



REPORT

DATE ISSUED: March 16, 2015

REPORT NO: HCR15-035

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 10, 2015

SUBJECT: First Amendment to 2014 Memorandum of Understanding with the
City of San Diego for Provision of Homeless Shelters and Services Programs

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve and recommend Housing Authority of the City of San Diego and San Diego City Council approval for the First Amendment to the 2014 Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Shelters and Services Programs.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve the First Amendment to the 2014 Memorandum of Understanding (MOU) between the City of San Diego (City) and the Housing Commission for the Provision of Homeless Shelters and Services Programs in substantially the form attached hereto, as approved by the President & Chief Executive Officer (President & CEO) on advice of General Counsel;
- 2) Recommend Housing Authority of the City of San Diego (Housing Authority) and San Diego City Council (City Council) approval of this First Amendment; and
- 3) Authorize the President & CEO of the Housing Commission, or designee, to execute the First Amendment to the 2014 MOU, a copy of which is attached hereto (Attachment 1), in a form approved by General Counsel.

SUMMARY

The Housing Commission administers the contracts for the City's Homeless Shelters and Services Programs based on an MOU between the Housing Commission and the City that took effect on July 1, 2010, and was amended and restated as approved by the Housing Commission Board on May 9, 2014, and the City Council on June 17, 2014 (Attachment 2).

This action proposes a First Amendment (Attachment 1) to the 2014 MOU. This First Amendment addresses the new Interim Housing Facility and Day Center Facility for Homeless Adults approved by the Housing Commission Board on March 19, 2015, and by the Housing Authority on March 24, 2015. The First Amendment changes the following sections and language:

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- Adds a section to include the year-round Interim Housing Facility, approved by the Housing Authority on March 24, 2105, to replace sections referencing the City's Single Adult and Veterans Emergency Winter Shelters;
- Revises the language in the Permitting section regarding the Interim Housing and the Day Center;
- Revises the language in the Homeless Management Information System (HMIS) section to ensure use of the San Diego Regional HMIS and participation in the Coordinated Assessment and Housing Placement System;
- Changes language referring to the Neil Good Day Center to the Day Center Facility for Homeless Adults;
- Modifies the use of the Community Development Block Grant (CDBG) funds for the Interim Housing and Day Center activities; and
- Accepts the first option to extend the term of the MOU one additional fiscal year for the period from July 1, 2015 to June 30, 2016.

FISCAL CONSIDERATIONS

The funding sources and uses approved by this action will be included in the proposed Fiscal Year (FY) 2016 Housing Authority Budget. Approving this action will not change the (FY) 2015 Total Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS

- On June 29, 2010, the Housing Authority approved the initial MOU between the City and the Housing Commission, transferring the administration of the City's Homeless Shelters and Services Programs to the Housing Commission.
- On June 27, 2011, the Housing Authority approved a First Amendment to the MOU was approved which extended the term for one year, further described the shelter services and funding, and indemnified both parties to the MOU.
- On July 31, 2012, the Housing Authority approved a Second Amendment to the MOU extending the term for one year, addressing funding for homeless services, changing administration of the Emergency Solutions Grant to the City due to new HUD regulations, and describing the Neil Good Day Center competitive bid process and funding.
- On September 25, 2012, the Housing Authority approved a Third Amendment to the MOU to set aside up to \$1,318,078 of federal Community Development Block Grant funds each year for certain homeless programs as described in the MOU.
- On June 17, 2014, the Housing Authority approved a restated 2014 MOU to synthesize the previous MOU and its amendments and to further delineate Housing Commission and City responsibilities for these programs and their funding sources. The City also added a section on subrecipient agreements and funding reimbursement to the Housing Commission. Four options to renew the MOU annually also were included.

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ENVIRONMENTAL REVIEW

The amendment of the MOU is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. This activity is exempt from the National Environmental Policy Act pursuant Section 58.34(a)(2) and (3) of Title 24 of the Code of Federal Regulations.

Respectfully submitted,

Julia Sauer

Julia Sauer
Director
Compliance and Special Projects

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President and Chief Operating Officer
San Diego Housing Commission

Attachments: 1) Draft Amendment 1
2) 2014 MOU

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

FIRST AMENDMENT
TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SAN DIEGO
AND
THE SAN DIEGO HOUSING COMMISSION
FOR THE PROVISION OF HOMELESS SHELTERS AND SERVICES

This First Amendment to the Memorandum of Understanding (2014 MOU) between the SAN DIEGO HOUSING COMMISSION, a public agency (Commission) and the CITY OF SAN DIEGO, a municipal corporation (City), shall become effective upon signature of both parties. This First Amendment is dated April 1, 2015 for reference purposes.

RECITALS

WHEREAS, on June 17, 2014, the Council of the City of San Diego (City Council) approved Resolution No. R-309057 and the Housing Authority of the City of San Diego (Housing Authority) approved Housing Authority Resolution (HAR) No. 309576 authorizing the execution of the 2014 MOU; and

WHEREAS, the initial term of the 2014 MOU is for one (1) fiscal year beginning July 1, 2014 and ending on June 30, 2015, with four (4) additional one (1) fiscal year options to extend the term; and

WHEREAS, the 2014 MOU may be amended by written agreement executed by duly authorized representatives of the City and the Commission; and

WHEREAS, the City and the Commission wish to amend the 2014 MOU in order to: (i) extend the term for one additional year, (ii) delete, modify and add responsibilities of the Commission related to permitting and data collection, the Single Adult Emergency Winter Shelter, the Veterans Emergency Winter Shelter, and the Interim Housing Facility for Homeless Adults, (iii) delete responsibilities of the City related to the Single Adult Emergency Winter Shelter, (iv) reflect the name change of the Neil Good Day Center to the Day Facility for Homeless Adults, and (v) provide for a modified use of CDBG funds for the activities contemplated under this First Amendment.

NOW, THEREFORE, the City and the Commission agree as follows:

1. Section VI(B) of the 2014 MOU is deleted in its entirety and replaced with the following:

B. Term of the 2014 MOU

The term of this 2014 MOU is for two (2) fiscal years beginning July 1, 2014 and ending June 30, 2016, with three (3) additional one (1) fiscal year options to extend the term. Only one option may be exercised at a time. If all three (3) options are exercised, the 2014 MOU will continue from July 1, 2016 to June 30, 2019. The term of the 2014 MOU, including all options to extend, would coincide with the City's FY15 – FY19 Con Plan.

2. Section I(B) of the 2014 MOU is deleted in its entirety and replaced with the following:

B. Interim Housing Facility for Homeless Adults

- Provision of an interim housing facility and ancillary services (such as residential services, case management, housing navigation, security, and three meals per day) for at least 350 adults, 40% of which will be veterans, to operate from July 1 through June 30 each year;
- Procurement, management and monitoring of the contracts with the operator of the Interim Housing Facility for Homeless Adults, including the related review and approval of monthly expense for interim housing operations;
- Input program data into the Homeless Management Information System (HMIS).

3. Section I(D) of the 2014 MOU is deleted in its entirety and replaced with the following:

D. Day Center Facility for Homeless Adults

- Operation of the Day Center Facility for Homeless Adults (DCFHA), providing walk-in and referral services for homeless individuals and shower facilities;
- Procurement, management and monitoring of the contracts with the operator(s) of the DCFHA, including the related review and approval of monthly expenses for DCFHA operations; and
- Input of program data into HMIS.

4. Section I(F)(iii) of the 2014 MOU is deleted in its entirety and replaced with the following:

iii. Homeless Management Information System (HMIS) Program

- Commission shall ensure that all homeless data collected by the homeless programs referenced within the 2014 MOU (City's homeless programs), as amended, will be entered into a single HMIS system, as operated by the Regional Task Force on the Homeless, or other contracted entity, recognized and approved by the Regional Continuum of Care Council.
- Operators of the City's homeless programs will be required to use a "coordinated intake and assessment system".

5. Section I(G)(ii) of the 2014 MOU is deleted in its entirety and replaced with "ii. has been intentionally omitted."

6. Section I(J) of the 2014 MOU is deleted in its entirety and replaced with the following:

J. Permitting

If permitting is required for any of the City's Interim Housing or Day Center programs, the operator and/or Commission shall be responsible for processing such applications and the City will cooperate with the Commission and/or the operator to obtain such permits. To the extent facility modifications are required by the City during the course of permitting, the parties shall by separate agreement determine responsibility for those costs. This section this does not relate to any privately owned facilities.

7. Section II(B) of the 2014 MOU is deleted in its entirety and replaced with "B. has been intentionally omitted."

8. Section III(C) of the 2014 MOU is deleted in its entirety and replaced with the following:

C. CDBG funds

To the extent that CDBG funds are made available to the City by HUD each year, the City shall set aside a portion of the Public Service Funds in a total amount not to exceed \$1,318,078 to assist in covering the cost of the operation of the Day Center Facility for Homeless Adults, Cortez Hill Family Center, Interim Housing Facility for Homeless Adults, and Connections Housing (PATH) Interim Bed Program, which funding shall be contingent upon and at the discretion of the City Council each fiscal year, in compliance with City Council Policy 700-02 and City Council Resolution R-307701, waiving paragraph 16 of City Council Policy 700-02.

IN WITNESS WHEREOF, this First Amendment to the 2014 MOU is executed by the City of San Diego, acting by and through its Mayor or his designee, pursuant to San Diego City Charter Section 265 authorizing such execution, and by the Commission, acting by and through its President and Chief Executive Officer.

SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO, a California
Municipal Corporation

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

CHRISTENSEN & SPATH LLP
A California Limited Liability Partnership

JAN I. GOLDSMITH, City Attorney

By: _____

Charles B. Christensen
General Counsel

By: _____

Michel T. Reid
Deputy City Attorney

Date: _____

Date: _____

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SAN DIEGO
AND
THE SAN DIEGO HOUSING COMMISSION
FOR THE PROVISION OF HOMELESS SHELTERS AND SERVICES**

This Memorandum of Understanding (2014 MOU) between the SAN DIEGO HOUSING COMMISSION, a public agency (Commission) and the CITY OF SAN DIEGO, a municipal corporation (City), shall become effective upon signature of both parties.

RECITALS

WHEREAS, on June 29, 2010, the Council of the City of San Diego (City Council) approved Resolution No. R-305962 and the Housing Authority of the City of San Diego (Housing Authority) approved Housing Authority Resolution (HAR) No. 1473 authorizing the transfer of responsibility for the operation of the City's homeless services programs to the Commission and authorizing the transfer of the administration of the Emergency Shelter Grants program to the Commission, effective July 1, 2010 and in accordance with a memorandum of understanding for Fiscal Years 2011 and 2012 (Original MOU), contingent upon receipt of Emergency Shelter Grants funds from the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, on June 27, 2011, the City Council approved Resolution No. R-306884 and the Housing Authority approved HAR No. 1527, approving the First Amendment to the Original MOU between the City and the Commission extending its term until June 30, 2013; and

WHEREAS, on July 31, 2012, the City Council approved Resolution No. R-307656 and the Housing Authority approved HAR No. 1564, approving the Second Amendment to the Original MOU between the City and the Commission extending its term until June 30, 2014; and

WHEREAS, on September 25, 2012, the City Council approved Resolution No. R-307701 and the Housing Authority approved HAR No. 1566, approving the Third Amendment to the Original MOU between the City and the Commission approving the "set-aside" of Community Development Block Grant (CDBG) public services funds in a total amount not to exceed \$1,318,078 to assist in covering the cost of the operation of the Neil Good Day Center, Cortez Hill Family Center, Veterans' Emergency Winter Shelter and the Connections Housing (PATH) Interim Bed Program, which funding shall be contingent upon an annual CDBG Grant allocation from HUD and upon City Council approval each fiscal year; and

WHEREAS, the Original MOU, as modified by three amendments between the City and the Commission, which assigns the responsibility for the operation of the City's homeless services programs to the Commission, will expire on June 30, 2014; and

WHEREAS, on April 24, 2012, the City Council adopted Resolution No. R-307396, authorizing the Mayor or his designee to execute an agreement with the Commission for the

administration of the Emergency Solutions Grants (ESG) program, formerly the Emergency Shelter Grants program; and

WHEREAS, the resulting Fiscal Year 2012 MOU between the City and the Commission regarding the ESG program (2012 ESG MOU) will expire on September 30, 2014; and

WHEREAS, it is the desire of the City and the Commission to terminate the 2012 ESG MOU on June 30, 2014, three months prior to its expiration date, without affecting funding allocations previously approved under the 2012 ESG MOU for the benefit of the Commission. Specifically, the Commission was authorized by City Council Resolution No. 307396 to administer City ESG funds, and in the event that there are ESG funds left unspent at the end of FY 2014, the City and the Commission acknowledge that, pursuant to ESG regulations, those unspent funds carry over to FY 2015, to be expended as permitted by ESG regulations, notwithstanding the termination of the 2012 ESG MOU; and

WHEREAS, the City's Five-Year Consolidated Plan (FY15 – FY19 Con Plan) estimated that as of January 24, 2013, there were 8,879 homeless persons located within the County of San Diego and 5,733 homeless persons within the City's jurisdictional limits; and

WHEREAS, one of the six goals identified in the City's FY15 – FY19 Con Plan is to “assist individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness by providing client-appropriate housing and supportive service solutions;” and

WHEREAS, the City submits to HUD an Annual Affordable Housing Fund Action Plan (Annual Action Plan) that serves as the City's application to HUD for grant funds under four federal entitlement programs: (1) CDBG; (2) ESG; (3) HOME Investment Partnership Program (HOME); and (4) Housing Opportunities for Persons with AIDS (HOPWA); and

WHEREAS, the City's Annual Action Plans outline the goals and objectives defined by the City's Five-Year Consolidated Plans, specify the federal entitlement program funds dedicated to specific programs and projects, and provide estimated project deliverables; and

WHEREAS, the City's Annual Action Plans have historically included “homeless shelter and service programs,” including but not limited to: Connections Housing (PATH) Interim Bed Program, Cortez Hill Family Center, Neil Good Day Center, Single Adult Emergency (Winter) Shelter, and Veterans' Emergency (Winter) Shelter; and

WHEREAS, the City has historically dedicated a portion of its annual CDBG allocation, ESG allocation and, at times, General Fund, to the operation, management, and oversight of the homeless shelters and services referenced in its Annual Action Plans; and

WHEREAS, the City desires to continue to assign to the Commission the responsibility of managing and monitoring the contracts for the operation of the various homeless shelter and service programs, as described and defined in Annual Action Plans and City budget documents;

NOW, THEREFORE, the City and the Commission agree as follows:

I. Commission Responsibilities

The Commission shall be responsible for the general management, administration, and oversight of the City's shelter and services programs for homeless persons, as defined below and as further defined within applicable subrecipient agreements, once executed.

The Commission shall oversee and manage those City programs that provide temporary shelter, services, and assistance to individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness by providing client-appropriate housing and supportive service solutions, provided that sufficient funding is appropriated by the City Council annually to fund these services. The Commission's responsibilities related to these City programs shall include the following:

A. Administration and Oversight

- Compliance with all applicable federal regulations, including CDBG, ESG and Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH);
- Monitoring on a periodic basis, not less than annually, all contracts with subcontractors to ensure compliance with all applicable federal regulations;
- Completion of applicable reporting required by HUD and the City;
- Documentation of outcomes for each homeless shelter or service program, as defined within the applicable subrecipient agreement;
- Oversight and storage of any equipment purchased by the Commission and/or subcontractors, when said equipment is not in use (e.g., cell phones for use during the operation of the emergency winter shelters);
- Regular meetings with City staff responsible for HUD programs and administration, on a schedule to be determined by City staff but not expected to be more frequent than monthly, to exchange information and provide informal reporting as to the Commission's activities related to this 2014 MOU; and
- Notification to City staff responsible for HUD programs and administration of any public meetings regarding the Commission's activities related to this 2014 MOU, with sufficient time to allow the City to identify a representative to appear on its behalf at any such meeting.

B. Veterans' Emergency Winter Shelter

- Provision of an emergency winter shelter and ancillary services for at least 150 veterans, operating from December 1 of each year through March 31 of the following year, at a minimum;
- Procurement, management, and monitoring of the contracts with the operator of the Veterans' Emergency Winter Shelter, including the related review and approval of monthly expenses for shelter operations;
- Set-up and tear-down of the Veterans' Emergency Winter Shelter, and associated costs;

- Transportation of shelter structure and assets upon tear-down to a City-designated storage facility;
 - Payment of utility service hook-ups, utility payments, and associated costs; and
 - Input of program data into Homeless Management Information System (HMIS).
- C. Cortez Hill Family Center**
- Provision of a minimum of 45 units to serve a minimum of 150 families year round; including housing, case management, and other support services;
 - Procurement, management, and monitoring of contracts with the operator(s) of Cortez Hill Family Center, including the related review and approval of monthly expenses for Cortez Hill Family Center operations; and
 - Input of program data into HMIS.
- D. Neil Good Day Center**
- Operation of the Neil Good Day Center (NGDC), providing walk-in and referral services for homeless individuals and shower facilities;
 - Procurement, management and monitoring of the contracts with the operator(s) of NGDC, including the related review and approval of monthly expenses for NGDC operations; and
 - Input of program data into HMIS.
- E. Connections Housing (PATH)**
- Provision of a minimum of 150 interim beds for individuals, with 16 of those interim beds reserved for individuals with special needs;
 - Procurement, management, and monitoring of contracts with the operator(s) of the Connections Housing (PATH) Interim Bed Program, including the related review and approval of monthly expenses for Connections Housing (PATH) Interim Bed Program; and
 - Input of program data into HMIS.
- F. Other Homeless Programs**
- i. Homelessness Prevention and Rapid Re-Housing Assistance Program: The Commission shall use a portion of ESG funds to offer a Rapid Re-Housing Assistance Program to assist homeless families and individuals in exiting homeless situations (e.g., shelters and transitional housing programs) and secure permanent housing. This program will provide pre-housing financial assistance, short- or medium-term rental assistance, and case management services. The specific budget and scope for this program will be established pursuant to annual subrecipient agreements for ESG funds.
 - ii. County Hotel/Motel Voucher Program: The Commission shall provide funding for the County of San Diego's hotel/motel voucher program for homeless families, seniors and the disabled, when funding is identified by the City or the Commission.

- iii. Homeless Management Information System (HMIS) Program: A requirement of the federal HEARTH Act is the creation of a “coordinated intake and assessment system” applicable to all organizations participating in the Regional Continuum of Care. The parties expect that, if sufficient funding becomes available, the HMIS system may be expanded to become an integrated information system and the Commission will facilitate any City financial contribution to this effort and work with the Regional Task Force on the Homeless and/or the Regional Continuum of Care to implement this coordinate intake and assessment system. If funding is identified for the purpose of such an expansion, the City and the Commission expect to enter into a subrecipient agreement defining the scope of work for this program; however, lack of funding for the expansion shall not relieve the Commission of its responsibilities to input program data into HMIS as described in this 2014 MOU.

G. Additional Homeless Programs, Contingent Upon Funding and Further Approval by the City Council, Including:

In addition to the services referenced above in Section I, subsections A through F, the Commission shall provide the following services, contingent upon securing adequate funding and appropriate authorization from the City Council:

- i. Homeless Transitional Storage Center
- Provision of a Homeless Transitional Storage (Check-In) Center, for the purpose of providing a place for at least 350 homeless families and individuals to safely store their personal belongings;
 - Procurement, management, and monitoring of contracts with the operator(s) of the Check-In Center, including the related review and approval of monthly expenses for the Check-In Center; and
 - Lease of the Commission-owned, paved lot at 252 16th Street for use as the Check-In Center.
- ii. Single Adult Emergency Winter Shelter
- The Commission shall work with the City to locate a site for the Single Adult Emergency Winter Shelter, if there is a need determined and funding is identified for such a program;
 - Provision of an emergency winter shelter and ancillary services (such as storage of belongings and meals) for at least 200 homeless single adults, operating from December 1 of each year through March 31 of the following year, at a minimum;
 - Procurement, management, and monitoring of the contracts with the operator of the Single Adult Emergency Winter Shelter, including the related review and approval of monthly expenses for shelter operations;
 - Set-up and tear-down of the Single Adult Emergency Winter Shelter, and associated costs;

- Transportation of shelter structure and assets upon tear-down to a City-designated storage facility;
 - Payment of utility service hook-ups, utility payments, and associated costs; and
 - Input of program data into HMIS.
- iii. Homeless Outreach Team Coordination: The Commission shall reserve at least 50 shelter beds to be used as “entry points” to be filled in coordination with the Homeless Outreach Team.
- iv. Expansion of the Serial Inebriate Program (SIP): The Commission shall fund additional beds or units for the SIP, provided that the program also receives sufficient funding for supportive services related to those beds or units from the County of San Diego or another source.

H. Provision of Data

Upon request of City staff, the Commission shall, in a timely manner, provide the City or HUD directly with all ESG-, CDBG-, and General Fund-related or other data related to homeless shelter and services programs. The City may use such data in order to complete Five-Year Consolidated Plans, Annual Action Plans, Consolidated Annual Performance Evaluation Reports, monitoring reports, audits, and other reports and documents required by the City in relation to the homeless shelters and services described herein, or for any other purpose.

J. Permitting

The Commission shall be responsible for processing applications for Fire Marshal and electrical permits pertaining to the homeless shelters discussed in Section I of this 2014 MOU, using all reasonable efforts, and the City shall cooperate with the Commission in obtaining such permits. This section does not apply to the Veterans’ Emergency Winter Shelter. To the extent facility modifications are required by the City during the course of permitting, the parties shall by separate agreement determine responsibility for those costs.

II. City Responsibilities

The City shall oversee, manage, and monitor the Commission’s administration of the programs described in Section I of this 2014 MOU that provide temporary shelter, services, and assistance to individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness by providing client-appropriate housing and supportive service solutions.

A. Subrecipient Agreements

The City shall draft annual CDBG, ESG, and General Fund subrecipient agreements between the City and the Commission to define the scopes of service and annual budgets based upon each of those funding sources, which agreements will be subject to annual City Council approval.

B. Emergency Winter Shelter(s)

- When funding has been secured and the use has been approved, the City shall assist with the provision of utility hook-up for the Single Adult Emergency Winter Shelter;
- The City shall be responsible for processing permit applications pertaining to the Veterans' Emergency Winter Shelter; and
- The City shall store, at no cost to the Commission or the shelter operators, up to two sprung tent structures used for the Single Adult Emergency Winter Shelter and the Veterans' Emergency Winter Shelter, and related shelter assets (e.g., mattresses, bunk frames, computer equipment, lighting, and tables). The City will designate the storage facility prior to the date scheduled for shelter tear-down pursuant to the relevant shelter operating contract.

III. Sources of Funds

A. Maintenance of Funding

It is expressly understood that, for each fiscal year this 2014 MOU is in place, the City will endeavor to make funds available at a level no less than that of the previous fiscal year. If such level of funding is not made available or if program elements are changed, however, the Commission's responsibilities under the 2014 MOU will be changed accordingly as mutually agreed to by the parties in writing. In no event shall the Commission be required to provide the services referenced within this 2014 MOU without the appropriation of sufficient funding by the City, as approved by the Commission, in its reasonable discretion. Sufficiency of funding for specific levels of service will be established by the subrecipient agreements.

B. ESG funds

To the extent that HUD ESG funds are made available to the City each year by HUD, the City will dedicate 100% of ESG funds received to the homeless shelters and services discussed herein. The specific dollar amount of the funds to be provided to the Commission will be determined subject to the annual approval process as described in Section IV of this 2014 MOU. The Commission has been authorized by City Council Resolution No. 307396 to administer City's ESG funds. As required by the Emergency Solutions Grants Program 24 CFR §576.100(b)(1), a maximum of 60% of ESG funds may be expended for street outreach and emergency shelter programs.

In the event that there are ESG funds left unspent at the end of FY14, those unspent funds shall carry over to FY15, to be expended in FY15 as permitted by ESG regulations, notwithstanding the termination of the prior MOU.

C. CDBG funds

To the extent that CDBG funds are made available to the City by HUD each year, the City shall set aside a portion of the Public Services funds in a total amount not to exceed \$1,318,078 to assist in covering the cost of the operation of the Neil Good Day Center, Cortez Hill Family Center, Veterans' Emergency Winter Shelter, and Connections Housing (PATH) Interim Bed Program, which funding shall be contingent upon and at the discretion of the City Council each fiscal year, in compliance with City Council Policy 700-02 and City Council Resolution R-307701, waiving paragraph 16 of City Council Policy 700-02.

D. General Funds

At its sole discretion, the City may dedicate and expend revenue from the General Fund appropriated by the City Council for the purposes set forth herein, contingent upon the City's Chief Financial Officer certifying availability of such funds.

E. Commission's Contribution

The Commission's financial contribution from sources other than the federal entitlement programs and City general funds mentioned herein for the programs and services covered by the 2014 MOU shall not exceed four hundred thousand dollars (\$400,000) each fiscal year during the term of this 2014 MOU, as extended. This annual contribution is subject to the Housing Authority's annual approval of a Commission budget that allocates and appropriates such funds. Once the annual contribution is approved, the Commission shall provide the City with a description of the homeless shelters or services to receive the Commission's annual contribution, the designated purpose of the funds, and the total amounts to be contributed.

IV. Subrecipient Agreements

Subrecipient agreements will be subject to annual City Council approval through either the Annual Action Plan approval process (for ESG, CDBG funds) or the annual City budget approval process (for General Funds). The City and the Commission shall execute subrecipient agreements on an annual basis, on or about July 1st of each year, to detail the dollar amounts available from the various sources of funds mentioned herein and the specific scopes of service to be provided by the Commission based upon the funds available each fiscal year. These agreements will outline the terms and conditions associated with the Commission's use of federal funds on behalf of the City.

Specifically, the Commission shall ensure compliance with CDBG, ESG and other federal, state and municipal regulations and requirements with regard to the administration and utilization of funds allocated to the homeless shelter and services programs and shall ensure the administration, management and monitoring of all subcontractors associated with the homeless shelter and service programs described herein.

V. Reimbursement of Funds

Funding made available to the Commission by the City will be subject to the City's HUD Grant Programs reimbursement process. Prior to July 1st of each year, the City will provide the Commission with an operating manual which will contain, at minimum, a detailed description of the documentation required from the Commission and its subcontractors for the reimbursement of funds provided through the City.

The Commission shall submit monthly invoices and documentation for eligible reimbursement expenses no later than 30 days after the completion of the prior month's payment period (e.g., requests for reimbursement for expenses incurred in July shall be submitted to the City by the 30th of August).

The City agrees that reimbursement requests from the Commission will be paid within 30 days of receipt, provided that the required documentation is included with the reimbursement request and all expenditures are eligible based on their respective subrecipient agreement scopes and budgets. The parties acknowledge that applicable subrecipient agreements may establish additional procedures regarding reimbursement.

VI. Status of Prior Agreements; Term, Amendment, and Termination of the 2014 MOU

A. Status of Prior MOUs

This 2014 MOU supersedes and terminates all prior MOUs between the City and Commission for Homeless Shelters and Services, including the Original MOU dated June 29, 2010; the First Amendment to the Original MOU dated June 27, 2011; the Second Amendment to the Original MOU dated July 31, 2012; and the Third Amendment to the Original MOU dated September 25, 2012, with the exception of outstanding ESG fund expenditure commitments, as referenced within the Recitals above.

B. Term of the 2014 MOU

The term of this 2014 MOU is for one (1) fiscal year beginning July 1, 2014 and ending June 30, 2015, with four (4) additional one (1) fiscal year options to extend the term. Only one option may be exercised at a time. If all four options are exercised, the 2014 MOU will continue from July 1, 2015 to June 30, 2019. The term of the 2014 MOU, including all options to extend, would coincide with the City's FY15 – FY19 Con Plan.

C. Amendments to the 2014 MOU

The Commission's President and Chief Executive Officer or a designee (on behalf of the Commission) and the Mayor or a designee (on behalf of the City) may execute an amendment to this 2014 MOU provided that its sole purpose is to renew the term of the 2014 MOU, subject to the limitations in Section IV, subsection B. Any other change is subject to the approval of the Housing Authority and the City.

If the parties choose to execute an amendment to exercise an option to extend the term of the 2014 MOU, such an amendment shall be executed upon or before the annual submission of the Annual Action Plan to HUD for the applicable fiscal year (e.g., an amendment exercising the option to extend the term of the 2014 MOU for the July 1, 2015 – June 30, 2016 term must be executed no later than May 15, 2015).

D. Termination of the 2014 MOU

Either the Commission or the City may by resolution terminate this MOU for any reason by providing 45 days written notice to the other.

VII. Indemnification


To the fullest extent provided by law, the City and the Commission agree to indemnify, protect, and hold harmless one another, including their elected officials, officers, agents, representatives, departments, subcontractors, and employees, from and against any and all claims, demands, actions, proceedings, suits, liabilities, damages, costs (including reasonable attorneys' fees) or expenses for, including damage to property, the loss or use thereof, or injury or death to any person, caused by, arising out of, or related to the performance of services under this MOU by the City or the Commission, their elected officials, officers, agents, representatives, departments, subcontractors and employees. The City's and Commission's duty to indemnify and hold harmless one another shall not include any claim or liability arising from the established sole negligence or willful misconduct of the other, or the other's elected officials, officers agents, representatives, departments, subcontractors, and employees.

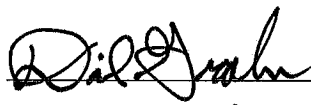
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APPROVED:

SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO, a California
Municipal Corporation

By:  _____

By:  _____

Print Name: Jeff Davis _____

Print Name: David Graham _____

Title: COO _____

Title: DCOO _____

Date: 7-22-14 _____

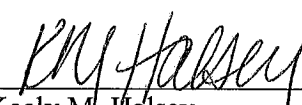
Date: 7.29.14 _____

APPROVED AS TO FORM AND LEGALITY:

CHRISTENSEN & SPATH LLP
A California Limited Liability Partnership

JAN I. GOLDSMITH, City Attorney

By:  _____

By:  _____

Charles B. Christensen
General Counsel

Keely M. Halsey
Deputy City Attorney

Date: 7/21/14 _____

Date: 8.1.14 _____