



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: June 14, 2019

HCR19-067

SUBJECT: Contract for the Fiscal Year 2020 Mental Health Systems Serial Inebriate
Program

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Homeless Housing Innovations

CONTACT/PHONE NUMBER: Lisa Jones (619) 578-7696

REQUESTED ACTION:

Recommend the execution of an agreement with Mental Health Systems totaling \$418,411.28 for Transitional Housing Services for an initial one-year term of July 1, 2019, to June 30, 2020, with two one-year options to renew, depending on funds available, compliance with grant agreement requirements, and program performance.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Serial Inebriate Program is part of the City of San Diego's (City) portfolio of Homeless Shelters and Services Programs, for which the San Diego Housing Commission (Housing Commission) administers the agreements based upon based on a Memorandum of Understanding (MOU) between the Housing Commission and the City that first took effect on July 1, 2010.
- Approving this action will authorize the Housing Commission to expend \$266,911.28 from the City General Fund and \$151,500.00 from the City Affordable Housing Fund for a total of \$418,411.28 to provide transitional housing services to serial inebriates.
- The proposed funding is included in the Housing Commission's Fiscal Year 2020 Budget.
- The Serial Inebriate Program is a collaborative effort to reduce the number of chronic, homeless alcoholics who cycle in and out of detoxification centers, County jail, and local emergency rooms. The residential program offers participation in the program in lieu of incarceration as a result of a guilty verdict or plea for public intoxication.
- Mental Health Systems shall provide a year-round (365 days per year) service-enhanced transitional housing program for a minimum of 145 homeless individuals in San Diego during Fiscal Year 2020.



REPORT

DATE ISSUED: June 6 2019

REPORT NO: HCR19-067

ATTENTION: Chair and Members of the San Diego Housing Commission for the Agenda of June 14, 2019

SUBJECT: Contract for the Fiscal Year 2020 Mental Health Systems Serial Inebriate Program

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

Seven-day advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(9)

Recommend the execution of an agreement with Mental Health Systems totaling \$418,411.28 for Transitional Housing Services for an initial one-year term of July 1, 2019, to June 30, 2020, with two one-year options to renew, depending on funds available, compliance with grant agreement requirements, and program performance.

STAFF RECOMMENDATION

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

- 1) Authorize the execution of an initial one-year agreement, with two one-year options to renew, with Mental Health Systems (MHS) in the amount of \$266,911.28 from the City of San Diego (City) General Fund and \$151,500.00 from the City Affordable Housing Fund for a total of \$418,411.28 to provide transitional housing and services to serial inebriates;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions necessary and/or appropriate to implement these approvals; and
- 3) Authorize the President & CEO to substitute funding sources and/or increase compensation by not more than 20 percent of the total agreement amount for the proposed agreement, if necessary, without further action by the Board of Commissioners (Board) of the Housing Commission, but only if and to the extent that funds are determined to be available for such purposes.

SUMMARY

The Housing Commission administers the contracts for the City of San Diego's (City) Homeless Shelters and Services Programs based on a Memorandum of Understanding between the Housing Commission and the City that took effect on July 1, 2010. The Serial Inebriate Program is a part of the City's portfolio of Homeless Shelters and Services Programs.

Established in January 2000, the Serial Inebriate Program is a collaborative effort to reduce the number of chronic, homeless alcoholics who cycle in and out of detoxification centers, County jail, and local emergency rooms. The residential program offers participation in the Serial Inebriate Program in lieu of incarceration as a result of a guilty verdict or plea for public intoxication. As a Serial Inebriate Program participant, clients receive intensive wraparound services that assist in their recovery from alcoholism to improve their well-being. Partner agencies include the City, the County of San Diego, San Diego Police Department, and San Diego County Sheriff's Departments, San Diego County Superior Courts, San Diego County Health and Human Services, Mental Health Systems, Inc., and the Housing Commission.

Since the inception of the Serial Inebriate Program, the Housing Commission has been an active partner, providing support to the program's housing element through the City's Affordable Housing Fund, and since Fiscal Year 2015 (July 1, 2014 – June 30, 2015), augmented with City General Funds.

Due to quality contract performance by MHS, the Housing Commission is exercising the ability to utilize a sole source justification to renew the contract in accordance with Statement of Procurement Policy PO-PUR-373.01 Section 14.2. MHS has excelled in performing program operations, the provision of services, and consistently meeting programmatic requirements such as exceeding outcomes, fund utilization, and adhering to Housing Commission administrative deadlines. For these reasons, the Housing Commission supports sole sourcing the contract to MHS. Thus, the Housing Commission will enter into a one-year initial agreement, with two one-year options to renew, with MHS for \$418,411.28 from the City General Fund and City Affordable Housing Fund to operate a minimum of 56 beds in the Serial Inebriate Program. MHS will assess and house a minimum of 145 participants in FY 2020.

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. The Serial Inebriate Program serves this purpose by providing transitional housing with supportive services to men and women experiencing homelessness. Individuals participating in this program represent some of San Diego's most vulnerable citizens, as 100 percent of participants are homeless, with low-to-moderate incomes.

FISCAL CONSIDERATIONS

The proposed funding approved by this action is included in the Housing Commission's Fiscal Year 2020 Budget, pending approval by the Housing Authority in June 2019. Approving this action will authorize the Housing Commission to expend \$418,411.28.

Mental Health Systems: Serial Inebriate Program Fiscal Year 2020 Funding Allocations			
Source	AHF	General Fund	Total
Amount	\$ 151,500.00	\$ 266,911.28	\$ 418,411.28

EQUAL OPPORTUNITY/CONTRACTING

MHS is a local nonprofit organization founded in 1978. The Equal Opportunity Contracting forms will be submitted for review and approval by the Housing Commission in advance of the execution of this contract. As a nonprofit, MHS is exempt from the requirement to submit a Workforce Report.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders for this project include: MHS's Serial Inebriate Program residents and MHS as the sub-recipient administering the program. The program is expected to have a positive impact on the community because it will provide shelter and services to 145 individuals who otherwise experience homelessness.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS

On September 8, 2017, the Housing Commission approved the execution of an agreement with MHS totaling \$268,250 for Transitional Housing Services during the term of July 1, 2017 to June 30, 2018.

On November 21, 2014, the Housing Commission approved the expenditure of additional Fiscal Year 2015 City of San Diego General Funds for the Fiscal Year 2015 agreement with MHS for operation of the Serial Inebriate Program.

On September 24, 2014, at the request of City Administration, the City transferred administration of the SIP expansion funds from the San Diego Police Department to the Housing Commission.

On June 17, 2014, the City Council and Housing Authority approved the renewal of the Memorandum of Understanding between the Housing Commission and City for administration of the City's Homeless Shelters and Services Programs.

On June 9, 2014, the City Council adopted the City's Fiscal Year 2015 budget, which included funds to operate the City's Homeless Shelters and Services Programs.

On June 9, 2014, the Housing Authority passed resolution HA-1621, authorizing the Housing Commission to add Housing Impact Fee revenues to the Transitional Housing for the Homeless budget for grants to nonprofit organizations operating transitional housing programs, including MHS's Serial Inebriate Program.

On May 9, 2014, the Housing Commission approved adding Housing Impact Fee revenues to the Transitional Housing for the Homeless budget for grants to nonprofit organizations operating transitional housing programs, including MHS's Serial Inebriate Program.

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(b)(5) as they are administrative activities of government that will not result in direct or indirect physical changes in the environment and, therefore, are not subject to CEQA pursuant to Section 15060(c)(3) of the State CEQA Guidelines. Nevertheless, they would be categorically exempt under multiple separate provisions of CEQA, including Section 15301 for existing facilities involving negligible or no expansion of the existing use. This determination is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. Since there are no federal funds

June 6, 2019

Contract for the Fiscal Year 2020 Mental Health Systems Serial Inebriate Program

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being used for this action, National Environmental Policy Act environmental clearances are not required at this time.

Respectfully submitted,

Approved by,



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

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

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.

SAN DIEGO HOUSING COMMISSION
AGREEMENT FOR TRANSITIONAL HOUSING AND SUPPORTIVE SERVICES
WITH
MENTAL HEALTH SYSTEMS, INC.

("Subrecipient")

Contract No. HHI-20-07

THIS AGREEMENT, entered into this ____ day of _____ 2019, effective July 1, 2019,

between the Commission:

SAN DIEGO HOUSING COMMISSION
1122 Broadway, Suite 300
San Diego, California 92101
(619) 231-9400

and the Subrecipient (Contractor):

MENTAL HEALTH SYSTEMS, INC.
9465 Farnham Street
San Diego, CA 92123
(858) 573-2600

is as follows:

101. DESCRIPTION OF WORK

Subrecipient shall provide Transitional Housing and Supportive Services for the Homeless as generally described in the Specifications/Scope of Work attached hereto.

102. CONTRACT ATTACHMENTS

The above services shall be performed in accordance with the following listed documents which are attached hereto and made a part hereof:

1. General Provisions, Contract Attachment No. 1
2. Specifications/Scope of Work, Contract Attachment No. 2
3. Compensation Schedule, Contract Attachment No. 3

103. TIME OF PERFORMANCE

a. Initial Term

All services required pursuant to this Agreement shall commence effective July 1, 2019

through June 30, 2020.

b. Option to Extend Term

The President and Chief Executive Officer of the Commission, or his or her designee, may at his/her election extend the term of the Agreement to the Subrecipient for two (2) additional one-year terms, by giving written notice of the election to extend the Agreement to the Subrecipient, in accordance with the provisions set forth as set forth in Section 244. Only one (1) option may be exercised at any one time during any term of the Agreement. The option to extend the Agreement may be granted by the Commission in its sole discretion and is depended upon the availability of funds and budget approval by the Housing Authority of the City of San Diego ("Housing Authority"). The compensation to be paid the Subrecipient during any optional terms shall be the compensation set forth in Contract Attachment No. 3.

Nothing contained in this Agreement shall require the Commission to exercise any or all of the options to extend the term of the Agreement. The options exist in favor of the Commission, at its sole option. All other terms and conditions of the Agreement during the option period(s) shall be as set forth in the Agreement and shall be unamended by the exercise of any option granted herein. The options granted herein are in addition to the ninety (90) day option to extend set forth in Section 225 herein.

104. **COMPENSATION AND METHOD OF PAYMENT**

a. Rates

For services performed under this Agreement, the Commission shall pay the Subrecipient at the rates set forth in Contract Attachment No. 3, "Compensation Schedule," attached hereto and made a part hereof.

b. Maximum Compensation

The total compensation for all services performed pursuant to this Agreement shall not exceed the sum of FOUR HUNDRED NINETEEN THOUSAND SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$419,750.00) which includes TWO HUNDRED SIXTY EIGHT THOUSAND TWO HUNDRED FIFTY AND NO/DOLLARS (\$268,250.00) of City of San Diego General Fund funds and ONE HUNDRED FIFTY ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$151,500.00) of Affordable Housing Fund funds. Subrecipient acknowledges that the Commission is under no obligation to compensate Subrecipient for services rendered or expenses accrued under this Agreement in excess of the maximum compensation specified above. It shall be the responsibility of the Subrecipient to monitor its activities to ensure that the scope of services specified in Contract Attachment No. 2 (Specifications/Scope of Work) may be completed and no charges accrued in excess of the maximum compensation during the term of this Agreement. In the event that the work required cannot be completed within the amount specified, or it appears that the maximum compensation provided may be exceeded before the term of the Agreement expires, Subrecipient shall promptly notify the Commission.

Further, the Commission may cancel the Agreement, without cause, by written notice to the Subrecipient at any time during the term of the Agreement, or any extension thereto, in the event that the Commission and/or the Housing Authority of the City of San Diego ("Housing Authority") fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement as set forth in Section 214 of this Agreement.

c. Method of Payment

The Subrecipient shall submit a requisition to the Commission specifying the amount due for services performed by the Subrecipient's staff. Such requisition shall at a minimum: (1) reference the contract number assigned hereto; (2) reference the purchase order assigned; (3) describe the services performed in detail, as specified in Contract Attachment No. 2; and (4) indicate the amount charged for the work performed. Such requisition for payment shall contain a certification by the Subrecipient specifying payment requested is for work performed in accordance with the provisions of this Agreement. Upon approval of the requisition, the Commission shall make payment by approximately the thirtieth day of a given month if the requisition is submitted to the Commission no later than the first day of said given month. Payments will be made to Subrecipient at the address given above.

105. NOTICES

Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the Subrecipient at the following addresses:

Commission: SAN DIEGO HOUSING COMMISSION
Attention: Julia Sauer
Director of Grants & Compliance
1122 Broadway, Suite 300 San
Diego, CA 92101

Copy to: Christensen & Spath LLP
Attention: Charles B. Christensen, Esq.
550 West C Street, Suite 1660
San Diego, CA 92101

Subrecipient: Mental Health Systems, Inc.
Attention: James Callaghan, CEO & President
9465 Farnham Street
San Diego, CA 92123

Signature Page to Agreement for Transitional Housing and Supportive Services with Mental Health Systems, Inc. (Contract No. HHI-20-07):

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

SUBRECIPIENT:
MENTAL HEALTH SYSTEMS, INC.

By: _____ Date: _____
Name: _____
Title: _____

COMMISSION:
SAN DIEGO HOUSING COMMISSION

By: _____ Date: _____
Jeff Davis
Executive Vice President and Chief of Staff

By: _____ Date: _____
Lisa Jones
Senior Vice President of Homeless Housing Innovations

By: _____ Date: _____
Debra Fischle-Faulk
Vice President, Procurement and Compliance

Approved as to Form:
Christensen & Spath LLP

By: _____ Date: _____
Charles Christensen
General Counsel for San Diego Housing Commission

DRAFT

CONTRACT ATTACHMENT NO. 1

GENERAL PROVISIONS

Commented [EM1]: This will be updated when we receive agreements from the City.

200. Any references to Community Development Block Grant (CDBG) will not apply to the general provisions of this Agreement.

201. Status of Subrecipient and Designated Representative.

(a) Subrecipient acknowledges that Subrecipient is an independent Subrecipient, and not agents or employees of the Commission, the Housing Authority, or the City of San Diego. Any provision of this Agreement that may appear to give the Commission a right to direct Subrecipient concerning the details of performing its obligations and/or duties under this Agreement, or to exercise any control over such performance, shall mean only that Subrecipient shall follow the direction of the Commission concerning the end results of the performance.

(b) Subrecipient shall have no authority to bind the Commission, in any manner, or to incur any obligation, debt or liability of any kind, on behalf of or against the Commission, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by the Commission.

(c) Because this Agreement is entered into by the Commission in reliance upon Subrecipient's qualifications, experience, and personnel identified, Subrecipient shall not assign or subcontract any of its rights, obligations, and/or duties under this Agreement, without first obtaining the written consent of the Commission. Any putative assignment of Subrecipient's rights, obligations, and/or duties under this Agreement shall not create a contractual relationship between the Commission and any putative assignee, and any such assignment shall be ineffective, null and void. Any assignment in violation of this Section is grounds for immediate termination of this Agreement, at the sole discretion of the Commission.

(d) Subrecipient shall identify a designated representative for the purposes of this Agreement. In the event Subrecipient changes its designated representative for the purposes of this Agreement, Subrecipient shall notify the Commission of the new designated representative within ten (10) calendar days of the date of such change.

202. Ownership of Materials and Documents

Any and all sketches, drawings and other materials and documents prepared by the Subrecipient shall be the property of the Commission from the moment of their preparation, and the Subrecipient shall deliver such materials and documents to the Commission whenever requested to do so by the Commission. However, the Subrecipient shall have the right to make duplicate copies of such materials and documents for his own file, or for other purposes as may be authorized in writing by the Commission.

203. Non-Disclosure of Confidential Information

(a) The designs, plans, reports, investigations, materials, and documents prepared or acquired by the Subrecipient pursuant to this Agreement (including any duplicate copies kept by the Subrecipient) shall not be shown or disclosed to any other public or private person or entity directly or indirectly, except as authorized by the Commission. The Subrecipient shall not disclose to any other public or private person or entity directly or indirectly, any information regarding the activities of the Commission during the term of this Agreement or at any time thereafter except as authorized by the Commission.

(b) Section 203(a) above does not apply to information that:

- (i) was publicly known, or otherwise known to Subrecipient, at the time the information was provided to Subrecipient by the Commission;
- (ii) subsequently becomes publicly known, through no act or omission of Subrecipient;
- (iii) becomes known to Subrecipient from a source or means other than the Commission;
- (iv) is considered a "public record," pursuant to the California Public Records Act (California Government Code sections 6250 – 6276.48); or
- (v) is required to be disclosed pursuant to law or a court order.

204. Documents and Written Reports

The Subrecipient, when preparing any document or written report for or under the direction of the Commission, the Housing Authority, or the City of San Diego, shall comply with the provisions of Government Code Section 7550; to wit,

(a) Any document or written report prepared for or under the direction of a state or local agency, which is prepared in whole or in part by non-employees of such agency, shall contain the numbers and dollar amounts of such contracts and subcontracts relating to the preparation of such document or written report; provided, however, if the total cost for work performed by non-employees of the agency exceeds five thousand dollars (\$5,000). The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

(b) When multiple documents or written reports are the subject or product of the contract, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written reports.

205. Project Records

(a) Generally. Subrecipient shall maintain all Project Records during the term of this

Agreement, including those required by the Federal regulations specified in 24. C.F.R. 570.506 and those required by the City of San Diego's most current operating manual (Operating Manual) that are pertinent to the activities to be funded under this Agreement. Project Records include all administrative and/or financial records required in connection with the Agreement that are prepared and/or gathered by Subrecipient, including but not limited to, all books, papers, invoices, receipts, accounting records, payroll records, personnel records, designs, plans, reports, financial disclosures, audits, other disclosures, certifications, investigations, videos, work product and any other documents, data, and/or records pertaining to all matters covered in this Agreement, or required by the Operating Manual.

(b) Accounting Records. Subrecipient shall maintain, complete and accurate accounting records, in accordance with Generally Accepted Accounting Principles (GAAP) in the industry.

(c) Inspection and Photocopying. At any time during normal business hours and as often as requested, Subrecipient shall permit, the Commission, the City of San Diego, HUD, the Comptroller General of the United States (Comptroller General), or any of their duly authorized representatives, to inspect and photocopy, at a reasonable location within the County of San Diego (e.g., the offices of Commission), all Project Records for the purposes of making audits, examinations, excerpts, and/or transcriptions, as well as monitoring and/or evaluating Subrecipient's performance of its obligations and/or duties under this Agreement. The Commission, City of San Diego, HUD, or Comptroller General may retain copies of the same, with appropriate safeguards, if such retention is deemed necessary by the Commission, City of San Diego, HUD, or Comptroller General in its sole discretion. The Commission will keep all copies of Project Records in the strictest confidence required by law.

(d) Duplicates of Records. Upon any request by the Commission, the City of San Diego, HUD, Comptroller General, or any of their duly authorized representatives, for Project Records, Subrecipient shall submit exact duplicates of the originals of the requested Project Records to the requesting party for the purposes described in Section 205(c) above.

(e) Storage Period. Subrecipient shall store all Project Records for a period of not less than three (3) years after the Subrecipient's final submission of all required reports under this Agreement, or three (3) years after the Commission and Subrecipient make all final payments, or until all pending matters (including audit findings) have been resolved, whichever is longest. All Project Records shall be kept at the Subrecipient's regular place of business. At any time during the storage period, Subrecipient shall permit Commission, the City of San Diego, HUD, Comptroller General, or any of their duly authorized representatives, to inspect and photocopy all Project Records for the purposes described in Section 205(c) above. After the storage period had expired, Subrecipient shall provide the Commission with thirty (30) calendar days written notice of its intent to dispose of any Project Records. During this time period, the Subrecipient shall provide any and all Project Records to the Commission upon the request of the Commission.

206. HUD Program Specific Audit Requirements

2 CFR Part 200, as applicable, requires that nonprofit institutions with combined receipts of Federal financial assistance and outstanding Federal direct, guaranteed, or insured loan balances totaling \$750,000.00 or more a year shall have an audit conducted in accordance with the requirement of OMB Circular A-133 or a program specific financial audit, depending on the amount of funds received and the number of programs. Nonprofit institutions having only outstanding HUD direct, guaranteed or insured loans that were made guaranteed or insured prior to the effective date of the part, are required to conduct audits in accordance with HUD program specific audit requirements.

207. Subrecipient's Liability

Subrecipient shall defend, indemnify, protect, and hold harmless the Commission, the San Diego Housing Authority, the City of San Diego, and their elected officials, appointed officials, departments, officers, employees, representatives, and agents from and against any and all claims asserted, or liability established, for damages or injuries to any person or property, including, but not limited to, injury to either of their officers, employees, invitees, guests, and agents, which arise from, or are connected with, or are caused, or claimed to be caused, by this Agreement, or by the acts or omissions of the other party hereto or any of their elected officials, appointed officials, officers, employees, representatives, and agents in performing the work or services required or authorized herein, and all expenses of investigating and defending against same, including, without limitation, attorneys' fees and costs. However, any party's duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the other party or its elected officials, appointed officials, elected officials, departments, officers, employees, representatives, and/or agents. Any defense of any person referenced in this Section shall be at the indemnifying party's sole cost and expense and by counsel selected by the indemnifying party, subject to the reasonable approval of the indemnified person, which counsel may, without limiting the rights of any of the indemnified person pursuant to the next succeeding sentence of this Section, also represent the indemnifying party in such investigation, action or proceeding. If any indemnified person determines reasonably and in good faith that its defense by the indemnifying party is reasonably likely to cause a conflict of interest or is being conducted in a manner which is prejudicial to such persons interests, such indemnified person may elect to conduct its own defense through counsel of its own choosing, subject to the reasonable approval of the indemnifying party, and at the expense of the indemnifying party.

208. Insurance

(a) Insurance Companies. All insurance required in this Agreement shall be carried only by insurers that have been rated "A-, VI," or better, by the current A.M. Best Key Rating Guide, that are licensed to do business in the State of California, and that have been approved by the Commission. The Commission will accept insurance provided by non-admitted "surplus lines" carriers, only if the carrier is authorized to do business in the State of California and is shown on the List of Eligible Surplus Lines Insurers.

(b) Commercial General Liability Insurance

1) At all times during the term of this Agreement, Subrecipient shall maintain,

in full force and effect, Commercial General Liability Insurance, written on an ISO Occurrence form CG 00 01 07 98, or an equivalent form providing coverage at least as broad, which shall cover liability arising from any and all personal injury, bodily injury, and property damage in the amount of \$1,000,000 per occurrence, subject to an annual aggregate of \$2,000,000.

- 2) The policy shall expressly provide that:
 - (i) all defense costs shall be outside the limits of the policy; and
 - (ii) the policy cannot be cancelled or materially changed, except after 30 calendar days written notice by the insurer to the Commission by certified mail.
- 3) The policy shall be endorsed to expressly provide that:
 - (i) the City of San Diego, the San Diego Housing Commission and the Housing Authority of the City of San Diego, their elected and appointed officials, officers, agents, employees, and representatives are named as additional insureds; and
 - (ii) the policy is primary and non-contributory to any insurance that may be carried by the Commission.
- 4) There shall be no endorsement or modification of the policy limiting the scope of coverage for insured versus insured claims, or for contractual liability.

(c) Commercial Automobile Liability Insurance.

- 1) At all times during the term of this Agreement, Subrecipient shall maintain, in full force and effect, Commercial Automobile Liability Insurance for all of Subrecipient's automobiles (including owned, hired, and non-owned automobiles) that will be used for purposes of this Agreement, written on an ISO form CA 00 01 12 90 or a later version of this form, or an equivalent form providing coverage at least as broad, which shall cover liability arising from any and all bodily injury and property damage, for a combined single limit of \$1,000,000 per occurrence. The insurance policy shall reflect coverage for any automobile ("any auto").
- 2) The policy shall expressly provide that the policy cannot be cancelled or materially changed, except after 30 calendar days written notice by the Subrecipient to the Commission by certified mail.
- 3) The policy shall be endorsed to expressly provide that the City of San

Diego, the San Diego Housing Commission and the Housing Authority of the City of San Diego, their elected and appointed officials, officers, agents, employees, and representatives are named as additional insureds.

(d) Workers' Compensation Insurance

- 1) At all times during the term of this Agreement, Subrecipient shall maintain, in full force and effect, Workers' Compensation Insurance for Subrecipient's employees who are subject to this Agreement, to the extent required by the State of California, providing a minimum of \$1,000,000 of employers' liability coverage.
- 2) The policy shall expressly provide that the policy cannot be cancelled or materially changed, except after 30 calendar days written notice by the Subrecipient to the Commission by certified mail.
- 3) The policy shall be endorsed to expressly provide that the insurer waives the right of subrogation against the City of San Diego, the San Diego Housing Commission, the Housing Authority of the City of San Diego and their elected and appointed officials, officers, agents, employees, and representatives.

(e) Certificates. Prior to the effective date of this Agreement, Commission and Subrecipient shall provide to the City, the San Diego Housing Commission and the Housing Authority of the City of San Diego insurance certificates evidencing the insurance required in Sections 210(b), 210(c), and 210(d) above.

(f) Endorsements. Prior to the effective date of this Agreement, Commission and Subrecipient, shall provide to the City, the San Diego Housing Commission and the Housing Authority of the City of San Diego, the endorsements required under Sections 210(b)(iii), 210(b)(iii), and 210(c)(iii) above. Subrecipient shall ensure that all such endorsements are in full force and effect throughout the term of this Agreement.

(g) City and Commission's Right to Request and Review Subrecipient's Insurance Policies. The City and the Commission, reserve their rights to request, and Subrecipient shall immediately submit to the City and the Commission, upon the City's and Commission's request, copies of any policy required in Sections 210(b), 210(c), and 210(d) above, and its right to review, at any time, Subrecipient's insurance coverage, limits, deductibles, and self-insured retentions to determine if they are sufficient, given the level of risk associated with the services described in the Agreement. If the City and/or the Commission determines that any such insurance coverage, limits, deductibles, and/or self-insured retentions is insufficient, the City and Commission shall amend this Agreement to increase such insurance coverage, limits, deductibles, and/or self-insured retentions to a sufficient level, as determined by the City and Commission, and Subrecipient shall comply with any such amendment.

(h) Deductibles and Self-Insured Retentions. All deductibles and self-insured retentions on any policy shall be the responsibility of Subrecipient.

(i) Subrecipient's Liability Not Limited to Insurance Coverage. Subrecipient's liability, including, but not limited to, Subrecipient's indemnity obligations under this Agreement, shall not be deemed limited in any way to the insurance coverage required in this Article.

(j) Modifications Affecting Commission's Exposure to Loss. Subrecipient shall not modify any policy (or endorsement thereto), which increases the Commission's exposure to loss for the duration of this Agreement.

(k) Additional Insurance. Subrecipient may obtain additional insurance not required by this Agreement.

(l) Expiration of Policies. Upon the expiration date of each insurance policy required in Sections 210(b), 210(c), and 210(d) above, Subrecipient shall provide to Commission an insurance certificate showing that a new or extended policy has been obtained which meets the requirements of this Agreement. Subrecipient shall provide to the Commission all required endorsements for the new or extended policies within 15 calendar days of the expiration date of each expiring insurance policy.

(m) Requirement to Maintain Insurance. Any failure by Subrecipient to maintain the insurance required by this Agreement throughout the term of this Agreement shall constitute a material breach of this Agreement and shall be grounds for immediate termination.

209. Compliance with Laws and Policies

Subrecipient shall comply with all applicable laws, statutes, rules, regulations, orders, ordinances, resolutions, permits, requirements, and policies of the federal, state, and local governments, as they pertain to this Agreement. In addition, Subrecipient shall immediately comply with all directives issued by the City of San Diego, or its duly authorized representatives, under authority of any law, statute, rule, regulation, order, ordinance, resolution, permit, requirement, or policy of the federal, state, or local governments. Failure by the Subrecipient to accept or comply with rules, regulations, and procedures which affect the terms of this Agreement, shall be deemed a material breach of this Agreement and shall be grounds for immediate termination by Commission.

210. Conflict of Interest

(a) Subrecipient shall comply with all applicable federal, state, and local conflict of interest laws and regulations, including, but not limited to, each of the following:

- 1) the conflict of interest provisions in 24 CFR 570.611, 2 CFR 200.112 and 2 CFR 200.318; and
- 2) California Government Code sections 1090 et. seq., and 81000 et. seq.

(b) The parties are unaware of any financial or economic interest of any public officer or employee of the Commission or Subrecipient relating to this Agreement. If the Commission or Subrecipient becomes aware at any time during the Term of this Agreement of any financial or economic interest, the Subrecipient or Commission, as applicable, shall immediately disclose in writing such interest to the other party. If such a financial and/or economic interest is determined to exist, the Subrecipient or Commission may immediately terminate this Agreement by giving written notice thereof.

(c) If, in performing its obligations and duties set forth in this Agreement, Subrecipient makes, or participates in, a "government decision," as described in Title 2, section 18701(a)(2) of the California Code of Regulations, or performs the same (or substantially all the same) duties for the Commission that would otherwise be performed by a City of San Diego employee holding a position specified in the City of San Diego's conflict of interest regulations, Subrecipient shall be subject to the City of San Diego's conflict of interest regulations, requiring the completion of one or more statements of economic interests, disclosing Subrecipient's relevant financial interests.

For the duration of this Agreement, the Subrecipient will not act as a consultant or perform services of any kind for any person or entity which would conflict with the services to be provided herein, without the written consent of the Commission.

- 1) Statements of economic interest shall be made on Fair Political Practices Commission Form 700 and filed with the City Clerk for the City of San Diego. Subrecipient shall file a Form 700 (Assuming Office Statement) within thirty (30) calendar days of the Commission's determination that Subrecipient is subject to the City of San Diego's conflict of interest regulations. Subrecipient shall also file a Form 700 (Annual Statement) on or before April 1, disclosing any financial interests held during the previous calendar year for which Subrecipient was subject to the City of San Diego's conflict of interest regulations.
- 2) If the Commission requires Subrecipient to file a statement of economic interests as a result of the obligations and duties performed, Subrecipient shall be considered a "City Official," subject to the provisions of the City of San Diego's Ethics Ordinance, including the prohibition against lobbying the City of San Diego for one year following the termination of this Agreement.

(d) Subrecipient shall establish, and make known to its agents and employees, appropriate safeguards to prohibit employees from using their positions for a purpose that is, or that gives the appearance of being, motivated by the desire for private gain for themselves or others, particularly those with whom they have family, business, and/or other relationships.

(e) Subrecipient's personnel, employed in performing the obligations and duties under this Agreement, shall not accept gratuities, or any other favors, from any subcontractor or potential subcontractor. Subrecipient shall not recommend or specify any product, supplier, or Subrecipient

with whom Subrecipient has a direct or indirect financial or organizational interest or relationship that would violate conflict of interest laws, regulations or policies.

(f) If Subrecipient violates any conflict of interest law, or the provisions of this section, the violation shall be grounds for immediate termination of this Agreement, and/or the imposition of other remedies available under the law. Further, any such violation shall subject Subrecipient to liability to the Commission for attorney's fees and all damages sustained as a result of the violation.

211. Equal Opportunity Programs

(a) Subrecipient shall comply with Title VII of the Civil Rights Act of 1964 (as amended by Executive Orders 11246, 11375, and 12086; as supplemented by 41 CFR chapter 60), the California Fair Employment Practices Act, and any other applicable federal and state laws and/or regulations hereinafter enacted.

(b) Subrecipient shall not discriminate on the basis of race, color, gender, religion, national origin, sexual orientation, age, familial status, or disability, in performing any obligation or duty in connection with this Agreement, including, but not limited to, the provision of services, privileges, facilities, advantages, and accommodations.

(c) Subrecipient shall provide equal opportunity in all employment practices.

(d) Subrecipient acknowledges that its failure to comply with the above requirements, or its submittal of false information in response to these requirements, fully authorizes the Commission to take any of the following actions: the withholding of reimbursement payments until Subrecipient complies with the above; immediate termination of this Agreement; debarment; and/or other sanctions, including suspension from participating in future Commission or City of San Diego contracts (as prime or subcontractor) for a period of not less than one year. For additional or subsequent violations, the period of suspension may be extended for a period of up to three years. Failure to satisfy penalties imposed pursuant to this section shall prohibit Subrecipient from participating in future Commission or City of San Diego contracts until all penalties have been satisfied.

(e) Nothing in this section shall be interpreted to hold Subrecipient liable for the discriminatory practice of its subcontractors.

212. Non-Discrimination in Contracting

(a) Subrecipient shall comply with the Nondiscrimination in Contracting Ordinance, codified in San Diego Municipal Code sections 22.3501 – 22.3517.

(b) Subrecipient shall not discriminate as it relates to this Agreement, on the basis of race, color, gender, religion, national origin, ethnicity, sexual orientation, age, familial status, or disability, in the solicitation, selection, hiring, or treatment of its employees, any applicants for employment, any subcontractors, vendors, or suppliers.

(c) Within sixty (60) calendar days of a request by the Commission, Subrecipient shall require provide the Commission a truthful and complete list of the names of all subcontractors, vendors, and suppliers that Subrecipient has used in the past five years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by Subrecipient for each subcontract or supply contract. Subrecipient shall ensure its full cooperation in any investigation conducted by the Commission, pursuant the Nondiscrimination in Contracting Ordinance, referenced above.

(d) Violation of any provision by Subrecipient shall be considered a material breach of their agreement with Commission, and may result in remedies being ordered against Subcontractor up to, and including, immediate termination of their agreement, debarment, and other sanctions for violation of the provisions of the Nondiscrimination in Contracting Ordinance.

213. Local Business and Employment

Subrecipient acknowledges that the City of San Diego seeks to promote employment and business opportunities for local residents and firms on all City of San Diego contracts. Subrecipient shall to the extent reasonably possible, solicit applications for employment, as well as bids and proposals for subcontracts for work associated with this Agreement, from local residents and firms, as opportunities occur. Subrecipient shall hire qualified local residents and firms, whenever feasible.

214. Living Wage Ordinance.

Subrecipient shall comply with the provisions of the Living Wage Ordinance, codified in San Diego Municipal Code sections 22.4301 et seq. in performing its obligations and/or duties under this Agreement.

215. Americans With Disabilities Act.

Subrecipient shall comply with City Council Policy 100 04, as adopted by City Council Resolution R-282153, relating to the federally mandated Americans with Disabilities Act (ADA), as incorporated into this Agreement by this reference. Subrecipient shall be individually responsible for their own ADA program.

216. Interest of Member of Congress

No member or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom, but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

217. Interest of Current or Former Members, Officers, Employees

No member, officer or employee of the Commission, no member of the governing body of

the locality in which the work is situated, no member of the governing body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section shall result in unilateral and immediate termination of this Agreement by the Commission.

218. Drug-free Workplace

Subrecipient shall comply with the Drug-Free Workplace requirements set forth in Council Policy 100-17, which is incorporated into this Agreement by this reference. Subrecipient shall certify to the Commission that it will provide a drug-free workplace and do each of the following:

(a) Publish a statement notifying its employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance as defined in schedules I-V of Section 202 of the Controlled Substance Act (21 U.S.C. 812) is prohibited in Subrecipient's workplace and specify the actions that will be taken against employees for violation of the prohibition.

(b) Establish a drug-free awareness program to inform employees about all of the following:

- (i) The dangers of drug abuse in the workplace.
- (ii) The Subrecipient's policy of maintaining a drug-free workplace.
- (iii) Any available drug counseling, rehabilitation and employee assistance programs.
- (iv) The penalties that may be imposed upon employees for drug abuse violations.

(c) Post the statement required by subdivision 216(a) in a prominent place at Subrecipient's main office and at any job site large enough to necessitate an on-site office.

(d) Subrecipient shall be individually responsible for its own drug free workplace program.

219. Lobbying Provisions

(a) Subrecipient shall not use any of the funds, personnel, or materials received in connection with this Agreement, to influence, or attempt to influence, any governmental decision or election in any manner, whatsoever. This prohibition shall apply to any decision of any kind to be made by any electorate, legislative body, agency, bureau, board, commission, district, or any other instrument of federal, state, or local government. The term, "influence or attempt to influence," shall mean the making, with the intent to influence, any communication to, or appearance before, any officer, employee, or appointee of any governmental entity, as well as any communication made to any electorate, regarding any ballot measure or candidate election.

(b) Subrecipient acknowledges that funds received under this Agreement have been provided pursuant to a federal grant, and shall comply with the laws set forth at 31 USC 1352 and 24 CFR 87.

(c) Subrecipient shall complete and sign a certification form in accordance with the Byrd Anti-Lobbying Amendment (31 USC 1352), certifying Subrecipient's knowledge of, and promise to comply with, each of the provisions set forth herein. This certification shall be a conditions precedent to this Agreement and shall be submitted to Commission prior to the date of execution of this Agreement.

(d) Subrecipient shall disclose to the Commission any funds from any other source which have been paid by Subrecipient (or its principals or agents), within the last year, to influence or attempt to influence decisions from the federal government, by completing, signing, and submitting to the Commission, Form LLL, "Disclosure of Lobbying Activities," found at 24 CFR 87, Appendix B.

(e) Subrecipient understands that the duty to disclose lobbying activities is a continuing requirement, and therefore, shall make such disclosures at the end of each calendar quarter in which there occurs any event requiring disclosure.

220. Product Endorsement

Subrecipient shall comply with the provisions of City Administrative Regulation 95.65 regarding product endorsements. Subrecipient shall not create any advertisement or writing that identifies or refers to the City of San Diego, or the Commission, as the user of a product or service, without obtaining prior written permission from the Commission.

221. Storm Water Pollution Prevention

Subrecipient shall comply with the City of San Diego's Storm Water Management and Discharge Control Ordinance, codified in the San Diego Municipal Code sections 43.0301 et seq., in performing its obligations and/or duties under this Agreement.

222. Recognition of Funding Source

Subrecipient ensures recognition of the role of the federal CDBG Program in funding Subrecipient's services under this Agreement. All activities performed, facilities and items utilized, and publications prepared, in connection with this Agreement, shall be prominently labeled to reference the use of CDBG Funds from HUD as a funding source. The reference shall be worded as follows: "This project is funded in whole or in part with Community Development Block Grant (CDBG) Program funds provided by the U.S. Department of Housing and Urban Development (HUD) to the City of San Diego."

223. Operating Manual

Subrecipient acknowledges compliance with the Operating Manual for the City of San Diego, including but not limited to, those provisions related to fiscal accountability, eligible and ineligible project expenditures, and procedures for financial management, accounting, budgeting, record keeping, reporting, and other administrative functions. Any desired changes by Subrecipient to the procedures set forth in the Operating Manual must be requested by Subrecipient, in writing and approved by the Commission, in writing, before such changes may be implemented.

224. Playing By The Rules Handbook

By executing this Agreement, Subrecipient acknowledges that it has received, read, and understood all the contents of the Playing by the Rules Handbook and shall fully comply with all of the administrative recommendations set forth herein. The Playing by the Rules Handbook is the handbook dated March 2005, provided by HUD, setting forth the administrative recommendations that apply to the use of federal funds for the delivery of CDBG programs and activities.

225. Equal Benefits Ordinance

(a) In accordance with the Equal Benefits Ordinance (EBO), Subrecipient shall provide and maintain equal benefits as defined in SDMC 22.4302 for the duration of the Agreement (SDMC 22.4304(f)). Prior to the execution of this Agreement, Subrecipient shall complete the EBO Certification of Compliance and provide it to Commission. Failure to maintain equal benefits consistent with the EBO is a material breach of the Agreement (SDMC 22.4304(e)).

(b) Subrecipient shall notify employees of their equal benefits policy at the time of hire and during open enrollment periods and must post a copy of the following statement in an area frequented by employees:

“During the performance of a contract with the San Diego Housing Commission, this employer will provide equal benefits to its employees with spouses and its employees with domestic partners.”

(c) Subrecipient shall immediately give the Commission access to documents and records sufficient for the Commission to verify that Subrecipient is providing equal benefits and otherwise complying with EBO requirements.

(d) The full text of the EBO and the Rules Implementing the Equal Benefits Ordinance are posted on the City’s website at www.sandiego.gov/purchasing/ or can be requested from the Equal Benefits Program at (619) 533-3948.

226. Uniform Administrative Requirements

Subrecipient shall comply with all applicable uniform administrative requirements set forth in 24 CFR 570.502, including, but not limited to, federal CDBG financial and contractual procedures, as well as 2 CFR 200 subparts B through D. These federal documents are on file at the City of San Diego’s Economic Development Department, located at 1200 Third Avenue, Suite

1400, San Diego, CA, 92101.

227. Other Program Requirements

Subrecipient shall comply with all federal laws and regulations described in 24 CF 570 subpart K (Sections 570.600 through 570.614), except that:

- (a) Subrecipient does not assume the environmental responsibilities described in 24 CFR 570.604; and
- (b) Subrecipient does not assume the responsibility for initiating the review process described in 24 CFR part 52.

228. Davis-Bacon Act

Subrecipient agrees that in performing its obligations and duties under this Agreement, Subrecipient shall solely perform those services described in the Scope of Services and shall not perform any construction work, alteration, demolition, repair, or maintenance work or otherwise enter into a Federally Assisted Construction Contract, as defined in 41 CFR part 60-1.3. Therefore the Agreement is exempt from the Davis-Bacon Act.

229. Contract Work Hours and Safety Standards Act

Subrecipient shall comply with 40 USC 3702 and the Contract Work Hours and Safety Standards Act, as supplemented by Department of Labor regulations (29 CFR part 5)- for construction contracts in excess of \$2000, and other contracts that involve the employment of mechanics or laborers in excess of \$2500.

230. Energy Policy and Conservation Act

Subrecipient shall comply with the mandatory standards and policies relating to energy efficiency, which are contained in California's energy conservation plan, issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).

231. Clean Air Act and Federal Water Pollution Control Act

Subrecipient shall comply with all applicable standards, orders or regulations issued pursuant to Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act as amended (33 USC 1251-1387) – for contracts in excess of \$150,000.

232. Copeland "Anti-Kickback" Act

Subrecipient shall comply with the Copeland "Anti-Kickback" Act (18 USC 874), as supplemented by Department of Labor regulations (29 CFR part 3)- for contracts involving construction or repair.

233. Religious Activities

Subrecipient shall comply with all applicable HUD requirements governing the use of CDBG Funds by religious organizations, including those set forth in 24 CFR 570.200(j), as well as Executive Order 11245 (as amended by Executive Order 13279).

234. Section 3 Contract Clauses

(a) The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The Contractor agrees to include the Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD-assisted

contracts.

(g) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment subcontracts shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

235. Reversion of Assets.

Upon the expiration, breach, or termination of this Agreement, Subrecipient agrees that Commission may reallocate all any and all Compensation on hand at the time of the expiration or termination or breach, together with any and all accounts receivables attributable to the use of the Compensation, as the Commission shall determine in its sole discretion. Commission may procure alternative and/or additional Subrecipients to perform work using the CDBG funds in compliance with Commission's Procurement Policy.

236. Fair Housing Act

Subrecipient shall comply with Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, which prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability. In addition, Subrecipient shall comply with the regulations issued following Title VI of the 1964 Civil Rights Act (as amended by Executive Orders 11246, 11375, and 12086) and section 109 of the 1975 Housing and Community Development Act that prohibits discrimination in HUD programs based on sex, race, color, national origin, and religion and administer all programs and activities in a manner to affirmatively further the policies of the Fair Housing Act.

(a) Subrecipient shall post in a prominent place at the program site the Equal Housing Opportunity Logo which may be obtained through the HUD Programs Administration Office.

(b) Subrecipient shall post in a prominent place at the program site any other Fair Housing materials provided by the Commission upon execution and/or throughout the term of this Agreement.

237. Section 504

Subrecipient shall comply with any Federal regulations issued pursuant to Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities in any federally assisted program. The Commission shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations applicable during the term of this

Agreement.

238. Lead-Based Paint

Subrecipient shall comply with 24 CFR 570.608 regarding the requirement to comply with the Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-Based Hazard Reduction Act of 1992 (42 USC 4851-4856), and implementing regulations at part 35 subparts A, B, J, K, and R of this part.

239. Plan of Operation

The Subrecipient shall submit to the Contracting Officer a complete plan of operations. The Subrecipient is responsible for notifying the Contracting Officer of any changes to the plan of operations.

240. Correction of Work

The performance of services by the Subrecipient shall not relieve the Subrecipient from any obligation to correct any incomplete, inaccurate, or defective work at no further cost to the Commission, when such inaccuracies are due to the negligence of the Subrecipient, provided such work has not been accepted in writing by an authorized representative of the Commission.

241. Subcontracting

(a) No services covered by this Agreement shall be subcontracted without the prior written consent of the Commission.

(b) In order to obtain consent, Subrecipient shall submit a list of all potential subcontractors, and a description of work to be performed by each subcontractor, to the Commission. Once this list has been approved, no changes to the list will be allowed except by written approval of the Commission.

(c) The Subrecipient shall be as fully responsible to the Commission for the acts and omissions of his subcontractors, and of persons directly or indirectly employed by them, as he is for acts and omissions of persons directly employed by him.

(d) Consistent with Presidential Executive Orders 11625, 12138, and 12432, Commission requires Subrecipient to take positive steps to ensure that small and minority-owned businesses, women's business enterprises, and other individuals and firms located in or owned in substantial part by persons residing in the area of the Commission and/or labor surplus areas are used whenever possible, if the subcontracting of services or work covered by this Agreement is anticipated. Such efforts shall include, but shall not be limited to: (1) including such firms, when qualified, on solicitation mailing lists; (2) encouraging their participation through direct solicitation of proposals whenever they are a potential source; (3) dividing total subcontract requirements, when economically feasible, into smaller tasks or quantities to permit maximum

participation by such firms; (4) establishing delivery schedules, where the requirement permits, which encourages participation by such firms; and (5) using the services and assistance of the Small Business Commerce.

(i) A small business is defined as a business that is independently owned, not dominant in its field of operation and not an affiliate or subsidiary of a business dominant in its field of operation.

(ii) A minority-owned business is defined as a business which is at least 51% owned by one or more minority groups; or in the case of a publicly owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operation are controlled by one or more such individuals. Minority group members include, but are not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Asian Indian Americans, and Hasidic Jewish Americans.

(iii) A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who control and operate the business.

(iv) A labor surplus area business is defined as a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment, as defined by the U.S. Department of Labor in 20 CFR Part 654, Subpart A, and in the list of labor surplus areas published by the Employment and Training Administration.

242. Assignability

(a) The Subrecipient shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written approval of the Commission.

(b) Claims for money due or to become due to the Subrecipient from the Commission under this Agreement may be assigned to a bank, trust company, or other financial institutions, or to a Trustee in Bankruptcy, without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Commission.

243. Changes or Amendments.

Subrecipient acknowledges and agrees to fully perform the entire Scope of Services. In the event that Subrecipient is unable to perform any portion of the Scope of Services, Subrecipient agrees to immediately inform the Commission in writing of such inability to perform. Within thirty (30) calendar days of failing to perform any required portion of the Scope of Services, the Subrecipient shall provide the Commission with a proposal regarding how the Subrecipient intends to address this inability to perform. Subrecipient agrees that the Commission retains full and

complete discretion regarding any request to amend any portion of the Scope of Services under the Agreement. Should circumstances require and the parties agree that any of the terms or conditions of this Agreement be changed or amended, such changes or amendments shall only be accomplished by a written amendment or writing signed by the authorized representatives of the Commission and Subrecipient.

244. Extension of Contract Term

(a) Provided, that the Subrecipient is not in default under the terms of this Agreement, the Chief Executive Officer of the Commission, may extend the terms of the Agreement for a period, not to exceed ninety (90) days, on the same payment schedule, terms and conditions, in effect on the date that the Agreement would otherwise have terminated, including the option period, if any. The option to extend the Agreement shall be at the Commission's discretion only, and may not be exercised by the Subrecipient.

(b) The Agreement may not be extended for an aggregate period of more than ninety (90) days, but may be exercised in multiple "Notices of Extension", of not less than seven (7) days in duration, for each such notice. The Agreement may be extended by the Commission by delivery of a Notice of Extension in writing to the Subrecipient and that the stated terms and conditions of the Agreement shall be adhered to by the Subrecipient and the Commission during the term of the extension.

(c) Nothing contained herein, however, shall require the Commission to exercise any option to extend the Agreement. During the extension of the Agreement, the Subrecipient shall provide the Commission with additional certificates of insurance, if necessary, covering the term(s) of the extension.

(d) Notice of Extension may be served by the Commission upon the Subrecipient not earlier than sixty (60) days before the original termination date of the Agreement and not later than eighty-three (83) days after the original termination date of the Agreement. Nothing contained herein shall be construed as granting the Subrecipient a right to compel the Chief Executive Officer of the Commission to exercise the option to extend the Agreement.

(e) The Commission and Housing Authority hereby delegate the authority to the Chief Executive Officer of the Commission to pay compensation to Subrecipient, during the option period, on a pro rata basis, for any extension period, based upon the contract rate in effect on the date of the exercise of the extension.

(f) All contracts which are approved by the Commission and/or Housing Authority and include options for renewal may be renewed by the Chief Executive Officer or his/her designee at the previously stated terms for renewal. The Chief Executive Officer's authority to execute the option for renewal includes authorization to execute the required documents, identify appropriate funding source and authorize payment of funds for the continuation of services identified in the Scope of Services.

245. Entire Agreement

This Agreement represents the sole and entire agreement between the Commission and Subrecipient and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both the Commission and Subrecipient.

246. Partial Invalidity

If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

247. Conflict between Agreement and Attachments

To the extent that the provisions of the Agreement and the Attachments and Schedules conflict, the following order of construction shall apply:

(a) To the extent that the Agreement and any Attachments or Schedules conflict, the terms and conditions of the Agreement shall prevail; and,

(b) To the extent that any Contract Attachment and any Schedule conflicts, the Contract Attachment shall prevail.

248. Correction of Work

The performance of services by the Subrecipient shall not relieve the Subrecipient from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the Commission, when such inaccuracies are due to the negligence of the Subrecipient, provided such work has not been accepted in writing by an authorized representative of the Commission.

249. Termination

This Agreement may be terminated by the Commission on thirty (30) days' written notice to the Subrecipient, the effective date of cancellation being the 30th day of said written notice with no further action required by either party.

250. Attorneys' Fees and Costs

If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party or Parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition

to any other relief to which it or they may be entitled.

251. Contract Governed by Laws of State of California

This Agreement and its performance and all suits and special proceedings under this Agreement shall be construed in accordance with the laws of the State of California. In any action, special proceeding, or other proceeding that may be brought arising out of, under, or because of this Agreement, the laws of the State of California shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.

252. Jurisdiction and Venue

The Parties agree to submit to the personal jurisdiction of, and that venue shall be in, any State Court within the County of San Diego, State of California, for any dispute, claim, or matter arising out of, or related to, this Agreement.

253. Notice

In all cases where written notice is required under this Agreement, service of such notice shall be deemed sufficient if the notice is deposited in the United States mail, postage paid. Proper notice shall be effective on the date it is mailed, unless provided otherwise in this Agreement.

254. Covenants and Conditions

All provisions herein, expressed as either covenants or conditions on the part of the Commission or Subrecipient to be performed or observed, shall be deemed to be both covenants and conditions.

255. No Waiver

No failure of either the Commission or Subrecipient to insist upon the strict performance by the other of any term, covenant, or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any term, covenant, or condition of this Agreement, shall constitute a waiver of any such breach of such term, covenant, or condition. No waiver of any breach shall affect or alter this Agreement, and each and every term, covenant, and condition, herein shall continue in full force and effect to any existing or subsequent breach.

256. Successors in Interest

This Agreement, and all rights, obligations, and/or duties under this Agreement, shall be in full force and effect, whether or not any party to the Agreement has been succeeded by another entity, and all rights, obligations, and/or duties under this Agreement shall be vested and binding on any party's successor in interest.

257. Drafting Ambiguities

The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms, covenants, and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each party. This Agreement shall not be construed in favor of or against either party by reason of the extent to which each party participated in the drafting of the Agreement.

258. Signing Authority

Each individual executing this Agreement on behalf of a legal entity represents and warrants that he/she is authorized to execute and deliver this Agreement on behalf of such entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Agreement is binding upon such entity in accordance with its terms. Subrecipient shall provide the Commission with evidence, satisfactory to the Commission, that such authority is valid and that such entity is a valid, qualified corporation or limited liability company in good standing in its home state and that such entity is qualified to do business in California.

259. Counterparts

This Agreement may be executed in counterparts, which, when taken together, shall constitute a single signed original, as though all Parties had executed the same page.

260. Headings

All headings in this Agreement are for convenience only, and shall not affect the interpretation of this Agreement.

261. Exhibits Incorporated

All Exhibits referenced in this Agreement are incorporated into the Agreement by this reference.

262. Default

A default shall consist of any use of grant funds for a purpose other than for services listed in Section 101 Description of Work and/or Contract Attachment No. 2 to this Agreement, or failure of the Subrecipient to provide the transitional housing for the period of this Agreement.

Upon notice to the Subrecipient of the occurrence of a default and the provision of a reasonable opportunity to respond (unless an emergency exists), the Commission may take one

or more of the following actions:

- i. Direct the Subrecipient to submit progress schedules for completing approved activities; or
- ii. Issue a letter of warning advising the Subrecipient of the default, establishing a date by which corrective actions must be completed and putting the Subrecipient on notice that more serious actions will be taken if the default is not corrected or is repeated; or
- iii. Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions; or
- iv. Reduce or recapture the grant; or
- v. Direct the Subrecipient to reimburse the Commission for costs inappropriately charged; or
- vi. Other appropriate action including, but not limited to, any remedial action legally available such as affirmative litigation seeking declaratory relief, specific performance, damages, temporary or permanent injunctions and any other available remedies.

263. Participation

Subrecipient shall cause the fact that it receives Housing Trust Funds, which are administered by the Commission on behalf of the City of San Diego, to be referenced by the Subrecipient in all advertisement(s), press release(s), brochure(s), information sheet(s), and all Project Designation Placards placed on the Program site or other site(s), if any, as approved in advance, by the Commission.

Commission, at its sole option, reserves the right to request that the references to the participation of the Commission not be included in any, or all, advertisements, press releases, brochures, information sheets, and/or Project Designation Placards.

264. Non Profit Status

Subrecipient warrants that it is a valid nonprofit entity as determined by the Internal Revenue Service and the Franchise Tax Board of the State of California, and is in good standing in the State of California, and that Subrecipient does now, and will during the term of this Agreement maintain such nonprofit status.

265. Accessibility Standards

Subrecipient represents and warrants that it will comply with all federal, state and local requirements and regulations concerning access to the units by the disabled and handicapped persons.

DRAFT

CONTRACT ATTACHMENT NO. 2

SPECIFICATIONS/SCOPE OF WORK

A. PROGRAM-WIDE TERMS

1. PROGRAM OVERVIEW & OBJECTIVE

As part of the City of San Diego's (the "City") comprehensive approach to ending homelessness, Mental Health Systems (the "Subrecipient") will operate a transitional housing and supportive services program (the "Program") for households experiencing homelessness in the City. Utilizing the Housing First model, the Program's objective is to facilitate stabilization, improved self-sufficiency, and exits to permanent housing through temporary residency in a service-enhanced housing environment, contributing to the regional goals of ensuring instances of homelessness are rare, brief, and non-recurring.

2. PROGRAM SITE LOCATION

The Subrecipient will operate the Program at scattered sites throughout the City. The Subrecipient will operate from the Subrecipient's administrative office located at 3340 Kemper Street, San Diego, CA 92110. The Program will operate during the following hours: Monday through Friday, 7:30 AM to 4:30 PM.

3. ADMINISTRATIVE OFFICE LOCATION

The Subrecipient will maintain an administrative office at 3340 Kemper Street, San Diego, CA 92110. The days and hours of operation are: Monday through Friday, 7:30 AM to 4:30 PM.

4. PROGRAM DESCRIPTION

The Program will provide transitional housing and supportive services for homeless individuals who, through temporary residency in a service-enhanced housing environment, are working towards self-sufficiency. The Program will prioritize and target serial inebriates in the community.

The Program will utilize trauma-informed care, motivational interviewing, and a harm reduction model, which does not require sobriety and addresses heavy drinking and/or drug use and its consequences. The system design will effectively serve the target population in a welcoming and solutions-focused environment. All services must be easily accessible and evaluated for effectiveness on a regular basis.

The Subrecipient will adhere to all Regional Task Force on the Homeless (RTFH) performance standards and requirements, including recommendations from the RTFH regional planning process for creation of a Homeless Crisis Response System.

The Program will participate in the Coordinated Entry System (CES) as appropriate and as established by RTFH community standards and policies.

5. PROGRAM SERVICES

a. *Target Population*

The Program will prioritize and target serial inebriates in the community, including individuals who would be forced to live in places not intended for human habitation (vehicles, parks, abandoned buildings, sidewalks, streets, etc.) were it not for the shelter and services provided by the Program.

b. *Program Eligibility*

- 1) Each Program participant will be:
 - a) Certified as homeless using the U.S. Department of Housing & Urban Development (HUD) definition and preferred order of documentation (24 CFR Parts 91, 582, and 583); third party certification is preferred;
 - b) Screened using the common assessment tool adopted by RTFH;
 - c) Residing in the City of San Diego; and
 - d) Age 18 or older.
- 2) In alignment with Housing First principles, the following criteria may not be used to determine Program eligibility:
 - a) Sobriety and/or commitment to be drug-free;
 - b) Requirements to take medication if the participant has a mental illness;
 - c) Participation in religious services or activities;
 - d) Participation in drug treatment services (including NA/AA);
 - e) Payment or ability to pay;
 - f) Identification.

c. *Program Components*

- 1) Housing First program with low barriers to entry and operations;
- 2) Appropriate 24-hour residential services and staffing, including peer support and case conferencing;
- 3) Participation in intakes, screenings, and assessments using CES; (if appropriate and in accordance with the RTFH community standards);
- 4) Utilization of shelter diversion strategies;
- 5) Coordination with and referrals to County, State, and Federal programs, as well as nonprofits and social service agencies, as appropriate;

- 6) Case Managers who will provide, at a minimum:
 - a) A formal intake and move-in process;
 - b) Self-sufficiency needs assessment;
 - c) Information and referral services;
 - d) Housing navigation to assist in locating appropriate and affordable permanent housing;
 - e) Assistance with housing applications, and supportive and subsidized housing paperwork; and
 - f) Advocacy for participants with prospective landlords
 - 7) Health, wellness, and recovery activities;
 - 8) Basic Services, including but not limited to:
 - a) A minimum of 44 beds for individuals experiencing homelessness and other residential furnishings;
 - b) Showers, wash stations, and restrooms in an ADA-compliant environment;
 - c) Laundry facilities;
 - d) Regularly laundered blankets and other linens;
 - e) Janitorial services;
 - f) Routine maintenance and repair services;
 - g) Utilities;
 - h) Waste removal and disposal;
 - 9) Any other services as set forth in the Budget attached to this Agreement as Contract Attachment No. 3 and made part hereof
- d. **General Standards**
- 1) Subrecipient will provide adequate staffing with appropriate on-going training for service delivery and data analysis;
 - 2) Subrecipient will provide 24-hour security to ensure a safe environment at the Program site for participants, volunteers, and others who may come in contact with the Program;
 - 3) Subrecipient will maintain a fire escape emergency plan, fire watch, and comply with Fire Marshal inspections and recertifications as needed;
 - 4) Subrecipient will designate a point-of-contact who is available at all times to address issues that may arise at the Program and coordinate security issues with the San Diego Police Department;

- 5) Subrecipient will provide appropriate policies and procedures for Program operations including low barrier house rules, which will be displayed on site at all times, and various means for participants to provide feedback to and input into the Program; and
- 6) Data entry, analysis and reporting in the RTFH-approved HMIS of all Program activities.

e. ***Coordinated Entry System (CES)***

- 1) The Program will participate in the CES as appropriate and as established by RTFH community standards, CES workflow and policies. The Subrecipient will participate in CES as established by RTFH and focus on:
 - a) Homeless participants, certified as homeless using HUD's definition and documentation of homeless in accordance with HUD's preferred order of documentation (24 CFR Parts 91, 582, 583); third party certification is preferred;
 - b) CES standardized vulnerability assessment tool in screening, referral, and admissions processes for all Program participants, **if appropriate**; and
 - c) Participation in housing navigation, case conferencing, or other integral components of CES when appropriate and as established by RTFH.
- 2) Additional resources and information pertaining to performance, Homeless Management Information System (HMIS), Continuum of Care (CoC) and other topics relevant to CoC programs is available at www.hudexchange.info.

f. ***2-1-1 San Diego Participation***

- 1) The Subrecipient must list the Program along with relevant Program details and services in the 2-1-1 San Diego database. In order to remain compliant with this requirement, the Subrecipient must have updated and/or approved the Program service listing in the 2-1-1 San Diego database within the past 12 months. To verify the Program is listed or for more information on how to apply for inclusion, please visit <http://211sandiego.org/for-agencies>.
- 2) Subrecipient must provide a daily bed vacancy report to the Commission and other identified partner agencies as required.

6. PROGRAM STANDARDS AND PERFORMANCE MONITORING

a. ***Compliance, Performance Monitoring, and Improvement Activities***

- 1) The Commission will provide Subrecipient with training or consultation necessary to carry out service delivery requirements or evaluation.
- 2) The Commission will monitor compliance and performance related to all aspects of this Agreement. Monitoring will occur through a variety of processes including desk and site review.

- a) Monitoring reports include Program Updates and Annual Monitoring Report (site review and/or desk audit).
- b) Subrecipient will provide a performance improvement plan as requested within 30 calendar days of receiving a report requesting a plan.
- 3) The Commission will provide data collection tools to the Subrecipient.
- 4) Subrecipient must actively participate in compliance and performance monitoring and improvement activities required by the Commission.
- 5) Subrecipient will attend and contribute to any meetings or trainings (sharing Subrecipient's expertise and learning from others), and partner with the Commission in a collaborative improvement process by identifying and implementing improvements.
- 6) Subrecipient must provide the Commission complete policies and procedures related to this Agreement. Subrecipient must provide substantive updated policies and procedures to the Commission within 60 calendar days of update/revision.

b. ***Housing First¹***

In alignment with HUD regulations and guidance, all homeless programming will adhere to Housing First principles as noted below:

- 1) In alignment with Housing First principles, examples of criteria that **may not be used to determine Program eligibility and continued stay** include, but are not limited to, the following:
 - a) Sobriety and/or commitment to be drug-free;
 - b) Requirements to take medication if the participant has a mental illness;
 - c) Participation in religious services or activities;
 - d) Participation in drug treatment services (including NA/AA);
 - e) Payment or ability to pay;
 - f) Identification.

c. ***Program Records***

1) ***Recordkeeping***

- a) The Subrecipient will maintain all records required by the regulations pertinent to the activities funded under this Agreement. The Subrecipient will make available

¹ United States Interagency Council on Homelessness, <https://www.usich.gov/tools-for-action/housing-first-checklist>

to the Commission, or their authorized agent(s), all Program-related records, documents, and any other financial data or records for review.

(1) ***Low/Moderate (L/M) Income Limited Clientele Activity***²: Documentation showing that the activities of the Program are designed to be used exclusively by a segment of the population presumed by HUD to be low/moderate (L/M) income persons. The following groups are currently presumed by HUD to be made up principally of L/M income persons: (a) abused children, (b) elderly persons³, (c) battered spouses, (d) homeless persons, (e) adults meeting Bureau of Census definition of severely disabled persons⁴, (f) illiterate adults, (g) persons living with AIDS, and (h) migrant farm workers.

b) All Subrecipient files pertaining to personal participant information must remain confidential and kept in a locked file cabinet. All computer files should be password accessible only.

c) The Subrecipient must maintain Program inventory of all equipment and furniture purchased with funds awarded through this Agreement.

2) ***Homeless Management Information System (HMIS)***

Subrecipient will enter and maintain data in the RTFH-approved HMIS. Subrecipient will comply with the HMIS Policies and Procedures in effect during the Agreement term, including those for data collection, data entry, data quality, standards for missing data, incomplete data, and timeliness of data entry.

7. MANDATORY ATTENDANCE AT MEETINGS

- a. Throughout the year, the Commission will host periodic roundtable meetings where the Commission can share information, discuss best practices and provide technical assistance to providers. Attendance is required at roundtable meetings, including but not limited to, attendance at the Fiscal Year Kickoff Workshop and a minimum of one technical assistance roundtable.
- b. Subrecipient staff will participate in all required trainings as determined by the Commission, which at a minimum will include Homelessness Prevention and Shelter Diversion, Trauma Informed Care, Motivational Interviewing, and Harm Reduction.

² <https://www.hudexchange.info/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-3.pdf>, §570.208(a)(2)(i)(A)

³ “Elderly Person” is defined as a person who is at least 62 years of age.

⁴ Persons are classified as having a severe disability if they: (a) use a wheelchair or had used another special aid for six months or longer; (b) are unable to perform one or more “functional activities” or need assistance with an “ADL or IADL;” (c) are prevented from working at a job or doing housework; or (d) have a selected condition including autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation. Also, persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.

- c. To support the efforts of the RTFH and the Youth Homeless Demonstration Grant (YHDP) Coordinated Community Plan, to provide more accessibility to mainstream programs for Transitional Age Youth experiencing homelessness, Subrecipient staff will participate in trainings related to Youth Specific service delivery, when and as determined by the Commission.
- d. In accordance with the YHDP Coordinated Community Plan, Contractor will work with the Commission, RTFH, and the Youth Action Board (YAB) to incorporate suggested program and service changes to ensure safe and stable environments for Transitional Aged Youth.

Commented [MD2]: I added d.today, 6.30.19

8. REQUESTS FOR REIMBURSEMENT (RFR)

- a. Subrecipient must complete monthly RFR submittals, including all required supporting documentation, in a form and format determined by the Commission and/or the City, no later than the 15th day of the month after each reporting period, irrespective of the day of the week when the 15th falls.
 - 1) Subrecipient is subject to all supporting documentation requirements described in the City's Economic Development Department Operating Manual in effect during the Agreement term. Supporting documentation includes, but is not limited to: legible copies of all pages of invoices and receipts; copies of dated timesheets, approved by the employee; copies of payroll service documents; proof of payment with the check number listed on the bank statement, a copy of the canceled check, or a proof of electronic fund transfer. Subrecipient is subject to all submission policies and procedures described in the Operating Manual.
 - 2) Failure to submit appropriate supporting documentation, or respond to the Commission's inquiries for documentation, may result in requested amount being disallowed.
 - 3) If there are no expenditures to report, Subrecipient must submit an RFR verifying that there is no claim for the reporting period.
- b. If all supporting documentation is submitted properly in the RFR submittal, the Commission will attempt to process payment no later than the 30th day of the month in which the RFR was submitted.
- c. Any delay in the approval of monthly or year-end reporting described herein, as a result of the Subrecipient's lack of timely response to inquiries from the Commission, may result in delayed reimbursement.

9. SUBSEQUENT FUNDING

All time limits stated in the Agreement documents are of the essence of the Agreement. The term of the Agreement will be a one (1) year period. Renewal options are contingent upon future funding availability and Program performance. Execution of option years may be determined by

Program performance in the preceding year. If the Subrecipient does not achieve stated outcomes, Agreements may not be renewed and those funds may be reprogrammed.

10. REVERSION

Upon the expiration, breach, or termination of this Agreement, the Subrecipient agrees that the Commission may reallocate any and all compensation on hand at the time of the expiration, termination, or breach, together with any and all accounts receivables attributable to the use of the compensation, as the Commission will determine in its sole discretion. The Commission may procure alternative and/or additional Subrecipients to perform work in compliance with the Commission's Procurement Policy.

Commented [EM3]: We are waiting on language from the City, but to the extent they have their own reversion clause, this one will have to be deleted.

11. MEDIA/COMMUNICATIONS

Subrecipient will coordinate with and seek the prior written consent and permission of the Commission's Communications and Government Relations Department before distributing any printed or electronic materials specific to the Program or of the Program experience of participants funded through this Agreement, including but not limited to Media Advisories, News Releases, Newsletters, and Reports. The Commission's permission will not be unreasonably withheld, conditioned or delayed and should the Commission fail to respond to a request for permission within seven (7) days of the date of receipt of such materials, the Commission's approval will be deemed to have been given.

Subrecipient further agrees, recognizing the urgency with which media frequently makes requests for information, Subrecipient will exhibit a good faith effort to immediately consult with the Commission prior to responding to such inquiries.

12. CLOSE-OUTS

- a. Subrecipient will be responsible for completing and submitting a close-out packet to include information including, but not limited to, total number of participants housed, Program accomplishments, participant demographics, and financial summary of award for each applicable funding source.
- b. Subrecipient's obligation to the Commission will not end until all close-out requirements are completed. Activities during this close-out period will include, but are not limited to:
 - 1) Making final payments;
 - 2) Disposing of Program assets (including the return of all unused materials, Program income balances, and accounts receivable to the Commission); and
 - 3) Determining the custodianship of records.
- c. Notwithstanding the foregoing, the terms of the Agreement will remain in effect during any period in which the Commission has control over funds related to this Program.

B. GENERAL FUND

1. PERSONS SERVED

During the term of this Agreement, unless terminated earlier, Subrecipient will provide transitional housing and supportive services to a minimum of 125 individuals, prioritizing and targeting serial inebriates in the community.

2. PROGRAM OUTCOMES

- a. The Subrecipient agrees to enter all data into the RTFH-approved HMIS for data collection and analytics. All Program progress will be documented to the Commission through monthly and term-end reports in a form and format determined by the Commission and/or the City. All monthly reporting is due to the Commission within 15 calendar days of the end of the reporting period. Failure to submit monthly reports within 15 calendar days of the end of the reporting period may result in an action of noncompliance.
- b. If stated benchmarks are not met, Subrecipient may be required to submit a performance improvement plan in a form and format determined by the Commission.
- c. For the Agreement term, the Subrecipient will ensure the following primary Program outcomes and standards:

PERFORMANCE OUTCOMES & STANDARDS	MEASURE	STANDARD
Efficient Number of Households Served	Persons Served	125
Low Barrier to Entry	Prioritize Entry for Persons from the Streets, Emergency Shelters, or Safe Havens ⁵	100%
Access to Community, Mainstream Resources, and Services to Move to Permanent Housing and Stabilize	Average Length of Stay	≤ 365 days (24 month maximum)
	Housing Affordability at Exit (for those who exit to longer term or permanent housing)	Housing Costs ≤ 50% of Household Income
	Employment Status at Exit	At least 38% Employed at Exit
	Income at Exit	At least 68% of participants maintain or increase income from entry to exit

⁵ In alignment with CES Prioritization Guidelines, as described by the RTFH Community Standards, <http://www.rtfhsd.org/wp-content/uploads/2018/01/SD-CoC-System-Standards-May-2017-with-Emergency-Plan-Update-Jan-2018.pdf>, pages 36-40.

	Income Source at Exit	At least 68% of participants will have income from any source at exit
Exits	Negative Outcome	< 20% leave program due to noncompliance
	Positive Outcome	<ul style="list-style-type: none"> • 30 participants shall successfully complete the Program • 23 participants (75% of those that successfully complete the Program) shall exit to Permanent Housing
	Housing Stability	At least 75% of Permanent Housing exits remain stably housed for > 6 months
	Recidivism	≤ 5% who obtain housing return to shelter
Efficient and Effective Use of Community Resources	Occupancy Rate	At least 90%
	Spending	100% spend-down of awarded funds

C. AFFORDABLE HOUSING FUND

1. PROGRAM ACTIVITIES

a. *Eligible Activities*

1) *Occupancy Expenses:*

- a) Must comprise at least 75% of grant funds;
- b) Costs related to operating the building, including items such as:
 - (1) Normal repairs & maintenance;
 - (2) Utilities (gas, electric, water, sewer);
 - (3) Cleaning of the building;
 - (4) Janitorial supplies;
 - (5) Landscape maintenance;
 - (6) Security of the building;

- (7) Building rent/lease payments;
- (8) Pest control;
- (9) Elevator servicing;
- (10) Property insurance; and
- (11) Salaries of personnel who repair or protect the building's condition;
- c) Costs do not include property rehabilitation costs or expenses for purchasing new equipment or furnishings.

2) Administrative and Support Expenses:

- a) May comprise up to 25% of grant funds;
- b) Costs related to program administrative and support services, including items such as:
 - (1) Administrative salaries and benefits;
 - (2) Telephone;
 - (3) Cable services;
 - (4) Maintenance and repair of office equipment;
 - (5) Paper shredding services;
 - (6) Internet services;
 - (7) Non-building-related expenses;
 - (8) Indirect costs (calculated in accordance with OMB Circular 2 CFR Part 200); and
 - (9) Program costs such as food and participant transportation.

b. Ineligible Activities

- 1) Goods/services received or paid before or after the current fiscal year (July 1 – June 30):
 - a) Exception for year-end expenses paid in the following fiscal year, such as a utility bill for June/July service period (should be claimed in the month it was paid);
 - b) Prepaid expenses, such as insurance or service contracts, may be claimed on a monthly pro-rata basis;
- 2) Catered food;
- 3) Food for staff meetings or agency events;

- 4) Furniture and equipment purchases (including tools);
- 5) Late payment fees;
- 6) Mobile phone expenses;
- 7) Remodeling; and
- 8) Delivery fees.

Recipient is responsible for ensuring accounting staff understand and follow program rules for draw.

2. PERSONS SERVED

During the term of this Agreement, unless terminated earlier, Recipient will provide transitional housing and supportive services to a minimum of 20 individuals, prioritizing and targeting serial inebriates in the community.

3. PROGRAM OUTCOMES

- a. The Subrecipient agrees to enter all data into the RTFH-approved HMIS for data collection and analytics. All Program progress will be documented to the Commission through monthly and term-end reports in a form and format determined by the Commission and/or the City. All monthly reporting is due to the Commission within 15 calendar days of the end of the reporting period. Failure to submit monthly reports within 15 calendar days of the end of the reporting period may result in an action of noncompliance.
- b. If stated benchmarks are not met, Subrecipient may be required to submit a performance improvement plan in a form and format determined by the Commission.
- c. For the Agreement term, the Subrecipient will ensure the following primary Program outcomes and standards:

PERFORMANCE OUTCOMES & STANDARDS	MEASURE	STANDARD
Efficient Number of Households Served	Persons Served	20
Low Barrier to Entry	Prioritize Entry for Persons from the Streets, Emergency Shelters, or Safe Havens ⁶	100%

⁶ In alignment with CES Prioritization Guidelines, as described by the RTFH Community Standards, <http://www.rtfhsd.org/wp-content/uploads/2018/01/SD-CoC-System-Standards-May-2017-with-Emergency-Plan-Update-Jan-2018.pdf>, pages 36-40.

Access to Community, Mainstream Resources, and Services to Move to Permanent Housing and Stabilize	Average Length of Stay	≤ 365 days (Goal) (24 month maximum)
	Housing Affordability at Exit (for those who exit to longer term or permanent housing)	Housing Costs ≤ 50% of Household Income
	Employment Status at Exit	At least 38% Employed at Exit
	Income at Exit	At least 68% of participants maintain or increase income from entry to exit
	Income Source at Exit	At least 68% of participants will have income from any source at exit
Exits	Negative Outcome	< 20% leave program due to noncompliance
	Positive Outcome	At least 75% of those who successfully complete the Program exit to Permanent Housing
	Housing Stability	At least 75% of Permanent Housing exits remain stably housed for > 6 months
	Recidivism	≤ 5% who obtain housing return to shelter
Efficient and Effective Use of Community Resources	Occupancy Rate	At least 90%
	Spending	100% spend-down of awarded funds

D. DEFINITIONS

TERM	DEFINITION
2-1-1 San Diego	2-1-1 San Diego is a resource and information hub that connects people with community, health and disaster services.
Bridge Housing	Safe, short-term program providing basic services, such as temporary housing, restrooms, meals, and services focused on supporting an individual or family access permanent housing as quickly as possible.

	<p>Bridge Housing is specifically defined as a temporary housing program for individuals or families who have accepted and are enrolled in a permanent housing program but have not yet moved into a permanent unit. In this situation, they are only using the program as a safe place to stay while they await permanent housing placement.</p>
Chronically Homeless ⁷	<p>A “chronically homeless” individual is an individual with a disability who lives either in a place not meant for human habitation, a safe haven, in an emergency shelter, or in an institutional care facility if the individual has been living in the facility for fewer than 90-days and had been living in a place not meant for human habitation, a safe haven, or in an emergency shelter immediately before entering the institutional care facility.</p> <p>To meet the “chronically homeless” definition, the individual also must have been living as described above continuously for at least 12 months, or on at least four separate occasions in the last three years, where the combined occasions total a length of time of at least 12 months. Each period separating the occasions must include at least seven nights of living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven.</p> <p>Chronically homeless families are families with adult heads of household who meet the definition of a chronically homeless individual. If there is no adult in the family, the family would still be considered chronically homeless if a minor head of household meets all the criteria of a chronically homeless individual. A chronically homeless family includes those whose composition has fluctuated while the head of household has been homeless.</p>
Community Development Block Grant	<p>The Community Development Block Grant (CDBG) program is a flexible program providing communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1,209 general units of local government and states.</p>

⁷ <https://www.hudexchange.info/resources/documents/Defining-Chronically-Homeless-Final-Rule.pdf>

Continuum of Care⁸	The Continuum of Care (CoC) Program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.
Coordinated Entry System⁹	The Coordinated Entry System (CES) functions throughout the San Diego region and connects individuals and families experiencing homelessness with the most appropriate and available housing options. Prioritization standards are determined by the Regional Task Force on the Homeless (RTFH). Information provided by homeless individuals and entered into the Homeless Management Information System (HMIS) is utilized by RTFH to triage homeless San Diegans into the most appropriate housing intervention.
Critical Incident Report	A “Critical Incident” is any actual or alleged event or situation creating a significant risk of substantial or serious harm to the physical or mental health, safety or well-being of an individual(s) involved with the HNC.
Diversion¹⁰	A strategy used to prevent people who are experiencing a housing crisis <i>and</i> seeking shelter from entering the shelter system by providing individualized supports to help them identify their resources and options for immediate alternative housing arrangements. Referrals to services and financial resources to help people return to permanent housing should be provided when necessary.
Emergency Shelter	Safe, short-term program providing basic services such as temporary housing, restrooms, meals, and services focused on supporting an individual or family to access permanent housing as quickly as possible. Some Emergency Shelter programs may only operate as seasonal, inclement weather or rotational shelter services, may be open for less than 24 hours a day, and operate for periods during the year as permitted by special arrangement with local jurisdictions.
Grant Match	Matching funds are funds set to be paid in equal amount to funds available from other sources.

⁸ <https://www.hudexchange.info/programs/coc/>

⁹ <http://www.rtfhsd.org/wp/wp-content/uploads/2016/12/CAHP-Policies-and-Procedures.pdf>;
<https://www.hudexchange.info/resources/documents/Coordinated-Entry-Policy-Brief.pdf>;
<https://www.hudexchange.info/resources/documents/Notice-CPD-17-01-Establishing-Additional-Requirements-or-a-Continuum-of-Care-Centralized-or-Coordinated-Assessment-System.pdf>

¹⁰ <http://endhomelessness.org/wp-content/uploads/2011/08/creating-a-successful-diversion-program.pdf>

Homeless¹¹	<p>A person is considered homeless if he or she:</p> <ul style="list-style-type: none"> • Lacks a fixed, regular, and adequate nighttime residence; or • Has a primary nighttime residence that is a public or private place not meant for human habitation; or • Living in a publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, transitional housing, or by federal, state, and local government programs); or • An individual living in a safe haven; or • Is exiting an institution where (s)he has resided for 90 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
Homeless Assistance Standards	<p>The Homeless Emergency Assistance and Rapid Transition to Housing Act (definition below) requires Continuums of Care to develop a common set of system-wide standards for all homeless services programs within a Continuum of Care's geographic region. In May 2017, the Regional Task Force on the Homeless adopted standards for San Diego.¹²</p>
Homeless Emergency Assistance and Rapid Transition to Housing Act¹³	<p>The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 was signed into law on May 20, 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act (definition below) with substantial changes, including a consolidation of the U.S. Department of Housing and Urban Development's (HUD) competitive grant programs.</p>
Homeless Management Information System¹⁴	<p>The information system designated by the Regional Task Force on the Homeless to comply with the federal HUD data standards for managing information of persons experiencing homelessness.</p>
Housing First	<p>Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements.</p>
Integrated Homeless Outreach Team	<p>The Integrated Homeless Outreach Team (IHOT) provide outreach and engagement services. They are an initial point of contact with people unsheltered and living on the streets. Each IHOT Team is composed of police officers, County psychiatric clinicians and County Mental Health eligibility technicians.</p>

¹¹ https://www.hudexchange.info/resources/documents/HEARTH_HomelessDefinition_FinalRule.pdf

¹² http://www.rtfhsd.org/wp-content/uploads/2017/07/Governance_Docs_Community-Standards_Final_May-2017.pdf

¹³ <https://www.hudexchange.info/resource/1715/mckinney-vento-homeless-assistance-act-amended-by-hearth-act-of-2009/>

¹⁴ <https://www.hudexchange.info/programs/hmis/>; <http://www.rtfhsd.org/hmis/>

Interim Housing	Safe, short-term program providing basic services such as temporary housing, restrooms, meals, and services focused on supporting an individual or family to access permanent housing as quickly as possible. Key distinctions are individuals and families can stay at the facility for a brief period of time and their bed is reserved from night to night. In addition, Interim Housing programs fully participate in CES and complete the VI-SPDAT (definition below) for those entering and the respective scores drive the individual or families housing plan while in the program.
Memorandum of Understanding	A memorandum of understanding (MOU or MoU) is a formal agreement between two or more parties. Companies and organizations can use MOUs to establish official partnerships.
McKinney-Vento Act¹⁵	The McKinney–Vento Homeless Assistance Act of 1987 (Pub. L. 100-77, July 22, 1987, 101 Stat. 482, 42 U.S.C. § 11301 et seq.) is a United States federal law that provides federal money for homeless shelter programs.
Permanent Housing¹⁶	Permanent housing (PH) is defined as community-based housing without a designated length of stay in which formerly homeless individuals and families live as independently as possible. Under PH, a program participant must be the tenant on a lease (or sublease) that is renewable and is terminable only for cause. Further, leases (or subleases) must be renewable for a minimum term of one month. The CoC Program funds two types of permanent housing: permanent supportive housing (PSH) for persons with disabilities and rapid rehousing (RRH). PSH is permanent housing with indefinite leasing or rental assistance paired with supportive services to assist homeless persons with a disability or families with an adult or child member with a disability achieve housing stability. RRH emphasizes housing search and relocation services along with short- and medium-term rental assistance to move homeless persons and families (with or without a disability) as rapidly as possible into permanent housing.
Psychiatric Emergency Response Team¹⁷	The Psychiatric Emergency Response Teams (PERT) consist of specially trained officers and deputies who are paired with licensed mental health professionals. Together, they respond on-scene to situations involving people who are experiencing a mental health related crisis and have come to the attention of law enforcement. The goal is to provide the most appropriate resolution to the crisis by linking people to the least restrictive level of care and to help prevent the unnecessary incarceration or hospitalization of those seen.

¹⁵ <https://www2.ed.gov/policy/elsec/leg/esea02/pg116.html>

¹⁶ <https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/>

¹⁷ <http://www.comresearch.org/pert.php>

Regional Task Force on the Homeless	The Regional Taskforce on the Homeless (RTFH) is a 501(c)(3) organization committed to preventing and alleviating homelessness in San Diego.
San Diego Housing Commission and SDHC	When used in this document, these terms are synonymous.
U.S. Department of Housing and Urban Development	The Department of Housing and Urban Development (HUD) administers programs that provide housing and community development assistance. HUD also works to ensure fair and equal housing opportunity for all.
U.S. Interagency Council on Homelessness	The U.S. Interagency Council on Homelessness (USICH) coordinates and catalyzes the federal response to homelessness, working in close partnership with Cabinet Secretaries and other senior leaders across 19 federal member agencies.
Vulnerability Index – Service Prioritization and Decision Assistance Tool	The Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) was developed as a pre-screening tool that can be conducted to quickly determine whether a participant has high, moderate, or low acuity. The use of this survey can help prioritize which participants should be given a full SPDAT assessment first and an initial recommendation for the most appropriate housing intervention.

**CONTRACT ATTACHMENT NO. 3
COMPENSATION SCHEDULE**



SAN DIEGO
HOUSING
COMMISSION

**SAN DIEGO HOUSING COMMISSION
SUBRECIPIENT PROJECT BUDGET
SUMMARY**

Fiscal Year: 2020
Project Name: Serial Inebriate Program (SIP)
Provider Name: Mental Health Systems, Inc.

Instructions:

- 1) Enter All Non-Personnel Line items in the "Non-Personnel Expenses (NPE)" section below, along with the Annual Amounts to be allocated to the funding source.
- 2) Enter the annual amount for each additional line item to be allocated to each funding source.
- 3) If additional rows, columns and/or tabs are needed, please contact SDHC.

PERSONNEL EXPENSES (PE)	GF	AHF	
	ANNUAL AMOUNT ALLOCATED	ANNUAL ADMIN AMOUNT ALLOCATED NOT TO EXCEED 25%	ANNUAL OCCUPANCY AMOUNT ALLOCATED AT LEAST 75%
Client Housing	\$ 268,250		\$ 151,500
TOTAL GF	\$ 268,250	TOTAL AHF	\$ 151,500
		TOTAL BUDGET	\$ 419,750
NOTES / COMMENTS			
Moving Salary, Benefits, and Insurance to GF Client Housing (total of \$6908) and into AHF Client Housing (total of \$1906)			

NONPERSONNEL JUSTIFICATION

Fiscal Year: 2020

Project Name: Serial Inebriate Program (SIP)

Provider Name: Mental Health Systems, Inc.

Instructions: Provide a detailed explanation of all non-personnel line items listed below.

LINE ITEM: Client Housing		GF	AHF
TOTAL ALLOCATION:		\$ 268,250.00	\$ 151,500.00
Detailed Explanation			
This budgeted amount represents the cost of Interim/Transitional Housing in a sober-living environment for the 56 beds, 365 days/year at approx. \$20.53 per bed day. Currently MHS is using Wells-San Marcos, LLC for this service.			
LINE ITEM:		GF	AHF
TOTAL ALLOCATION:		\$ -	\$ -
Detailed Explanation			
LINE ITEM: 0			
Detailed Explanation			



This form details the total budget breakdown of each line item for the current Fiscal Year Project Budget by all contributing funding sources.

1) Enter the name of all secured funding sources included in the total annual Project budget.
2) Enter the total budget for Salaries & Wages and Fringe Benefits for each secured funding source.
3) Non-Personnel Line Items: select line from drop down options, enter the budget amount for each applicable non-personnel expense (NPE) line item for each secured funding source.
NOTE: It may be necessary to add additional NPE line items if they are not included in the funding source for this worksheet
5) Complete and sign the bottom of this form.

[illegible]