

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

620



**FROM: DEPARTMENT OF PUBLIC SOCIAL SERVICES**

**SUBMITTAL DATE:**  
January 24, 2012

**SUBJECT: EXECUTED U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT GRANT AGREEMENT**

**RECOMMENDED MOTION:**

1. That the Board of Supervisors ratify, receive and file the attached Grant Agreements between DPSS and the U.S. Department of Housing and Urban Development:

CA0874B9D080900 – Operation SafeHouse

*Susan Loew*

Susan Loew, Director

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 354,937	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	11-12

**SOURCE OF FUNDS:**

Federal Funding: 100% State Funding: 0%; County Funding: 0%; Realignment Funding: 0%; Other Funding: 0%

Positions To Be Deleted Per A-30   
Requires 4/5 Vote

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Debra Coumoyer*  
Debra Coumoyer

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL

Policy  Policy

Consent  Consent

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.:

District: 4

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

2.1

DATE: 1-17-12  
BY: [Signature]  
TITLE: [Signature]  
NAME: [Signature]  
POSITION: [Signature]

**TO: BOARD OF SUPERVISORS**

**DATE:** January 24, 2012

**SUBJECT: EXECUTED U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
GRANT AGREEMENT**

**BACKGROUND:**

On November 19, 2009, DPSS submitted an application for Homeless Assistance funds to the U.S. Department of Housing and Urban Development (HUD). On July 7, 2010, HUD announced the approval of the new grant for Riverside County's homeless projects which included the Supportive Housing Program referenced below.

In accordance with Board Resolution No. 2010-045, approved by the Board on May 25, 2010 (Item 3.38), the authority to accept McKinney-Vento Homeless Assistance Act funding was delegated to the Director of DPSS. This enables the Grant Agreement to be executed as quickly as possible and allows the Department to meet HUD's timelines.

With the full execution of the attached Grant Agreement by HUD, the Grant Agreement is being submitted to the Board to receive and file as the official copy of record. Following is a brief description of the program:

Operation SafeHouse is proposing a new construction project for supportive housing, a sixteen unit apartment complex in Thousand Palms, CA. The project, Operation SafeHouse of the Desert Phase 2, will provide six (6) one-bedroom units for permanent supportive housing for persons with physical and/or mental Special Needs, as well as nine (9) units for a Transitional Living Program for youth and a Manager's unit. The HUD funds will be used for the permanent supportive housing portion only. The residential units will be replacing an aging county fire station on land donated by the County of Riverside, and will be located directly behind Operation SafeHouse's comprehensive services campus. The extensive supportive services on the campus will be available to all residents. Operation SafeHouse will serve as the official Project Sponsor and will directly administer the construction project.

**FINANCIAL:**

No County General Funds are required. Funding is 100% Federal.

**ATTACHMENT(S):**

1. Grant Agreement between DPSS and U.S. Department of Housing and Urban Development.

**CONCUR/EXECUTE -**

County Purchasing

SL:rp

**RIVERSIDE COUNTY  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
SUPPORTIVE HOUSING PROGRAM AGREEMENT**

**CONTRACT:** HO-02283

**PROJECT SPONSOR:** OPERATION SAFEHOUSE

**ACTIVITIES:** SUPPORTIVE HOUSNG PROJECT - NEW CONSTRUCTION

**AGREEMENT TERM:** AUGUST 1, 2011 THROUGH OCTOBER 31, 2013

**AGREEMENT AMOUNT:** \$354,937

**HUD PROJECT NUMBER:** CA0874B9D080900

**RECITALS**

This Agreement is made and entered into by and between the County of Riverside, hereinafter referred to as 'County,' and Operation SafeHouse, hereinafter referred to as the 'Project Sponsor.'

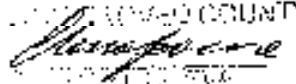
**WITNESSETH**

**WHEREAS**, the County has entered into a grant agreement with the United States Department of Housing and Urban Development (HUD), hereinafter referred to as the 'Grantor,' pursuant to the Supportive Housing Program Rule (CFDA 14.235), codified as 24 CFR 583 and Subtitle C of Title IV of the Stewart B. McKinney Homeless Assistance Act, 42 U.S.C. 11381 et seq.; and

**WHEREAS**, the Department of Public Social Services, hereinafter referred to as "DPSS," has been designated by the County to provide coordination and administration of the County's Supportive Housing Program, as described in the County's grant agreement with the Grantor.

**NOW THEREFORE**, DPSS and the Project Sponsor do hereby covenant and agree that the Project Sponsor will provide said services in return for monetary compensation, all in accordance with the terms and conditions contained herein this Agreement.

<b>Authorized Signature for the Board:</b>	<b>Authorized Signature for Project Sponsor:</b>
<b>Printed Name of Person Signing:</b>	<b>Printed Name of Person Signing:</b>
John Tavaglione	Kathy McAdra
<b>Title:</b> Chairman, Board of Supervisors	<b>Title:</b> Executive Director
<b>Address:</b> 4080 Lemon Street Riverside, CA 92501	<b>Address:</b> 9685 Hayes Street Riverside, CA 92503
<b>Date Signed:</b>	<b>Date Signed:</b>

RIVERSIDE COUNTY COUNSEL  
  
 1-17-12  
 DATE

**OPERATION SAFEHOUSE**

**SUPPORTIVE HOUSING PROGRAM**

**TERMS AND CONDITIONS**

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## LIST OF EXHIBITS

EXHIBIT A – Project Application

EXHIBIT B – Technical Submission

EXHIBIT C – Contract Accounting and Administrative Handbook for HUD Funded Programs

## I. DEFINITIONS

As used in this Agreement, the following terms are defined below unless the context indicates otherwise.

- A. The term "Application" refers to the approved application and its submissions prepared by the Project Sponsor, which is the basis on which HUD conditionally approved the grant.
- B. The term "Technical Submission" refers to the approved documents prepared by the Project Sponsor and submitted to HUD after the HUD grant award notification.
- C. The term "Project" refers to housing and/or supportive services provided by the sponsor under this agreement.
- D. The term "Restrictive Covenant" refers to a Declaration of Restrictive Covenant which is recorded by the project sponsor against the real property where grant funds are used for construction, to enforce the use and repayment requirements found in the McKinney-Vento Act section 423(b) and (c). In this agreement, the length of the restrictive covenant shall be for twenty (20) years from the date of operation, and HUD's standard form shall be used.
- E. The term "Supportive Housing Program" refers to the HUD grant program to promote housing and supportive services to homeless individuals.
- F. The terms "Project Sponsor" or "Contractor" refer to Operation SafeHouse, the entity under agreement with DPSS to operate the project on a daily basis.
- G. The term "Draw Down" refers to the wire transfer system called Line of Credit Control System - Voice Response System (LOCCS - VRS).

## II. DPSS RESPONSIBILITIES

- A. DPSS shall assure that the services provided by the Project Sponsor comply with all applicable federal, state, county, and local government laws, rules, regulations, policies and procedures.
- B. DPSS shall assign staff to serve as liaison and program coordinator between DPSS and the Project Sponsor. This staff will provide the Project Sponsor programmatic consultation and advise the Project Sponsor of all-pertinent existing guidelines and regulations. Additionally, the staff will provide or arrange for consultation and technical assistance to the Project Sponsor as needed.
- C. DPSS will assign staff to monitor the performance of the Project Sponsor in performing the terms, conditions, and specifications of this Agreement. DPSS, at its sole discretion, may monitor the performance of the Project Sponsor through any combination of the following methods which may include, but are not limited to: 1) periodic reviews, including on-site visits; (2) evaluations of the quantity or level and quality of services provided by the Project Sponsor; (3) annual inspection of all available fiscal statements and other records maintained by the Project Sponsor; and (4) annual statements that the Project Sponsor is required to complete under this Agreement.

### III. PROJECT SPONSOR RESPONSIBILITIES

- A. The Project Sponsor shall be responsible for the overall administration of the project, including overseeing all subcontractors for construction. The Project Sponsor will keep records and reports established to complete construction and operate the project in an effective and efficient manner.
- B. The Project Sponsor shall complete construction and operate the project as set forth in the Project Application and Technical Submission, attached hereto as **Exhibit A** and **Exhibit B**, respectively, and incorporated herein by this reference.
- C. The Project Sponsor shall comply with all requirements of this Agreement and accept responsibility for such compliance by any entities to which the Project Sponsor makes this grant funding available.
- D. The Project Sponsor shall comply with the policies and procedures in the DPSS Administrative Handbook for HUD Funded Programs, attached hereto as **Exhibit C** and incorporated herein by this reference, and all laws applicable to the provision of services under this program. If required, this Agreement will be amended to reflect any additional requirements detailed in the Handbook.
- E. Projects receiving SHP grants for acquisition, rehabilitation and new construction must be operated for no less than 20 years for the purpose specified in the application (**Exhibit A**). The Project Sponsor is responsible for meeting the 20-year commitment.
- F. The Project Sponsor is required to execute, file and record a Declaration of Restrictive Covenant that will assure compliance with the twenty-year term of commitment in a format to be approved by DPSS and HUD.
- G. In the event that this project cannot be maintained as supportive housing, the grant must be repaid. If the project ceases to be used as supportive housing within the first ten years, 100 percent of the grant must be repaid. After the first ten years, the grant must be repaid according to the following schedule of deferred forgiveness:

Time project is operated as supportive housing	Percentage of grant to be repaid
10 years or less	100%
11 years	90%
12 years	80%
13 years	70%
14 years	60%
15 years	50%
16 years	40%
17 years	30%
18 years	20%
19 years	10%
20 years	0%

- H. If the Project Sponsor wishes to sell or otherwise dispose of the assisted real property, they must request and receive written approval from the County to dispose of the real property, advertise that disposition conditions apply to the assisted property, and abide by any other terms or conditions prescribed by HUD.

#### IV. FISCAL PROVISIONS

##### A. OBLIGATION

The Project Sponsor shall be reimbursed utilizing a draw down process, for an amount not to exceed \$354,937. Said funds shall be spent according to the budget shown below.

Budget Category	Total
NEW CONSTRUCTION	\$354,937
<b>Total</b>	<b>\$354,937</b>

New construction/ acquisition and for rehabilitation requires a one-to-one cash match of the total construction, acquisition or rehabilitation budget. (Exhibit A, page 35).

##### B. METHOD, TIME, AND CONDITION OF PAYMENTS

1. The Project Sponsor shall submit to DPSS a monthly claim in accordance with the Administrative Handbook, Exhibit C.
2. The Project Sponsor shall ensure that funds provided under this Agreement are not used to pay developer's fees, to establish working capital, or operate deficit funds. All reimbursable expenses must be incurred prior to July 7, 2013 to be eligible for reimbursement.

###### a. Cash Match Documentation

The Project Sponsor shall provide cash match documentation as set forth in this Agreement and the Project Application, Exhibit A. Cash match documentation may be submitted with monthly billing claims; however, documentation must be submitted to DPSS at least quarterly. DPSS will verify utilization of the cash match through a monthly desk review and on-site monitoring visits. Matching funds provided by the Project Sponsor must be money provided to the project by one or more of the following: the Project Sponsor, the federal government, state and local governments, and/or private resources. Non-cash resources such as in-kind contributions of goods or services cannot be used to fulfill matching funds requirements. Matching funds provided by state or local government used in a matching contribution are subject to maintenance of effort requirements.

- b. In the event that the Project Sponsor does not meet the requirements in paragraph 2.a. above, DPSS reserves the right to suspend or terminate this Agreement.

##### C. BUDGET MODIFICATIONS

1. Minor changes are departures from the initial application that do not substantially affect the grant. All requests for minor changes must be approved in writing by DPSS and HUD prior to implementing the change. No requests will be approved retroactively.

###### a. Changes within a Budget Category

Changes can be made to individual line items within a category, if all of the following conditions are met:



- i. The total amount of the Agreement does not change;
- ii. The Project Sponsor delivers a written request to DPSS, that adequately documents the need for a change and specifically identifies the items to be reduced/increased;
- iii. The modification cannot remove any line item that was included in the original Application or Technical Submission (if applicable);
- iv. Modification requests (i.e., other than rollovers) must be submitted to DPSS no later than thirty (30) days after the end of the grant period.

b. Changes between Budget Categories (up to 10 percent).

Changes can be made between categories of up to 10 percent over the life of the grant, if all of the following conditions are met:

- i. The total amount of the Agreement does not change;
- ii. The Project Sponsor delivers a written request to DPSS, that adequately documents the need for a change and specifically identifies the categories and line items to be reduced/increased;
- iii. The modification cannot remove any line item that was included in the original Application or Technical Submission (if applicable);
- iv. Modification requests (i.e., other than rollovers) must be submitted to DPSS no later than forty-five (45) days prior to end of the grant period.

2. Major changes are departures from the initial application that substantially affect the grant. All requests for major changes must be approved in writing by DPSS and HUD prior to implementing the change. No requests will be approved retroactively. The following are examples of significant changes:

- i. a change in project site;
- ii. additions and deletions of eligible activities;
- iii. a shift of 10 percent or more of funds from one approved activity to another over the life of the grant;
- iv. a change in the target population; or
- v. a change in the number of participants to be served.

a. Conditions for Approval

Changes may be approved if all of the following conditions are met:

- i. The Project Sponsor delivers a written request to DPSS, no later than forty-five (45) days prior to the end of the grant period, and adequately documents the need for change; and
- ii. approval is received from HUD.

b. Requests for Approval

Request will be forwarded to HUD for their approval and any one of the following will take place:

- i. HUD will approve change as requested;
- ii. HUD will approve change and reduce dollars;
- iii. HUD will deny request.

c. Budget Rollover of unused funds (multi-year grants only)

The Project Sponsor may request that unused funds from a prior operating year be rolled over into the next operating year, if all of the following conditions are met:

- i. The total amount of the Agreement does not change;
- ii. The Project Sponsor delivers a written request to DPSS, no later than forty-five (45) days prior to the end of the grant period and adequately documents the need for a change;
- iii. The Project Sponsor specifically identifies the categories, line items, and rolls the funds over to the same approved categories and line items for the following operating year;
- iv. The Project Sponsor meets the approved match for the unused funds even if the match is different from the approved match from the prior operating year.

D. DISBURSEMENT OF FUNDS

DPSS shall disburse funds under this Agreement to the Project Sponsor as follows:

1. The Project Sponsor shall submit claims for reimbursement incurred during the construction period ending July 7, 2013 pursuant to the Budget listed in section IV.A.
2. For projects involving new construction, compliance with the recording requirement (section III.F.) must be documented prior to the first release of federal funds. Evidence will be an original, executed document, in a form satisfactory to DPSS and HUD, accompanied by a recording receipt.
3. Administrative costs are costs associated with accounting for the use of grant funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs.

E. UNEXPENDED FUNDS AND CLOSE-OUTS

1. The Project Sponsor shall complete all necessary closeout procedures, including the APR, required by DPSS within a period of not more than forty-five (45) calendar days from the date of expiration of construction period (July 7, 2013) or forty-five (45) calendar days after construction is completed, whichever is sooner. This time period will be referred to as the financial closeout period. After the expiration of the financial closeout period, those funds not paid to the Project Sponsor under this Agreement shall be recaptured by HUD. DPSS is not liable for any expenses or costs associated with this Agreement after the expiration of the financial closeout period.
2. The Project Sponsor, if required to have an A-133 audit, shall provide a final financial audit for activities performed under this Agreement at the expiration of the financial closeout period.

F. INSPECTION AND AUDITS

1. The Project Sponsor shall manage monies received through DPSS in accordance with sound accounting policies; incur and claim only eligible costs for reimbursement:

and adhere to accounting standards established in OMB Circulars A-110, A-122 and A-133

2. The Project Sponsor shall maintain auditable books, records, documents, and other evidence pertaining to costs and expenses in this Agreement. The Project Sponsor shall maintain these records for twenty-five (25) years after the expiration of the term of the contract or until all pending DPSS, state, and federal audits, if any, are completed, whichever is later.
3. Authorized representatives of DPSS and the federal government shall have access to any books, documents, papers, electronic data, and other records, which these representatives may determine to be pertinent to this Agreement for the purpose of performing an audit, evaluation, inspection, review, assessment, or examination. These representatives are authorized to obtain excerpts, transcripts, and copies, as they deem necessary. Further, these authorized representatives shall have the right, upon request, to inspect or otherwise evaluate the work performed under this Agreement and the premises in which it is being performed.
4. This access to records includes, but is not limited to, service delivery, referrals, and financial and administrative documents for twenty-five (25) years after the expiration of the term of the contract or until all pending county, state, and federal audits are completed, whichever is later.
5. Should the Project Sponsor disagree with any audit conducted by DPSS, the Project Sponsor shall have the right to employ a licensed Certified Public Account (CPA) to prepare and file with DPSS a certified financial and compliance audit (in compliance with generally accepted government auditing standards) of related services provided during the term of this Agreement. The Project Sponsor will not be reimbursed by DPSS for such an audit.
6. In the event the Project Sponsor does not make available its books and financial records at the location where they are normally maintained, the Project Sponsor agrees to pay all necessary and reasonable expenses, including legal fees, incurred by DPSS in conducting any audit.
7. All contract deliverables and equipment furnished or utilized in the performance of this Agreement shall be subject to inspection by DPSS at all times during the term of this Agreement. The Project Sponsor shall provide adequate cooperation to any employee assigned by DPSS in order to permit their determination of the Project Sponsor's conformity with specifications and adequacy of performance and services being provided in accordance with this Agreement.

#### G. WITHHELD PAYMENTS

1. Unearned payments under this Agreement may be suspended or terminated if grant funds to DPSS are suspended or terminated, or if the Project Sponsor refuses to accept additional conditions imposed on it by HUD or DPSS.
2. DPSS has the authority to withhold funds under this Agreement pending a final determination by DPSS of questioned expenditures or indebtedness to DPSS arising from past or present agreements between DPSS and the Project Sponsor. Upon final determination by DPSS of disallowed expenditures or indebtedness, DPSS may deduct and retain the amount of the disallowed or indebtedness from the amount of the withheld funds.

3. Payments to the Project Sponsor may be withheld by DPSS if the Project Sponsor fails to comply with the provisions of this Agreement.

#### H. FISCAL ACCOUNTABILITY

1. The Project Sponsor agrees to manage monies received through DPSS in accordance with sound accounting policies; incur and claim only eligible costs for reimbursement; and adhere to accounting standards established in OMB Circulars A-110, A-122, and A-133.
2. The Project Sponsor must establish and maintain on a current basis an accrual accounting system in accordance with generally accepted accounting principles and standards. Further, the Project Sponsor must develop an accounting procedure manual. Said manual shall be made available to DPSS upon request or during fiscal monitoring visits.

#### I. AVAILABILITY OF FUNDING

Funding for this Agreement is subject to the continuing availability of funds provided to DPSS during the Agreement period. DPSS will inform the Project Sponsor, immediately upon notice from HUD, of any limitation of the availability of funds. Both parties understand that DPSS makes no commitment to fund this project beyond the term of this Agreement.

### V. GENERAL PROVISIONS

#### A. TERM OF AGREEMENT

1. The Agreement shall be effective from August 1, 2011 through October 31, 2013.
2. Notwithstanding the term of agreement, construction must be completed by July 7, 2013. Supportive services/operations must begin within 3 months of completing construction, or October 7, 2013, whichever is sooner.

#### B. INDEPENDENT CAPACITY

Each party shall act in an independent capacity and not as an agent or employee of the other.

#### C. CONFLICT OF INTEREST

The Project Sponsor covenants that it presently has no interest in, including but not limited to, other projects or independent agreements, and shall not acquire any such interest, direct or indirect, which is, or which the Project Sponsor believes to be, incompatible in any manner or degree with the performance of services required to be performed under this Agreement. The Project Sponsor further covenants that in the performance of this Agreement, no person having any such interest shall be employed or retained by the Project Sponsor under this agreement. The Project Sponsor agrees to inform DPSS of all of the Project Sponsor's interests, if any, which are or which the Project Sponsor believes to be incompatible with any interest of DPSS. The County will make final determination of any dispute about conflict(s) of interest.

#### D. DEFAULT

1. A default shall consist of any use of grant funds for a purpose other than as authorized by this Agreement or failure in the Project Sponsor's duty to provide the

supportive housing for the minimum term in accordance with the requirements of the provisions of the SHP Rule, the Application, the Technical Submission, or this Agreement. In the event of an occurrence of default, DPSS and HUD may take one or more of the following actions:

- a. Issue a letter of warning advising the Project Sponsor of the default that establishes a date by which corrective actions must be completed and puts the Project Sponsor on notice that more serious actions will be taken if the default is not corrected or is repeated;
  - b. Direct the Project Sponsor to submit progress schedules for completing the approved activities;
  - c. Direct the Project Sponsor to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
  - d. Direct the Project Sponsor to reimburse the program accounts for costs inappropriately charged to the program; and/or
  - e. Make recommendations to HUD to reduce or recapture the grant.
2. No delay or omission by the County in exercising any right or remedy available to it under this Agreement shall impair any such right or remedy or constitute a waiver of acquiescence in any Project Sponsor default.

#### E. HOLD HARMLESS/INDEMNIFICATION

Contractor shall indemnify and hold harmless the federal government, the state, and the County of Riverside, its Agencies, districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Agreement. Contractor shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged liability.

With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein.

Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless the County herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the Contractor from indemnifying the County to the fullest extent allowed by law.

## F. INSURANCE

Without limiting or diminishing the Contractor's obligation to indemnify or hold the County harmless, Contractor shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage during the term of this Agreement.

### Workers' Compensation:

If Contractor has employees as defined by the State of California, the Contractor shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. **Policy shall be endorsed to waive subrogation in favor of the County of Riverside;** and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

### Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, cross liability coverage; covering claims which may arise from or out of Contractor's performance of its obligations hereunder. **Policy shall name, in the following manner, "the County of Riverside, its Agencies, Districts, and Special Districts, their respective directors, officers, Board of Supervisors, elected or appointed officials, employees, agents or representatives as Additional Insureds."** Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

### Professional Liability:

**If, at any time during the duration of this Agreement and any renewal or extension thereof, the Contractor, its employees, agents or subcontractors provide professional counseling for issues of medical diagnosis, medical treatment, mental health, dispute resolution or any other services for which it is the usual and customary practice to maintain Professional Liability Insurance, the Contractor shall procure and maintain Professional Liability Insurance (Errors & Omissions), providing coverage for performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Consultant's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement. Upon termination of this Agreement or the expiration or cancellation of the claims made insurance policy Consultant shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or, 3) demonstrate through Certificate of Insurance that Consultant has maintained continuous coverage with the same or original insurer.**

Coverage provided under items: Workers' Compensation, Commercial General Liability or Professional Liability will continue for a period of five (5) years beyond the termination of this Agreement.

Vehicle Liability:

If Contractor's vehicles or mobile equipment are used in the performance of the obligations under this Agreement, Contractor shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. **Policy shall name, in the following manner, "the County of Riverside, its Agencies, Districts, Special Districts, their respective directors, officers, Board of Supervisors, elected or appointed officials, employees, agents, or representatives as Additional Insureds."**

General Insurance Provisions – All lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII(A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
2. The Contractor's insurance carrier(s) must declare self-insured retentions. If such self insured retentions exceed \$500,000 per occurrence retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention's unacceptable to the County, and at the election of the County's Risk Manager, Contractor's carriers shall either: 1) reduce or eliminate such self-insured retentions as respects this Agreement with the County, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.
3. The Contractor shall cause insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and original copies of Endorsements effecting coverage as required herein; and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. **CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.**

4. It is understood and agreed to by the parties hereto and the CONTRACTOR'S insurance shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
5. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate
6. Contractor shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
7. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the County.
8. Contractor agrees to notify the County of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

### G. INDEPENDENT CONTRACTOR

The Project Sponsor is, and will at all times be deemed to be, an independent contractor and shall be wholly responsible for the manner in which it performs the services required of it by the terms of this Agreement. Nothing herein contained shall be construed as creating the relationship of employer and employee or principal and agent, between DPSS and the Project Sponsor or any of the Project Sponsor's agents, employees, or volunteers. The Project Sponsor assumes exclusively the responsibility for the acts of its employees as they relate to the services to be provided during the course and scope of their employment. The Project Sponsor, its agents, employees, and volunteers shall not be afforded any of the rights and/or privileges afforded to employees of DPSS or the County of Riverside and shall not be considered in any manner to be employees of the County.

### H. SUBCONTRACTING

1. Functions undertaken by the Project Sponsor may be carried out under subcontracts; however, the Project Sponsor may not delegate its duties, or obligations, nor assign its rights hereunder, either in whole or in part, without prior written consent of DPSS. Any such attempt at delegation of assignment without prior written consent shall be void. Any change whatsoever in the corporate structure of the Project Sponsor, the governing body of the Project Sponsor, the management of the Project Sponsor, or the transfer of assets in excess of ten percent of the total assets of the Project Sponsor shall be an assignment of benefits under the terms of this Agreement requiring DPSS approval. All subcontracts shall be made in writing and copies provided upon request to DPSS. No subcontracts shall alter, in any way, any legal responsibility of the Project Sponsor to DPSS.
2. DPSS has the right to refuse reimbursement for obligations incurred under any subcontract that does not comply with the terms of this Agreement.



3. The Project Sponsor shall include in each subcontract all provisions that DPSS may require. Every subcontract shall specify:
  - a. The time period within which the subcontractor is to perform the subcontract. Subcontractor performance shall not begin prior to, nor extend beyond the time of the contract between the Project Sponsor and DPSS.
  - b. The maximum dollar amount of the subcontract.
  - c. The responsibilities of each party under the subcontract.
  - d. A statement that the subcontractor, agents, and employees of the subcontractor in the performance of the subcontract are acting in an independent capacity and not as officers, employees, or agents of the State of California DPSS or the County of Riverside.
  - e. A statement that modification of the subcontract shall be in writing. Prior written DPSS approval is required.
  - f. A statement that the subcontract is the complete and exclusive statement of the mutual understanding of the parties and that the subcontract supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of the subcontract.
  - g. A statement regarding default in case of subcontractor is breach of subcontract.

#### I. REPORTS AND RECORD KEEPING

1. The Project Sponsor agrees to submit an Annual Performance Report (APR), **Appendix 6 of Exhibit C**, to DPSS within thirty (30) days after the end of each operating year, for twenty-two (22) consecutive years. The APR shall include a certificate of continued use for supportive housing, filed each year of the 20-year period from the date of initial occupancy. Failure to submit an APR may lead to a delay in receiving future grant funds. Upon review for completeness and accuracy, DPSS will forward the APR to HUD as required. The Project Sponsor will mail these records to the following address:

Department of Public Social Services  
Homeless Programs Unit  
4060 County Circle Drive  
Riverside, CA 92503

2. The Project Sponsor agrees to submit a Semi-Annual Statistical Report upon a 30-day written notice by DPSS.

#### J. SANCTIONS

Failure by the Project Sponsor to comply with any of the provisions, covenants, requirements, or conditions of this Agreement including, but not limited to, reporting and evaluation requirements, shall be a material breach of this Agreement. In such event, DPSS may immediately terminate this Agreement under the provisions in paragraph "K" below, and may take any other remedies available by law, or otherwise specified in this Agreement. DPSS may also:

1. Afford the Project Sponsor a time period within which to correct the breach, the period of which shall be established at the sole discretion of DPSS; and/or
2. Withhold funds pending correction of the breach.

#### K. TERMINATION

1. DPSS may immediately suspend or terminate this Agreement for cause upon written notice to the Project Sponsor of the action being taken. Cause shall be established if:
  - a. The Project Sponsor fails to perform the covenants herein contained at such time and in such manner as provided in this Agreement; or
  - b. There is a conflict with any federal, state or local laws, ordinance, regulation or rule rendering any provision of this Agreement invalid or untenable.
2. DPSS may also terminate or suspend this agreement without cause. DPSS will provide ninety (90) days written notification stating the extent and effective date of termination. The ninety day period begins when notice is deposited in the U.S. Mail, postage paid.
3. The Project Sponsor may terminate this Agreement with cause upon written notice served upon DPSS stating the extent and effective date of termination. Contractor will provide ninety (90) days written notification stating the extent and effective date of termination. The ninety-day period begins when notice is deposited in the U.S. Mail, postage paid.
4. Upon termination of this Agreement, the Project Sponsor shall not incur any obligations after any effective date of such termination, unless expressly authorized in writing by DPSS.
5. In the event the funding from HUD is reduced, terminated or otherwise becomes unavailable. DPSS shall provide written notice to the Project Sponsor within five (5) working days from the date that HUD reduces, suspends or terminates the grant funding. This Agreement shall be either immediately terminated or amended to reflect said reduction in funds. DPSS shall make payments for all services performed up to the effective date of the termination.

#### L. COMPLIANCE WITH LAW

1. By executing this Agreement, the Project Sponsor hereby certifies that it will adhere to and comply with the following as they may be applicable to the Project Sponsor of funds granted pursuant to the Supportive Housing Program; the Application and Technical Submission; Supportive Housing Rule (24 CFR 583); and the 2009 Notice of Funding Availability (NOFA), published in two parts. The first part was the Policy Requirements and General Section of the NOFA, published December 29, 2008 at 73 FR 79648, and the second part was the Continuum of Care Homeless Assistance Programs section of the NOFA, located at FR-5341-N-01.
  - a. Section 92.350 Equal Opportunity and Fair Housing;
  - b. Section 92.351 Affirmative Marketing;
  - c. Section 92.352 Environmental Review;

- d. Section 92.353 Displacement, relocation, and acquisition; the relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42;
  - e. Section 92.354 Labor;
  - f. Section 92.356 Conflict of Interest;
  - g. Section 92.357 Debarment and Suspension;
  - n. The regulations, policies, guidelines, and requirements of 24 CFR Part 85.
2. The Project Sponsor shall comply with all federal, state, and local laws and regulations pertinent to its operation and services to be performed hereunder, and shall keep in effect all licenses, permits, notices, and certificates as are required thereby. The Project Sponsor shall further comply with all laws applicable to wages and hours of employment, occupational safety and to fire, safety, health, and sanitation

#### M. NOTICES

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth herein. All other correspondence shall be delivered to the addresses shown below and are deemed submitted on the date of deposit in the U. S. Mail, postage prepaid to:

DPSS: Department of Public Social Services  
 (Contract Issues) Contracts Administration Unit  
 10281 Kidd Street, 1<sup>st</sup> Floor  
 Riverside, CA 92503

DPSS: Department of Public Social Services  
 (Program Issues) 4060 County Circle Drive  
 Riverside, CA 92503  
 Attn: Homeless Program Coordinator

Project Sponsor: Operation SafeHouse  
 Attn: Executive Director  
 9665 Hayes Street  
 Riverside, CA 92503

#### N. ASSIGNMENTS

The Project Sponsor cannot assign any interest in this Agreement, and shall not transfer any interest in the same, whether by assignment or novation, without prior written consent of DPSS. Any attempt to assign any interest without DPSS written consent shall be void and of no further force or effect.

#### O. DISPUTES

Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement, which is not disposed of by Agreement, shall be disposed of by DPSS who shall furnish the decision in writing. The decision of DPSS shall

be final and conclusive until determined by a court of competent jurisdiction to have been fraudulent or capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith. The Project Sponsor shall proceed diligently with the performance of the Agreement pending DPSS' decision.

P. CLEAN AIR/WATER ACTS

As required in all contracts with an estimated total value in excess of \$100,000, the Project Sponsor agrees to comply with all applicable requirements issued under Section 306 of the Clean Air Act (33 U.S.C. 1368), U.S. Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR, Part 15). These laws and regulations require the Project Sponsor not to use facilities on the EPA list of violating facilities and to report violations to the EPA.

Q. LEAD-BASED PAINT

The Project Sponsor and all subcontractors, if any, shall comply with the requirements, as applicable, of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4821-4846) and implementing regulations issued pursuant thereto (24 CFR Part 35).

R. AUTHORITY

The individuals executing this Agreement and the instruments referenced herein on behalf of the Project Sponsor each represent and warrant that they have the legal power, right, and actual authority to bind the Project Sponsor to the terms and conditions hereof and thereof.

S. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed to be merged herein. Any modifications to the terms of this Agreement must be made in writing and signed by the parties herein. More specifically, the Project Sponsor shall not change the population to be served or make any other change inconsistent with the Application or Technical Submission without the prior approval of DPSS and HUD.

T. SURVIVAL OF TERMS AND CONDITIONS

The following sections of this Agreement will survive the original termination date of this Agreement and will remain in full force and effect for the earlier of the 20 year period during which the property is to be subject to a restrictive covenant recorded against the property and used for supportive housing, or, the repayment of the grant should the property cease to be used for supportive housing within the 20 years after completion of construction: Section III; Section IV, subsection F; Section V, subsections D, E, F, I, J, L.