this grant. Briefly describe each position's roles and responsibilities for grant activities.
- Services and Supplies: Itemize all services and supplies to be purchased with grant funds to support the grant activities. If utilizing a subcontractor for professional or non-profit services, list subcontractor names (if known) and the amount of funds to be allocated to such services.
- Marketing Expenses: Costs related to advertising the program services to the target audience.
- Equipment/Fixed Assets: Itemize any equipment or fixed assets to be purchased with grant funds. List each piece of equipment or fixed asset separately.
- Program Evaluation: Itemize all costs associated with evaluating progress toward the program goals.
- Other: Itemize any other direct costs that are not listed in the categories above.

B. Indirect Costs:

- Indirect Costs: Itemize indirect costs. Please note that the indirect costs cannot total more than 10% of the total direct costs, unless the Grantee has an established Negotiated Indirect Cost Rate with a federal agency. If so, the Grantee must submit the indirect cost rate agreement as an attachment to justify its indirect costs.

Ineligible costs:

The National Opioid Settlement Agreement funds shall not be applied towards developer fees for Firm Foundation Community Housing.

APPROVED BUDGET

Operations + Transition Budget / FF&E	Project Cost	Notes	Sponsorship	Budget recipient / Responsible for Scope
Furniture & Equipment				
beds/mattresses/pillows & bedding	$0	Donated by Make It Home & Wells Fargo	Make It Home & Wells Fargo	-
Living unit furnishing	$0	Donated by Make It Home & Wells Fargo	Make It Home & Wells Fargo	-
Window coverings & remaining furnishings & welcome kits assigned to Shelter Inc on Furniture Program	$50,350	Includes all window coverings, TVs, bbqs, and furniture items not provided by Make It Home & Wells Fargo installation. Budget must cover materials and installation- all to be performed by Shelter Inc. Shelter Inc is also looking into donations through their organizations to cover their allocated FF&E scope.	-	Shelter, Inc.
Management & Repairs from move in activities - added scope outside of punch list items	$15,000	Building repairs and maintenance incurred by initial move-in activities unrelated and separate from documented construction punch list. Includes PM time to manage FF&E program and donation activity	-	Firm Foundation
Bed bug oven	$0	Shelter, Inc. has one they are providing	Shelter, Inc.	-
Laundry machines	$14,320	Machines have been procured, but were never supposed to be part of the capital budget. These should have been under operational FF&E items; there were long lead time and tariff concerns that caused the purchase to happen under construction budget to ensure availability by time of resident move in. Procuring early saved long term cost to the project, but is an unanticipated burden on the capital budget.	-	Firm Foundation
Subtotal Furniture & Equipment	**$79,670**			
Technology				
Security Camera / system & monitoring service initiation	$15,000	Alarmtech proposal for basic system is $15K including prevailing wage	-	Shelter, Inc.

WAPS (Wireless Access Points)	$0	If needed for internet install (current assumption is this will be covered by SMART FIBER NETWORK)	Fiber Grant	-
Office & Common Area Internet	$0	Units are served by SMART FIBER NETWORKS Assumes this is covered under Fiber Grant (with Shelter, Inc.)	Fiber Grant	-
Comcast POTS lines ("plain old telephone" lines)	$1,200	Assumes $200/mo x 6months for Fire life safety line to elevator, (1) front entry system, & (1) optional for office space if needed	Fiber Grant	Firm Foundation
Smart Fiber Network - internet for participant units	$0	covered by Fiber Grant (with Shelter, Inc.)	Fiber Grant	-
Subtotal Technology	**$16,200**			
Other / Misc operational start up services				
CEQA lawsuit settlement requirements- 24hr security ambassador- 3 months	$84,000	The City must require the future Operator to screen tenants with motorized vehicles to allow only legally operable and registered vehicles to park on the site. The City shall require the Project Operator to have a safety ambassador on site from 6pm-1am daily, seven days a week, for a period of three months beginning at 50% tenant occupancy. At the end of the three month period, City shall report to Petitioner's' attorney the number of criminal incidents reported by the Vallejo Police Department, excluding physical and mental wellness checks and EMT service calls. If the number of criminal incident reports averages fewer than eight calls per month, the requirement to have safety ambassador on site shall be terminated.	-	Shelter, Inc
Security Guard until Site Occupancy begins	$27,000	Approx. $13500/mo x 2 mo for night & weekend guard service	-	Firm Foundation
PBV - Market Rate Study & Appraisal Reporting	$5,000	New reports required for Project Based Voucher award. Validates rental prices carried in Proforma is in line with current local markets.	-	Firm Foundation

Property Insurance- Builder's risk policy extended through 6/30; property insurance policy should pick up from TCO date	$54,800	This budget will cover 6 months of property insurance through FFCH's carrier. Based on Shelter Inc feedback, their insurance budget carried in our operational budget / proforma will cover property insurance and FFCH assumes we will cancel this policy within 6 months for Shelter, Inc. to take over, covered by the voucher budget.	-	Firm Foundation
OCIP extensions from 5/8 through final Completion date + Builders risk extension through TCO	$39,000	OCIP extended through end of June- required until all contractors are off-site; Bldrs risk extended mid June	-	Firm Foundation
PG&E Operational electricity service- house and units	$3,600	Approx. $600 per month x 6 months. Shelter Inc can help residents sign up for WAG, CARES reduced rates once units are leased up.	-	Firm Foundation
Shelter Inc Staffing surcharge- temporary Supplemental staffing for initial lease up effort	$42,592	Based on Shelter Inc year 1 budget- staffing in excess of standard operational year proforma- specifically tied to initial start up costs. Shelter Inc is also looking into Charitable/fundraising efforts through their organization to cover some of these costs, so their actual cost incurred / billed against this amount may be reduced.	-	Shelter, Inc.
Subtotal "Other"	**$255,993**			
Construction Gap				
Gap to cover remaining site construction	$71,785.94		-	Firm Foundation
Total Construction Gap	**$71,785.94**			
Operational Costs				
Start-up Operational Costs	$219,213.00	90 Day operations (based on Operational ProForma) $197,713 for Shelter, Inc. $21,500 for Firm Foundation	-	Shelter, Inc. &Firm Foundation
Total Start-up Operational Costs	**$219,213**			

Firm Foundation	$ 253,205.94
Shelter, Inc.	$ 389,655.00
Total	**$ 642,860.94**

Approved as to form:

By: _____ *for*
Veronica A.F. Nebb
City Attorney

RESOLUTION NO. 25- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO APPROVING A GRANT AGREEMENT BETWEEN THE CITY OF VALLEJO AND SHELTER, INC. REGARDING THE BOADWAY PROJECT FOR THE NATIONAL OPIOID SETTLEMENT AGREEMENTS FUNDS IN AN AMOUNT NOT TO EXCEED $389,655.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAME

WHEREAS, addressing housing and homelessness is a multi-year City Council priority; and

WHEREAS, on May 10, 2022 the City of Vallejo (City), Firm Foundation Community Housing (Firm), and Shelter, Inc. (Shelter) were awarded a California Department of Housing and Community Development (HCD) Homekey Program ("Homekey") Round 2 Grant of $11,621,866 for the construction of a permanent supportive modular housing project designed to house the chronically homeless (the "Broadway Project"); and

WHEREAS, on June 10, 2022, the City Council, the Council accepted the grant and amended the City's budget to receive the grant funding, and, on June 14, 2022, the Council approved a resolution to appropriate Homekey Round 2 grant funding for the Broadway Project; and

WHEREAS, the Broadway Project is located at 2441 Broadway Street, Vallejo, CA; and

WHEREAS, the State of California joined national lawsuits against manufactures, distributors, and other entities responsible for aiding the opioid epidemic and has received and anticipates receiving funds from several opioid judgments and settlements ("National Opioid Settlement Agreements"); and

WHEREAS, to date, the City of Vallejo has received $1,293,818.94 from such opioid settlements; and

WHEREAS, the diversion of people with substance abuse disorders (SUD) from the justice system into treatment and addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD are eligible and suggested uses of the funding; and

WHEREAS, Shelter, Inc. will be leasing and operating the Broadway Project and providing services for the residents.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo hereby approves the National Opioid Settlement Agreements Funds Grant Agreement between the City of Vallejo and Shelter, Inc., attached hereto as Exhibit "A", in an amount not to exceed $389,655.00 to be used towards eligible uses for the Broadway Project.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute the Agreement, with any modifications recommended by the City Attorney and the City Clerk to attest.

Adopted by the Council of the City of Vallejo at a special meeting held on August 12, 2025 with the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

ANDREA SORCE, MAYOR

ATTEST:

_____

DAWN G. ABRAHAMSON, CITY CLERK

Approved as to form:

By: _____ for
Veronica A.F. Nebb
City Attorney

National Opioid Settlement Agreements Funds Grant Agreement

This NATIONAL OPIOID SETTLEMENT AGREEMENTS FUNDS GRANT AGREEMENT ("**Agreement**") is made at Vallejo, California, dated for reference this 12th day of August 2025, by and between the City of Vallejo, a municipal corporation ("**City**"), and SHELTER, Inc., a California nonprofit public benefit corporation, hereinafter referred to as "**Grantee**", with regard to the Broadway Project located at 2441 Broadway in Vallejo, California. The Parties hereby agree as follows:

1. Term. This Agreement takes effect as of the Effective Date and terminates as set forth in Section 6, below.

2. Disbursement of Funds. The City shall disburse to the Grantee a total sum not to exceed Three Hundred Eighty-Nine Thousand, Six Hundred Fifty-Five Dollars and Zero Cents ($389,655.00), in accordance with Sections 3 and 4 below, from the National Opioid Settlement Agreements Funds ("NOSA Funds").

3. Authorized Activities. The following terms apply to the Grantee's activities and expenditures related to this Agreement:

(a) The Grantee may seek reimbursement solely for costs it incurs in operating the Broadway Project and for supplies related thereto in accordance with applicable National Opioid Settlement Agreements, and applicable bankruptcy plan documents regarding use of the funds that derive from the opioid litigation against manufacturers and distributors of prescription opioids, which can be accessed on the Department of Health Care Services ("DHCS") Opioid Settlement website at: https://www.dhcs.ca.gov/provgovpart/Pages/California-Opioid-Settlements.aspx (**"Authorized Activities"**), and in accordance with the budget shown in Attachment 1 ("**Approved Budget**") and for no other purpose.

(b) In no event may that sum exceed the total "not-to-exceed amount" identified in Section 2 above. If Grantee receives a refund or credit for any cost for which it received a payment of NOSA Funds, Grantee shall return NOSA Funds in an amount equal to the refund or credit to the City by check payable to the City and delivered to the City at the address shown in Section 8 no later than ten (10) days following receipt of such refund or credit, unless otherwise agreed to in writing by the City.

(c) Any expenditures that are determined by subsequent audit to be unallowable are subject to repayment by the Grantee to the City within thirty (30) days of being notified of same unless the City approves in writing an alternative repayment plan.

(d) The Grantee shall be liable to City for any penalties assessed against City for Grantee's failure to comply with the Authorized Activities.

4. Reimbursement Basis. The City will make payments to the Grantee in arrears as follows:

(a) **Progress Payments**. On a monthly basis, the Grantee shall provide the City with a written report on the progress made on the Authorized Activities (in accordance with Section 7(c) below) and a detailed accounting of costs already incurred in sufficient detail for the City, in its opinion, to substantiate the request for reimbursement. The City will notify the Grantee within fifteen (15) business days following receipt of Grantee's invoice and written report of any circumstances or data identified by the City that would cause withholding of approval and payment. The City may request any additional documents it determines are needed to substantiate any requests for reimbursement. The City reserves the right to withhold payment for unauthorized expenditures. The City shall remit payment to Grantee within a reasonable time after invoice approval.

(b) **Final Payment**. As a condition of receiving final payment under this Agreement, the Grantee shall provide the City with all of the documents described in Section 4(a), above, covering the period since the Grantee last submitted a monthly payment request. The City may request any additional documentation it determines is needed to substantiate any requests for reimbursement. The City reserves the right to withhold payment for unauthorized expenditures. The City shall remit final payment to Grantee within a reasonable time after the final invoice is submitted and receipt and approval of final report and confirmation that no liens have been filed against the Broadway Project.

5. Books and Records. During the term of this Agreement and for five (5) years after the termination or expiration of this Agreement, the Grantee shall keep appropriate books, records, and accounts in connection with the NOSA Funds and activities performed under this Agreement and is subject to the following:

(a) The Grantee shall maintain all records related to this Agreement in accordance with generally accepted accounting practices, including the following records (i) general ledger and subsidiary ledgers used to account for the receipt of NOSA Funds and the disbursement of NOSA Funds to meet eligibility expenses; (ii) budget records for all fiscal years covered by this Agreement; (iii) payroll, time records, human resource records to support costs incurred for payroll expenses related to this Agreement; (iv) receipts of purchases made related to this Agreements; (v) contracts and subcontracts entered into using NOSA Funds and all documents related to such contracts; (vi) all documentation of reports, audits, and other monitoring of Contractors and the Grantee; (vii) all documentation supporting the performance outcomes of contracts, subcontracts, and this Agreement; (vii) all internal and external email/electronic communications related to use of NOSA Funds; and (ix) all investigative files and inquiring reports involving payment of NOSA Funds.

(b) The Grantee shall make its books, records, and accounts (both those that related to this Agreement and those that do not), employees, performance-related records, property, and equipment related to this Agreement available to the City's Finance Director, the City Auditor, and any independent auditor at all reasonable times so that the Finance Director, City Auditor, or an independent auditor may determine whether the Grantee has complied with this Agreement. If the City requests, the Grantee shall obtain and provide to the City, at the Grantee's sole cost, an independent financial audit of the Grantee's use of the NOSA Funds.

(c) Upon demand by the City, given in accordance with Section 8, the Grantee shall reimburse the City for all NOSA Funds that the Finance Director, City Auditor, or independent auditor determines were expended for activities other than Authorized Activities in accordance with this Agreement, with reimbursement to be by check payable to the City and delivered to the City at the address show in Section 8.

6. Termination. The City may terminate this Agreement if the City Manager determines that:

(a) The Grantee has failed to perform, or has performed unsatisfactorily, any provision or requirement of this Agreement, including to use the NOSA Funds solely for Authorized Activities;

(b) The Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this Agreement; or

(c) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this Agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities.

7. Other Requirements. In connection with its activities and expenditures related to this Agreement, the Grantee shall do the following:

(a) Grantee shall abide by all City, state and federal contracting standards related to the use of the grant money. Grantee shall maintain documentation of its normal procurement policy and competitive bid process (including the use of sole source purchasing), and financial records of expenditures incurred pursuant to this Agreement in accordance with GAAP; and

(b) The Grantee shall enter into a written contract when it purchases goods or services using NOSA Funds; and

(c) On a monthly basis, the Grantee shall provide the City with a written report on the progress made on the Authorized Activities. This monthly report must include all the following: (i) a narrative explanation of the Grantee's progress toward all goals set forth in the Authorized Activities; (ii) an itemized list of all expenditures of NOSA Funds to date, including

the names of any contractors paid with NOSA Funds and the amount paid; (iii) any other information the City may request to demonstrate that the NOSA Funds are being used solely for Authorized Activities; (iv) a copy of each contract for the purchase of goods or services that is paid for in whole or in part with NOSA Funds; (v) all information required to be reported under Attachment 1; and (vi) any other information that the City may request to demonstrate that the ARPA Funds were used solely for Authorized Activities in accordance with this Agreement. The Grantee shall include with the report a certification that it used the NOSA Funds solely for Authorized Activities in accordance with the terms of this Agreement.

8. **Notices.** Any notice, request, report, or demand under this Agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this Section 8 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:

Office of the City Manager
555 Santa Clara Street
Vallejo, California, 94590
Attention: Gillian Haen
Assistant City Manager

With a copy to:

Office of the City Attorney
555 Santa Clara Street
Vallejo, California, 94590
Attention: Veronica A. F. Nebb
City Attorney

If to the Grantee:

SHELTER, Inc.
P.O. Box 5368
Concord, California 94524
Attention: Chief Executive Officer

9. **Effective Date.** This Agreement is effective on the data that all parties have signed it, as indicated by the dates in the signature blocks below.

10. **Indemnity.** The Grantee shall defend hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including but not limited to, any fees and/or costs reasonably incurred by the City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing provision (collectively, "**Liabilities**"), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this Agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgement, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct super vision and control of the Grantee.

11. **Insurance.** Grantee shall procure and maintain for the duration of this Agreement, including any extensions thereto, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by the Grantee, their agents, representatives, or employees or subcontractors. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured; whichever is greater. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Grantee under this agreement.

(a) **Commercial General Liability Insurance:** Providing coverage at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage (occurrence form CG 0001) or its equivalent. Such insurance shall cover bodily injury (including death), personal injury, and property damage, arising out of activities performed by or on behalf of the Grantee, its subcontractors, products and completed operations of Grantee and its subcontractors, and premises owned, leased or used by the Grantee and its subcontractors. The policy must provide contractual liability and products and completed operations coverage for the term of the policy. The policy must not include an exclusion for sexual abuse, physical abuse, or molestation. Limits shall be no less than:

- Five Million Dollars ($5,000,000) per occurrence for bodily injury, personal injury, and property damage.

- If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(b) **Automobile Liability Insurance:** Providing coverage at least as broad as ISO form number CA 0001 covering Automobile Liability, code 1 (any auto) and endorsement CA 0025. Limits shall be no less than:

- One Million Dollars ($1,000,000) per accident for bodily injury and property damage.

(c) **Workers' Compensation and Employer's Liability Insurance:** Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than One Million Dollars ($1,000,000) per accident for bodily injury or disease. If Grantee is not subject to California Workers' Compensation requirements, Grantee shall file a completed Request for Waiver of Workers' Compensation Insurance Form which may be obtained from the City prior to commencing any activity authorized hereunder.

(d) **Commercial Crime Insurance:** Covering dishonest acts including loss due to theft of money, securities, and property; forgery, and alteration of documents; and fraudulent transfer of money, money orders, securities, and property. Limits shall be no less than:

- Fifty Thousand Dollars ($50,000) per claim or per occurrence.

(e) **Deductibles and Self-Insured Retentions (SIR):** Any deductibles or self-insured retention must be declared to and approved by the City. All SIRs must be disclosed to the City's Risk Manager for approval and shall not reduce the limits of liability. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this Section 11 must be declared to and approved by the City in writing prior to execution of this Agreement.

(f) **Other Insurance Provisions:** The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:

(1) **Additional Insured Endorsements:** The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as Additional Insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Grantee; products and completed operations of the Grantee; premises owned, occupied or used by the Grantee; or automobiles owned, leased hired or borrowed by the Grantee. Additional Insured endorsements with respect to General Liability, Auto and Umbrella/Excess Insurance shall be attached to the Certificate of Insurance presented to the City. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers.

(2) **Primary Coverage:** For any claims related to this project, the Grantee's insurance coverage, including excess insurance, shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents, or volunteers shall be excess of the Grantee's insurance and shall not contribute with it.

(3) **Reporting Compliance:** Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents, or volunteers.

(4) **Separation of Insureds:** The Grantee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(5) **Notice of Cancellation/Material Change:** Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

(6) **Waiver of Subrogation Rights Endorsement:** The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Grantee's performance under this Agreement. The waiver of subrogation rights endorsement in favor of the City of Vallejo shall be attached to the Certificate of Insurance.

(g) **Acceptability of Insurers:** Insurance is to be issued by companies licensed to do business in the State of California. The insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

(h) **Verification of Coverage:** Grantee shall furnish the City with certificates of insurance and original endorsements. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City before work commences. The City reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later. All verification of coverage and other insurance documents shall be mailed to the following address:

City of Vallejo
Attn: Risk Manager
555 Santa Clara Street
Vallejo, California 94590

(i) **Subcontractors:** Grantee shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(j) **Liability Not Limited by Insurance:** The Grantee's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the Grantee in connection with this Agreement.

12. Conflict of Interest. The Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders the Grantee's performance under this Agreement.

13. Miscellaneous.

(a) **Assignment.** The Grantee may not assign or otherwise transfer this Agreement or any interest in it without the City's written consent, which the City may grant or dent in its sole discretion. An assignment or other transfer made contrary to this Section 13(a) is void.

(b) **Successors and Assigns.** This Agreement binds and insures to the benefit of the successors and assigns of the parties. This section 13(b) does not constitute the City's consent to any assignment of this Agreement or any interest in this Agreement.

(c) **Interpretation.** This Agreement is to be interpreted and applied in accordance with California law.

(d) **Waiver of Breach.** A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other party's breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any term or provision in this Agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) **Severability.** If a court with jurisdiction rules that nay nonmaterial part of this Agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this Agreement remains valid and fully enforceable.

(f) **Counterparts.** The parties may sign this Agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, PDF's, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this Agreement.

(h) **Authority to Sign.** The person signing this Agreement on Grantee's behalf represents that he or she is authorized to do so and that no further action beyond his or her signature is required to bind Grantee to this Agreement. City shall have no obligations whatsoever under this Agreement, unless and until this Agreement is executed by the City Manager or the City Manager's authorized designee.

(i) **Compliance with all Laws, Requirements, and Orders.** The Grantee shall comply with all applicable laws, regulations, orders of public officials, and requirements in

connection with this Agreement, including all non-discrimination and equal opportunity laws to ensure that Grantee does not deny benefits or services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity).

(j) **Tax Implications and Consequences.** The City makes no representations as to the tax consequences associated with the disbursement of NOSA Funds related to this Agreement, and any determination related to this issue is the sole responsibility of the Grantee. Grantee acknowledges consulting with its own tax advisors or tax attorneys regarding this transaction or having had an opportunity to do so prior to signing this Agreement. Grantee acknowledges the City cannot provide advice regarding the tax consequences or implications of the NOSA Funds disburses to Grantee under this Agreement.

(k) **Integration and Modification.** This Agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations – written, oral, express, or implied – and may be modified only by another written agreement signed by both parties.

(l) **Attachments.** Attachment 1 to this Agreement is incorporated herein by reference.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year shown below the name of each of the parties.

SHELTER, INC.

By: _____
John Eckstrom,
Chief Executive Officer

DATE: _____

_____
Vallejo Business License No.

CITY OF VALLEJO

By: _____
Andrew Murray,
City Manager

DATE: _____

ATTEST:

By: _____
Dawn G. Abrahamson,
City Clerk

(City Seal)

APPROVED AS TO FORM:

By: _____
Veronica A. F. Nebb,
City Attorney

APPROVED AS TO INSURANCE

By: _____
Armond Sarkis,
Risk Manager

ATTACHMENT 1

Budget Narrative and Approved Budget

Purpose:

The purpose of the Budget Narrative is to provide support and an explanation for the amount requested in the Budget Table (itemized cost list).

The Grantee must provide cost information for each applicable category listed below and explain how the requested funds will allow the Grantee to achieve the program goals. Each expenditure must be supported by a justification to support the cost. All costs must be reasonable and allocable.

Cost Categories:

A. Direct Costs, including:

- Salaries and Benefits: List the classification/title, percentage of time, salary or hourly rates, and benefits costs (if applicable) for every person funded by this grant. Briefly describe each position's roles and responsibilities for grant activities.
- Services and Supplies: Itemize all services and supplies to be purchased with grant funds to support the grant activities. If utilizing a subcontractor for professional or non-profit services, list subcontractor names (if known) and the amount of funds to be allocated to such services.
- Marketing Expenses: Costs related to advertising the program services to the target audience.
- Equipment/Fixed Assets: Itemize any equipment or fixed assets to be purchased with grant funds. List each piece of equipment or fixed asset separately.
- Program Evaluation: Itemize all costs associated with evaluating progress toward the program goals.
- Other: Itemize any other direct costs that are not listed in the categories above.

B. Indirect Costs:

- Indirect Costs: Itemize indirect costs. Please note that the indirect costs cannot total more than 10% of the total direct costs, unless the Grantee has an established Negotiated Indirect Cost Rate with a federal agency. If so, the Grantee must submit the indirect cost rate agreement as an attachment to justify its indirect costs.

Ineligible costs:

The National Opioid Settlement Agreement funds shall not be applied towards developer fees for Firm Foundation Community Housing.

APPROVED BUDGET

Operations + Transition Budget / FF&E	Project Cost	Notes	Sponsorship	Budget recipient / Responsible for Scope
Furniture & Equipment				
beds/mattresses/pillows & bedding	$0	Donated by Make It Home & Wells Fargo	Make It Home & Wells Fargo	-
Living unit furnishing	$0	Donated by Make It Home & Wells Fargo	Make It Home & Wells Fargo	-
Window coverings & remaining furnishings & welcome kits assigned to Shelter Inc on Furniture Program	$50,350	Includes all window coverings, TVs, bbqs, and furniture items not provided by Make It Home & Wells Fargo installation. Budget must cover materials and installation- all to be performed by Shelter Inc. Shelter Inc is also looking into donations through their organizations to cover their allocated FF&E scope.	-	Shelter, Inc.
Management & Repairs from move in activities - added scope outside of punch list items	$15,000	Building repairs and maintenance incurred by initial move-in activities unrelated and separate from documented construction punch list. Includes PM time to manage FF&E program and donation activity	-	Firm Foundation
Bed bug oven	$0	Shelter, Inc. has one they are providing	Shelter, Inc.	-
Laundry machines	$14,320	Machines have been procured, but were never supposed to be part of the capital budget. These should have been under operational FF&E items; there were long lead time and tariff concerns that caused the purchase to happen under construction budget to ensure availability by time of resident move in. Procuring early saved long term cost to the project, but is an unanticipated burden on the capital budget.	-	Firm Foundation
Subtotal Furniture & Equipment	**$79,670**			
Technology				
Security Camera / system & monitoring service initiation	$15,000	Alarmtech proposal for basic system is $15K including prevailing wage	-	Shelter, Inc.

WAPS (Wireless Access Points)	$0	If needed for internet install (current assumption is this will be covered by SMART FIBER NETWORK)	Fiber Grant	-
Office & Common Area Internet	$0	Units are served by SMART FIBER NETWORKS Assumes this is covered under Fiber Grant (with Shelter, Inc.)	Fiber Grant	-
Comcast POTS lines ("plain old telephone" lines)	$1,200	Assumes $200/mo x 6months for Fire life safety line to elevator, (1) front entry system, & (1) optional for office space if needed	Fiber Grant	Firm Foundation
Smart Fiber Network - internet for participant units	$0	covered by Fiber Grant (with Shelter, Inc.)	Fiber Grant	-
Subtotal Technology	**$16,200**			
Other / Misc operational start up services				
CEQA lawsuit settlement requirements- 24hr security ambassador- 3 months	$84,000	The City must require the future Operator to screen tenants with motorized vehicles to allow only legally operable and registered vehicles to park on the site. The City shall require the Project Operator to have a safety ambassador on site from 6pm-1am daily, seven days a week, for a period of three months beginning at 50% tenant occupancy. At the end of the three month period, City shall report to Petitioner's' attorney the number of criminal incidents reported by the Vallejo Police Department, excluding physical and mental wellness checks and EMT service calls. If the number of criminal incident reports averages fewer than eight calls per month, the requirement to have safety ambassador on site shall be terminated.	-	Shelter, Inc
Security Guard until Site Occupancy begins	$27,000	Approx. $13500/mo x 2 mo for night & weekend guard service	-	Firm Foundation
PBV - Market Rate Study & Appraisal Reporting	$5,000	New reports required for Project Based Voucher award. Validates rental prices carried in Proforma is in line with current local markets.	-	Firm Foundation

Property Insurance- Builder's risk policy extended through 6/30; property insurance policy should pick up from TCO date	$54,800	This budget will cover 6 months of property insurance through FFCH's carrier. Based on Shelter Inc feedback, their insurance budget carried in our operational budget / proforma will cover property insurance and FFCH assumes we will cancel this policy within 6 months for Shelter, Inc. to take over, covered by the voucher budget.	-	Firm Foundation
OCIP extensions from 5/8 through final Completion date + Builders risk extension through TCO	$39,000	OCIP extended through end of June- required until all contractors are off-site; Bldrs risk extended mid June	-	Firm Foundation
PG&E Operational electricity service- house and units	$3,600	Approx. $600 per month x 6 months. Shelter Inc can help residents sign up for WAG, CARES reduced rates once units are leased up.	-	Firm Foundation
Shelter Inc Staffing surcharge- temporary Supplemental staffing for initial lease up effort	$42,592	Based on Shelter Inc year 1 budget- staffing in excess of standard operational year proforma- specifically tied to initial start up costs. Shelter Inc is also looking into Charitable/fundraising efforts through their organization to cover some of these costs, so their actual cost incurred / billed against this amount may be reduced.	-	Shelter, Inc.
Subtotal "Other"	**$255,993**			
Construction Gap				
Gap to cover remaining site construction	$71,785.94		-	Firm Foundation
Total Construction Gap	**$71,785.94**			
Operational Costs				
Start-up Operational Costs	$219,213.00	90 Day operations (based on Operational ProForma) $197,713 for Shelter, Inc. $21,500 for Firm Foundation	-	Shelter, Inc. &Firm Foundation
Total Start-up Operational Costs	**$219,213**			

Firm Foundation	$ 253,205.94
Shelter, Inc.	$ 389,655.00
Total	**$ 642,860.94**