



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: June 6, 2019

REPORT NO: HAR19-024

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of June 25, 2019

SUBJECT: Memorandum of Understanding Between the City of San Diego and the
San Diego Housing Commission for the Provision of Homeless Shelters
and Services

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

Authorize the President & Chief Executive Officer of the San Diego Housing Commission, or designee, to negotiate and enter into a Memorandum of Understanding with the City of San Diego for the administration and provision of homeless shelters and services, for an initial one-year term from July 1, 2019, through June 30, 2020, with four one-year options to renew.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following action:

Authorize the President & Chief Executive Officer of the San Diego Housing Commission (Housing Commission), or designee, to negotiate and enter into a Memorandum of Understanding (MOU) with the City of San Diego (City) for the administration and provision of homeless shelters and services for an initial one-year term from July 1, 2019, through June 30, 2020, with four one-year options to renew, in a form approved by General Counsel, and to take all actions necessary to implement the approval.

SUMMARY

On June 29, 2010, the Housing Authority and the San Diego City Council (City Council) approved an MOU between the City and Housing Commission, transferring responsibility to administer the City's homeless shelters and services programs from the City to the Housing Commission. This MOU has been renewed twice (in 2010 and 2014) and amended four times (once in 2011, twice in 2012, and once in 2015) with clarifications and modifications for specific programs and additional funding awards.

On April 26, 2019, the City Council approved Resolution R-312442 which authorized the Mayor, or designee, to on behalf of the City negotiate and enter into an MOU with the Housing Commission for the administration and provision of homeless shelters and services.

The proposed MOU synthesizes the actions in the previous documents and incorporates the following programs for inclusion in the MOU:

June 6, 2019

Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Shelters and Services

Page 2

- Transitional Storage Center
- Cortez Hill Family Center
- PATH Connections Housing Interim Bed Program
- Day Center Facility for Homeless Adults
- Mental Health Systems Serial Inebriate Program Transitional Housing
- Emergency Solutions Grant (ESG) Rapid Rehousing Programs
- Father Joe's Villages Interim Housing Program

The MOU describes the roles and responsibilities of the Housing Commission in its administration of the activities listed above and the City's oversight, management, and monitoring of the Housing Commission's administration of these activities. The roles and responsibilities in the MOU will closely align with the roles and responsibilities as set forth in the 2014 MOU which is attached hereto as Attachment 1. In addition, the MOU will include language regarding the roles and responsibilities with respect to maintenance at City owned and leased facilities, as set forth in a March 26, 2019 Memorandum from Robert Vacchi to City Councilmembers which is attached hereto as Attachment 2.

Four funding sources are identified for these programs:

- Emergency Solutions Grant: Annual U.S. Department of Housing and Urban Development (HUD) formula grant to the City providing funding for homeless shelters and rapid rehousing programs.
- Community Development Block Grant (CDBG): Annual HUD formula grant to the City. The City has earmarked approximately \$1.3 million in CDBG funding to support the Day Center Facility for Homeless Adults, Cortez Hill Family Center, Father Joe's Villages Interim Shelter, and PATH Connections Housing Interim Bed Program.
- City General Funds: Appropriations have been made available for specific homeless projects and are contingent upon availability of such funds. In the past, these funds have supported Interim Housing Programs and the Day Center Facility for Homeless Adults. Any future appropriations are subject to subsequent City Council action, at the City Council's discretion.
- Housing Commission Funds: The Housing Commission supports the City's homeless shelters and services programs when funding is available and appropriated by the Housing Commission and approved by the Housing Authority.

Allocation of the City's funds for the homeless shelters and services programs will be made through sub-recipient agreements between the Housing Commission and local service providers. It is expressly stated that in no event shall the Housing Commission be required to provide the services referenced within the MOU without the appropriation of sufficient funding by the City. The MOU is subject to cancelation, by either party, upon 90 days written notice to the other party.

The requested term of this MOU is for one fiscal year, beginning July 1, 2019, and ending June 30, 2020, with four additional one-year options to extend the term. These terms will coincide with the City's Five-Year Consolidated Plan (Fiscal Year 2020 to Fiscal Year 2024).

June 6, 2019

Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Shelters and Services

Page 3

AFFORDABLE HOUSING IMPACT

As San Diegans continue to live in a City-declared “shelter crisis,” the need for immediate housing assistance is critical to the well-being of community members. Individuals participating in the programs represent some of San Diego’s most vulnerable citizens, as 100 percent of program participants are experiencing homelessness, with very low to moderate incomes.

FISCAL CONSIDERATIONS

Approving this action will not approve or appropriate funding for these programs. The Housing Commission does not have any fiscal or other liability under the MOU until such date as the Housing Commission and the Housing Authority have identified and approved the corresponding funding sources and uses for these services. The fiscal impact on the Housing Commission Board-approved budget, as a result of approving this action, cannot be determined until a sub-recipient agreement, including the related budget for the various programs and funding sources, is executed by the City and the Housing Commission.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS

On April 28, 2015, the Housing Authority approved a First Amendment to the MOU by adding a section to include the year-round Interim Housing Facility, approved by the Housing Authority on March 24, 2015, to replace sections referencing the City’s Single Adult and Veterans Emergency Winter Shelters; revising the language in the Permitting section regarding the Interim Housing modifies the use of the Community Development Block Grant (CDBG) funds for the Interim Housing activities; and accepting 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.

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 sub-recipient agreements and funding reimbursement to the Housing Commission. Four options to renew the MOU annually also were included.

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 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 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 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.

June 6, 2019

Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Shelters and Services

Page 4

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include: Clients receiving housing and services under programs authorized by this MOU; sub-recipients receiving funding to operate the programs authorized by this MOU; and residents of the City of San Diego.

ENVIRONMENTAL REVIEW

The activities described in the report are not a project as defined in California Environmental Quality Act (CEQA) Section 15378 and, therefore, are not subject to CEQA pursuant to Section 15060 (c)(3) of the State CEQA Guidelines and/or are categorically exempt under multiple separate provisions of CEQA, including Sections 15301, 15304 (e), 15311(c) which includes the placement of temporary or seasonal facilities designed for public use. A final reservation of federal funds shall occur only upon satisfactory completion of a National Environmental Policy Act (NEPA) review. A preliminary determination has defined the activities contemplated herein, including administrative and management activities to be categorically excluded from NEPA pursuant to Section 58.35(b)(2) and (3) and exempt per Section 58.35(a)(3) and (4) of Title 24 of the Code of Federal Regulations. The parties agree that the provision of any federal funds to the project is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,



Lisa Jones
Senior Vice President
Homeless Housing Innovations
San Diego Housing Commission

Approved by,



Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments:

- 1) 2014 MOU
- 2) Memorandum to Council President and Councilmembers from Robert Vacchi

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk 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 in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

**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.

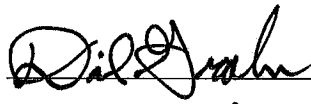
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APPROVED:

SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO, a California
Municipal Corporation


By:  _____
Print Name: Jeff Davis
Title: COO
Date: 7-22-14

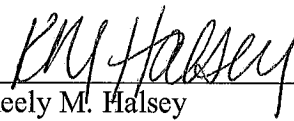
By:  _____
Print Name: David Graham
Title: DCOO
Date: 7.29.14

APPROVED AS TO FORM AND LEGALITY:

CHRISTENSEN & SPATH LLP
A California Limited Liability Partnership

JAN I. GOLDSMITH, City Attorney

By:  _____
Charles B. Christensen
General Counsel
Date: 7/21/14

By:  _____
Keely M. Halsey
Deputy City Attorney
Date: 8.1.14



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: March 26, 2019

TO: Honorable President Georgette Gómez and Members of the City Council

FROM: Robert A. Vacchi, Deputy Chief Operating Officer, Neighborhood Services

SUBJECT: Update to the Terms and Agreement in the Pending Memorandum of Understanding between the SAN DIEGO HOUSING COMMISSION, a Public Agency ("SDHC") and the CITY OF SAN DIEGO ("City") for the Provision of Homeless Shelters and Services

Historically, the City of San Diego has provided a variety of shelters and service programs to individuals and families experiencing a housing crisis or homelessness with the goal of eventually transitioning participants into permanent housing.

In 2010, the City Council approved Resolution No. R-305962 (July 8, 2010) and the Housing Authority approved Housing Authority Resolution No. 1473 (June 29, 2010). These resolutions transferred administration of the Emergency Shelter Grants program and responsibility for the operation of the City's homeless shelters and services programs to the San Diego Housing Commission (SDHC). In 2012, the City Council authorized the Mayor to execute an agreement with the SDHC for the administration of the Emergency Solutions Grants ("ESG") program pursuant to Resolution No. R-307396 (April 24, 2012). The City Council has historically approved budgeting a portion of its annual Community Development Block Grant funding, ESG funding, and at times, General Fund monies to the operation, management and oversight of homeless shelters and services. In 2014, the City and SDHC entered into a Memorandum of Understanding for the Provision of Homeless Shelters to set forth the duties and responsibilities of each party in the administration of the City's shelter and service programs ("2014 MOU").

Under the 2014 MOU, SDHC is responsible for the general management, administration and oversight of the City's shelter and services programs for homeless persons. SDHC manages and oversees City programs that provide shelter, services and assistance to individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness. SDHC provides client appropriate housing and supportive services solutions, provided that sufficient funding is annually appropriated by the City Council to fund these services.

The 2014 MOU is set to expire on June 30, 2019. Staff and SDHC are currently working together to enter into a new Memorandum of Understanding or amend and restate the 2014 MOU to continue the provision of shelter and service programs ("2019 MOU"). The term of the proposed 2019 MOU is for one (1) fiscal year beginning July 1, 2019, and ending June 30, 2020, with four (4) additional one (1) year options. Only one option may be

Page 2

Honorable President Georgette Gómez and Members of the City Council

March 26, 2019

exercised at a time. The term of the 2019 MOU, including all options will coincide with the City's Consolidated Plan for fiscal years 2020 to 2024.

As part of the proposed 2019 MOU, City and SDHC staff will include language relating to the roles and responsibilities regarding the required care and maintenance of City owned or leased Shelters and Day Facilities. In addition, the 2019 MOU will require annual metrics on facility maintenance and mandate semiannual facility inspections in all respective subrecipient agreements between SDHC and the program operators. It is our expectation that program operators will remain responsible for performing maintenance and informing the asset owners of problems with the facility. The City and SDHC will work together to identify the appropriate level of staffing and expertise needed to conduct the semiannual inspections. At present there are two facilities that are impacted by this update, the Neil Good Day Center (a City lease of Caltrans property) and Cortez Hill (a City owned facility).

Please contact me if you have any further questions.



Robert A. Vacchi

Deputy Chief Operating Officer Neighborhood Services

bv:smw

cc: Aimee Faucett, Chief of Staff, Office of the Mayor
Kris Michell, Chief Operating Officer
Andrea Tevlin, Independent Budget Analyst
Stacey LoMedico, Assistant Chief Operating Officer
Ronald H. Villa, Assistant Chief Operating Officer
Erik Caldwell, Deputy Chief Operating Officer, Smart and Sustainable Communities
Matt Awbrey, Chief of Civic and External Affairs, Office of the Mayor
Greg Block, Senior Press Secretary, Office of the Mayor
Jessica Lawrence, Director of Finance Policy & Council Affairs
Almis Udrys, Deputy Chief of Staff – Innovation & Policy, Office of the Mayor
Katie Keach, Director, Communications
Cybele Thompson, Director, Real Estate Assets
Jeff Davis, Executive Vice President and Chief of Staff, San Diego Housing Commission
Lisa Jones, Senior Vice President – Homeless Housing Innovations, San Diego Housing Commission

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF SAN DIEGO APPROVING A MEMORANDUM OF
UNDERSTANDING BETWEEN THE CITY OF SAN DIEGO
AND THE SAN DIEGO HOUSING COMMISSION FOR THE
ADMINISTRATION AND PROVISION OF HOMELESS
SHELTERS AND SERVICES.

WHEREAS, the City of San Diego (City) provides a variety of shelters and services programs to individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness; and

WHEREAS, each fiscal year, the City submits to the United States Housing and Urban Development (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 grant programs, including the Community Development Block Grant (CDBG) program and the Emergency Solutions Grants (ESG) program; 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 the Annual Action Plans; and

WHEREAS, in 2010, the City Council adopted Resolution R-305962, effective July 8, 2010 and the Housing Authority of the City of San Diego (Housing Authority) adopted Resolution HA-1473, effective June 29, 2010, authorizing the transfer of responsibility for the operation of the City's homeless shelters and services programs and administration of the ESG program to San Diego Housing Commission (Housing Commission); and

WHEREAS, on June 25, 2014, the City Council adopted Resolution R-309057, and the Housing Authority adopted Resolution HA-1623, approving an agreement between the City and the Housing Commission for the administration and provision of homeless shelters and services (2014 MOU); and

WHEREAS, the 2014 MOU will expire on June 30, 2019, and the City desires to continue to assign to the Housing Commission the responsibility of administering and monitoring the contracts for the operation of the homeless shelters and services programs as described and defined in the Annual Action Plans and City budget documents; and

WHEREAS, the City and the Housing Commission propose to enter into a new memorandum of understanding (MOU) for an initial one-year term, from July 1, 2019 to June 30, 2020, with four one-year options to renew; and

WHEREAS, the City Council adopted Resolution R-312442, effective April 26, 2019, authorizing the Mayor, or designee, on behalf of the City, to negotiate and enter into a new MOU with the Housing Commission for the administration and provision of the City's homeless shelters and services; and

WHEREAS, the roles and responsibilities of the City and the Housing Commission in the new MOU will be substantially similar to the roles and responsibilities described in the 2014 MOU, which is attached to the Staff Report accompanying this Resolution; and

WHEREAS, the new MOU will include language relating to the roles and responsibilities regarding the care and maintenance of City owned or leased facilities as described in the March 26, 2019 memorandum to the City Council from Deputy Chief Operating Officer, Neighborhood Services, Robert A. Vacchi, which is attached to the Staff Report accompanying this Resolution; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of the City of San Diego, as follows:

1. The Housing Commission President and Chief Executive Officer (President & CEO), or designee, is authorized to negotiate and enter into the MOU with the City for the administration and provision of homeless shelters and services in a form approved by Housing Commission General Counsel.

2. The President & CEO, or designee, is authorized to perform any other acts as are necessary and appropriate to implement this Resolution, subject to approval by Housing Commission General Counsel and without further action of the Board of Commissioners of the Housing Commission or the Housing Authority.

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Katherine A. Malcolm
Deputy General Counsel

KAM:jdf
06/05/19
Or.Dept:SDHC
Doc. No. 2023116



The City of San Diego
Item Approvals

Item Subject: Memorandum of Understanding Between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Shelters and Services

Contributing Department	Approval Date
DOCKET OFFICE	06/05/2019

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	DAVIS, JEFF	05/30/2019
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	06/06/2019
CITY ATTORNEY	MIDDAUGH, MARGUERITE	06/11/2019

**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 (“MOU”) between the SAN DIEGO HOUSING COMMISSION, a public agency (“SDHC”) and the CITY OF SAN DIEGO, a California municipal corporation (“City”), is dated as of _____, 2019, for reference purposes only. SDHC and City are sometimes referred to in this MOU, individually, as a “Party” and, collectively, as the “Parties.” The Parties enter into this MOU with reference to the following recited facts (each, a “Recital”):

RECITALS

A. The City provides a variety of shelters and services programs to individuals and families to stabilize in permanent housing after experiencing a housing crisis or homelessness;

B. The City’s five year consolidated plan for fiscal years 2020 to 2024 (“Consolidated Plan”) estimates that as of the 2019 Point-in-Time count, 5,082 homeless persons were living in the City, representing 62.7% of all homeless people counted in the County of San Diego;

C. One of the seven goals identified in the City’s Consolidated Plan is to assist individuals and families to gain stable housing after experiencing homelessness or a housing crisis;

D. The City submits to the United States Department of Housing and Urban Development (“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 grant programs: (1) Community Development Block Grant (“CDBG”); (2) Emergency Solutions Grants (“ESG”); (3) HOME Investment Partnership Program (“HOME”); and (4) Housing Opportunities for Persons with AIDS (“HOPWA”);

E. The City’s Annual Action Plans outline goals and objectives defined by the City’s Consolidated Plan, specify the federal entitlement grant program funds dedicated to specific programs and projects, and provide estimated project deliverables;

F. The City’s Annual Action Plans have historically included homeless shelters and services programs;

G. 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 the Annual Action Plans;

H. In 2010, the City Council approved Resolution R-305962, effective July 8, 2010 and the Housing Authority of the City of San Diego (“Housing Authority”) approved Resolution HA-1473, effective June 29, 2010, authorizing the transfer of responsibility for the operation of

the City's homeless shelters and services programs and administration of the ESG program to the SDHC;

I. In 2012, the City Council approved Resolution R-307396, effective April 24, 2012, authorizing an agreement with the SDHC for the administration of the ESG program;

J. On June 25, 2014, the City Council approved Resolution R-309057, and the Housing Authority approved Housing Authority Resolution HA-1623, approving an agreement between the City and the SDHC for the provision of homeless shelters and services ("2014 MOU");

K. The 2014 MOU will expire on June 30, 2019;

L. The City desires to continue to assign to the SDHC the responsibility of administering and monitoring the contracts for the operation of the homeless shelters and services programs as described and defined in the Annual Action Plans and City budget documents;

M. On April 23, 2019, City Council approved Resolution R-312442, authorizing the Mayor or his designee to negotiate and enter into an agreement with the SDHC for the administration and provision of homeless shelters and services to begin July 1, 2019;

N. On June 25, 2019, the Housing Authority of the City of San Diego ("Housing Authority") approved Resolution HA- [REDACTED] authorizing SDHC to enter into this MOU for the administration and provision of homeless shelters and services to begin July 1, 2019;

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

1. Applicability. This MOU does not apply to any programs which are controlled by a separate independent agreement between the Parties.

2. Term, Amendment and Termination

2.1. Term. The term of this MOU is for one (1) fiscal year beginning on July 1, 2019 and ending June 30, 2020, 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 MOU will continue from July 1, 2019 to June 30, 2024. The term of the MOU, including all options to extend, will coincide with the City's Consolidated Plan for fiscal years 2020 to 2024.

2.2. Amendments to MOU. SDHC's President and Chief Executive Officer or designee, and the Mayor or designee, shall have the authority to execute amendments to this MOU, which do not otherwise require City Council or Housing Authority approval. Any amendment to this MOU shall be memorialized in a written instrument signed by the Parties.

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

2.4. Status of Prior Memoranda of Understanding. This MOU supersedes and terminates the 2014 MOU between the City and SDHC related to the provision of services and shelters for homeless persons.

3. **SDHC Responsibilities.** The SDHC shall manage and oversee those City programs that provide 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 services solutions, provided that sufficient funding is appropriated by the City Council annually to fund these services. The SDHC shall be responsible for the general management, administration, and oversight of the City's shelters and services for homeless individuals and families, as further defined below and in the subrecipient agreements, once executed, and the Annual Actual Plans and City budget documents:

3.1. Interim and Transitional Shelters and Related Services

3.1.1. Provision of beds and/or units, with supportive services , for individual adults and families, including Cortez Hill Family Center, Interim Shelter for Homeless Adults, and Connections Housing (PATH) Interim Bed Program;

3.1.2. Provision of interim beds and/or units for individual adults, including a certain number of beds for individuals with special needs; and

3.1.3. Provision of beds and/or units for current and future City-funded diversion programs, including Homeless Outreach Team ("HOT"), Serial Inebriate Program ("SIP") and San Diego Misdemeanor At-Risk Track ("SMART") Diversion program.

3.2. Day Facilities and Related Services

3.2.1. Provision of a centralized access point for referral and walk-in services; and

3.2.2. Provision of restroom and shower facilities.

3.3. Care and Maintenance of City Owned or Leased Facilities.

3.3.1. Provide annual metrics on facility maintenance at the end of each term of this MOU; such metrics will be agreed upon in writing by both Parties and provided to the City prior to June 30th of each fiscal year during the term of this Agreement;

3.3.2. Work with the City to identify appropriate staffing and expertise to conduct semiannual facility inspections of City owned or leased facilities and require semiannual inspections of all City owned or leased facilities in all agreements with program operators and/or subcontractors; and

3.3.3. Require program operators and/or subcontractors to perform maintenance as detailed in each provider's operating agreement with SDHC and/or lease agreement with the City and inform the City and/or facility owners of any issues and/or problems at City owned or leased facilities.

3.3.4. Nothing herein shall make the SDHC liable for care or maintenance of City Owned or Leased Facilities, unless agreed to in writing by the Parties.

3.4. Homeless Management Information System (“HMIS”) Program. Input of all program data into the Homeless Management Information System (“HMIS”);

3.4.1. SDHC shall ensure that all homeless data collected by the homeless programs referenced in this MOU will be entered into a single HMIS system, as operated by the Regional Task Force on the Homeless (“RTFH”), or other contracted entity, recognized and approved by the Regional Continuum of Care Council and as required by the City, the SDHC, the Regional Continuum of Care or HUD.

3.4.2. SDHC’s subcontractors and operators of the City’s homeless shelters and services programs shall be required to use a coordinated intake and assessment system.

3.5. Regional Task Force on the Homeless (“RTFH”). The SDHC shall maintain its general membership and voting privileges in the RTFH for the term of this MOU. The SDHC’s participation in the RTFH shall ensure the City’s efforts to address homelessness using HUD entitlement funds and other resources are aligned with the region’s priorities and responsive to the most critical needs. The SDHC shall consult with the RTFH to establish standardized outcome measures for the homeless program and define best practices.

3.6. Homelessness Prevention and Rapid Rehousing Assistance Program. Provision of a Rapid Rehousing Assistance Program with ESG funds 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.

3.7. Storage Centers. Provision of storage centers for homeless families and individuals to safely store their personal belongings.

3.8. Other Homeless Services and Programs. The SDHC may undertake general management and administration of additional programs for homeless persons proposed by the City, provided that sufficient funding is appropriated by the City Council to fund these programs. These programs may be intended to service the general population of individuals and families experiencing homelessness or specific subcategories, including homeless veterans, homeless youth and youth at risk of homelessness, or homeless families.

3.9. Procurement, Management and Monitoring of Contracts. Procurement, management, and monitoring of contracts with the subcontractors and operators of each of the homeless shelters and services programs, including the related review and approval of monthly expenses, and the input of program data into HMIS.

3.10. Oversight and Storage of Equipment. Unless Parties agree otherwise in writing, oversight and storage of any equipment purchased by the SDHC and/or subcontractors when the equipment is not in use.

3.11. Permitting. Unless Parties agree otherwise in writing, if permitting is required for any of the City’s shelters and services programs, the SDHC shall be responsible for processing such applications and the City will cooperate with the SDHC and/or the operator to obtain such permits. To the extent that facility modifications are required by the City during the course of permitting, the parties shall determine responsibility for those costs by a separate agreement. This section does not relate to any privately owned facilities.

3.12. Compliance with Federal, State and Municipal Regulations. The SDHC shall comply with all applicable federal, state, and municipal laws and regulations, including CDBG, ESG and Homeless Emergency Assistance and Rapid Transition to Housing (“HEARTH”), including the monitoring on a periodic basis but not less than annually of all contracts with subcontractors to ensure compliance with all applicable federal, state and municipal regulations.

3.13. Reporting and Provision of Data. The SDHC 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 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.

3.14. Performance Metrics and Outcomes. Documenting performance metrics and outcomes for each homeless shelter and services program, as defined in each applicable subrecipient agreement.

3.15. Regular Meetings With City Representative. Regular meetings with City Representative (defined in section 6), on a schedule to be determined by City Representative, to exchange information and provide informal reporting as to the SDHC’s activities related to this MOU.

3.16. Notification to City Representative. Provide notice to City Representative of any public meetings and events regarding the SDHC’s activities related to this MOU, within a reasonable time to allow City Representative to identify City staff to appear on its behalf.

4. City Responsibilities. The City shall provide funding, oversee, manage, and monitor the SDHC’s administration of the shelter and services programs described in section 3 of this MOU.

4.1. Subrecipient Agreements. The City shall draft one or more annual “Subrecipient Agreement” between the City and the SDHC to define the scope of services and annual budgets based upon each of the CDBG, ESG and General Fund funding sources;

4.2. City Council Approval. Subrecipient Agreements are subject to annual City Council approval through either the Annual Action Plan approval process (ESG and CDBG funds) or the annual City budget approval process (General Funds). The City and SDHC shall execute Subrecipient Agreements on an annual basis, on or about July 1 of each year, to detail the dollar amounts available from the sources of funds described in section 5 of this MOU and the specific scopes of services to be provided by the SDHC, and agreed upon by the City, based on the funds available each fiscal year. The Subrecipient Agreements will outline the terms and conditions associated with the SDHC’s use of federal funds on behalf of the City.

4.3. Unforeseen Maintenance Costs for City Owned or Leased Facilities. The City is responsible for determining how unforeseen maintenance costs for City owned or leased facilities will be funded and shall endeavor to provide additional funding for those costs.

5. Sources of Funds.

5.1. Maintenance of Funds. The SDHC shall ensure compliance with CDBG, ESG and other applicable federal, state and municipal regulations and requirements with regard to the administration and utilization of funds allocated to the homeless shelters and services programs and shall ensure the administration, management and monitoring of all subcontractors associated with the homeless shelters and services programs described in this MOU.

5.1.1. For each fiscal year this 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 SDHC's responsibilities under this MOU will be changed accordingly as mutually agreed to by the parties in writing. In no event shall the SDHC be required to provide the services referenced within this MOU without the appropriation of sufficient funding by the City, as approved by the SDHC, in its reasonable discretion. Sufficiency of funding for specific levels of service will be established by the Subrecipient Agreements.

5.2. 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 SDHC will be determined subject to the annual approval process as described in section 4 of this MOU. As required by the ESG Program 24 CFR §576.100(b)(1), a maximum of 60% of ESG funds may be expended for street outreach and emergency shelter programs.

5.3. 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 for the City's homeless programs, 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.

5.4. 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.

5.5. SDHC's Contribution. The SDHC's financial contribution from sources other than the federal entitlement programs and City General Funds mentioned herein for the programs and services covered by this MOU shall be subject to the Housing Authority's annual approval of a SDHC budget to allocate and appropriate such funds. Once the annual contribution is approved, the SDHC shall provide the City with a description of the homeless shelters or services to receive the SDHC's contribution, the designated purpose of the funds, and the total amounts to be contributed.

5.6. Reimbursement of Funds. Funding made available to the SDHC by the City is subject to the City's HUD Grant Programs reimbursement process.

5.6.1. Prior to July 1 of each year, the City will provide the SDHC with an operating manual which will contain, at a minimum, a detailed description of the documentation required from the SDHC and its subcontractors for the reimbursement of funds provided through the City;

5.6.2. The SDHC 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 August 30th);

5.6.3. The City agrees that reimbursement requests from the SDHC will be paid within thirty (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 Scope of Services and budgets. The parties acknowledge that applicable Subrecipient Agreements may establish additional procedures regarding reimbursement.

5.6.4. The City may transfer funds allocated to the SDHC before the actual cash disbursement for an activity has been made by the SDHC. In such an event, the SDHC must disburse the cash advance as expenses are incurred. Documentation of the eligible expenses shall be provided as defined in this section 5.6. The SDHC must return any excess advance funds to the City within forty-five (45) calendar days of the end of the fiscal year when it is determined that the cash advance resulted in more funds being transferred by the City than what was required by the SDHC disbursement needs.

6. City Representative. The person identified in **Exhibit "A"** attached to this MOU as City's Notice recipient is the City's representative for all purposes of this MOU ("City Representative"). The City Representative shall communicate with SDHC on all matters related to the administration of this MOU and SDHC's performance of its obligations under this MOU. When this MOU refers to communications to or with City, those communications shall be with the City Representative, unless this MOU or the City Representative specifies otherwise. When this MOU refers to an act or approval to be performed by City, that act or approval shall be performed by the City Representative, unless this MOU specifies otherwise. The City may change the identity of the City Representative at any time by Notice to SDHC at least ten (10) days in advance of the effective date of such change.

7. SDHC Representative. The person identified in **"Exhibit A"** attached to this MOU as SDHC's Notice recipient is SDHC's representative for all purposes of this MOU ("SDHC Representative"). The SDHC Representative shall communicate with City on all matters related to this MOU. When this MOU refers to any act or approval to be performed by SDHC, that act or approval shall be performed by the SDHC Representative. SDHC may change the identity of the SDHC Representative at any time by Notice to City at least ten (10) days in advance of the effective date of such change.

8. Indemnification. To the fullest extent permitted by law, City and SDHC agree to indemnify, protect, and hold harmless one another, and their elected officials, officers, agents, representatives, employees, departments, and subcontractors from and against any and all claims, demands, actions, proceedings, liabilities, damages, costs (including reasonable attorneys' fees),

or expenses for, including damage to property, the loss of 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 City or SDHC, their elected officials, officers, agents, representatives, departments, subcontractors and employees. The City's and SDHC's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or willful misconduct of the other, or the other's elected officials, officers, agents, representatives, departments, subcontractors and employees.

9. Insurance. SDHC shall procure and maintain for the duration of this MOU insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by SDHC, its agents, representatives, employees or subcontractors, as further described in the Subrecipient Agreement(s).

10. Notice. Unless otherwise specified, in all cases where Notice is required under this MOU, Notice shall be in writing and transmitted to the address of City or SDHC, as applicable, as designated in **Exhibit A**, by one or more of the following methods: (a) electronic mail; (b) messenger for immediate personal delivery; (c) a nationally recognized one Business Day delivery service (i.e., Federal Express, United Parcel Service, etc.); or (d) registered or certified mail, postage prepaid, return receipt requested, through the United States Postal Service. Notice may be sent in the same manner to such other addresses as either Party may from time to time designate by Notice, in accordance with this section 10. Notice shall be deemed received by the addressee on the date sent by electronic mail, if sent before 3:00 p.m. Pacific Time, the date the Notice is delivered by personal delivery, on the date the Notice is delivered (or the date of the second attempted delivery, as set forth in a written statement of the delivery service) by a nationally recognized overnight delivery service, or three (3) calendar days after the Notice is deposited with the United States Postal Service as provided in this section 10. Rejection, other refusal to accept or the inability to deliver a Notice because of a changed address of which no Notice was given, shall be deemed receipt of the Notice. City or SDHC may change its Notice address by Notice delivered in accordance with this section 10.

11. Miscellaneous Provisions.

11.1. Governing Law. The terms and conditions of this MOU shall be construed and interpreted in accordance with the laws of the State of California.

11.2. Jurisdiction and Venue. The Parties agree to submit to the personal jurisdiction of, and that venue shall be in, any State of California court within the City of San Diego, State of California, for any dispute, claim, or matter arising out of, or related to, this MOU.

11.3. Integration and Amendment. This MOU and the exhibits attached to this MOU fully express all understandings of the Parties concerning the matters covered in this MOU. All prior negotiations and agreements between the Parties regarding the subject matter of this MOU are merged into this MOU. No change, alteration, amendment, or modification of the terms or conditions of this MOU, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid, unless made in the form of a written amendment to this MOU signed by both Parties. The Parties agree to enter into any and all amendments to this MOU that are

necessary to comply with any and all new or modified federal or State of California laws applicable to this MOU.

11.4. No Waiver. No failure of either City or SDHC to insist upon the strict performance by the other of any term, covenant, or condition of this MOU, nor any failure to exercise any right or remedy consequent upon a breach of any term, covenant, or condition of this MOU, shall constitute a waiver of any such breach or the requirement to comply with such term, covenant, or condition. No waiver of any breach shall affect or alter this MOU, and each and every term, covenant, and condition in this MOU shall continue in full force and effect regarding any existing or subsequent breach.

11.5. Successors in Interest. This MOU and all rights, obligations, or duties under this MOU, shall be in full force and effect, whether or not any Party to this MOU has been succeeded by another entity, and all rights, obligations, or duties under this MOU shall be vested and binding on any Party's successor in interest, subject to the limitations in this MOU on assignment of this MOU.

11.6. No Assignment. Neither Party may assign any rights or obligations under this MOU without the prior written consent of the other Party.

11.7. Severability. The unenforceability, invalidity, or illegality of any provision of this MOU shall not render any other provision of this MOU unenforceable, invalid, or illegal.

11.8. Conflicts between Terms. If an apparent conflict or inconsistency exists between the main body of this MOU and any exhibit, the main body of this MOU shall control. If a conflict exists between an applicable law, rule, regulation, order, or code and this MOU, then the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this MOU, the exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other in writing immediately upon the identification of any apparent conflict or inconsistency concerning this MOU.

11.9. Principles of Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this MOU. The Parties have both participated substantially in the negotiation, drafting, and revision of this MOU, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in this MOU may be used in the singular, plural, past tense or future tense, regardless of how it is defined, all in accordance with ordinary principles of English grammar, which shall govern all language in this MOU. The words "include" and "including" in this MOU shall be construed to be followed by the words: "without limitation." Each collective noun in this MOU shall be interpreted as if followed by the words "(or any part of it)," except where the context clearly requires otherwise. Every reference to any document, including this MOU, refers to such document, as modified from time to time (excepting any modification that violates this MOU), and includes all exhibits, schedules, addenda and riders to such document. The word "or" in this MOU includes the word "and," except where the context requires otherwise. Every reference to a law, statute, regulation, order, form or similar governmental requirement in this MOU refers to each such requirement as amended, modified, renumbered, superseded or succeeded, from time to time.

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11.10. Counterparts. This MOU may be signed in multiple counterparts, which, when taken together, shall constitute a single signed original, as though all Parties had signed the same MOU.

11.11. Headings. All headings in this MOU are for convenience of reference only and shall not affect the interpretation of this MOU.

11.12. Exhibits Incorporated. All exhibits referenced in or attached to this MOU are incorporated into this MOU.

11.13. Survival of Obligations. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this MOU, and all continuing obligations set forth in this MOU, shall survive expiration or earlier termination of this MOU.

11.14. Incorporation of Recitals. The Recitals preceding this MOU are true and correct and are incorporated into and made a part of this MOU.

11.15. Time of Essence. Time is of the essence of each provision of this MOU, unless otherwise specified in this MOU.

11.16. Further Assurances. City and SDHC agree to cooperate fully and execute any and all supplementary documents and take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this MOU.

[Remainder of page intentionally blank. Signatures appear on the immediately following page.]

IN WITNESS WHEREOF, this MOU is entered into by City, acting by and through its Mayor or designee, and by SDHC, by and through the signature of SDHC's authorized representative(s), all as set forth below.

SAND DIEGO HOUSING COMMISSION,
a public agency

CITY OF SAN DIEGO,
a California municipal corporation

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

CHRISTENSEN & SPATH LLP
A California limited liability partnership

MARA W. ELLIOTT
City Attorney

By: _____

Charles B. Christensen
General Counsel

By: _____

Marguerite E. Middaugh
Deputy City Attorney

Date: _____

Date: _____

|

EXHIBIT A

Notice Addresses

City:

City of San Diego
Christina Bibler, Director
Economic Development Department
1200 Third Avenue, Suite 1400, MS 56D
San Diego, CA 92101

CBibler@sandiego.gov

SDHC:

San Diego Housing Commission
Lisa Jones, Senior Vice President
Homeless Housing Innovations Division
1122 Broadway, Ste. 300
San Diego, CA 92101