

TRANSMITTAL

To:

THE COUNCIL

Date:

JUN 13 2012

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Matt Karatz)

ANTONIO R. VILLARAIGOSA

Mayor



Los Angeles Housing Department

LAHD

1200 West 7th Street, 9th Floor, Los Angeles, CA 90017
tel 213.808.8490 | fax 213.808.8404
lahd.lacity.org

ADMINISTRATIVE SERVICES DIVISION - GRANTS MANAGEMENT UNIT

OFFICE OF THE MAYOR
2012 JUN 11 PM 2:13
CITY OF LOS ANGELES



Antonio R. Villaraigosa, Mayor
Rushmore D. Cervantes, Interim General Manager

June 6, 2012

Council File: New
Council District: Citywide
Contact Persons:
Sally Richman, 213-808-8653
Greg Kung, 213-808-8999

Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO ACCEPT THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PERMANENT SUPPORTIVE HOUSING 'CONNECTIONS' RENEWAL GRANT AND CONTRACT WITH THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA) TO ADMINISTER GRANT SERVICES

Summary

The Los Angeles Housing Department (LAHD) is requesting authority to accept a \$1,501,500 renewal of a competitive grant from the U.S. Department of Housing and Urban Development (HUD) to continue the Housing Opportunities for Persons with AIDS (HOPWA) Permanent Supportive Housing Program (formerly called *Connections*) for three more years. Grant funds will provide tenant-based rental assistance similar to Housing Choice Vouchers (Section 8) to an estimated 118 homeless and extremely low income persons living with HIV/AIDS over the three year grant period. This award is a renewal of the \$1,430,000 grant provided in 2008 which renewed the initial \$1,200,000 *Connections* grant awarded to LAHD in 2004. The grant will also provide funding for a small portion of administrative costs associated with program implementation at the Housing Authority of the City of Los Angeles (HACLA) and LAHD. LAHD will act as the Grantee and HACLA, under contract to the City, will serve as the project sponsor to assess client eligibility, provide the rental assistance and related tasks. LAHD is also requesting authority to execute a new contract with HACLA to carry out the program.

Recommendations

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that:

- I. Your office schedule this transmittal at the next available meeting of the appropriate City Council committee(s) and forward it to City Council for review and approval immediately thereafter;
- II. The City Council, subject to the approval of the Mayor, take the following actions:
 - A. AUTHORIZE the General Manager, LAHD, or designee, to accept and execute the grant agreement, any amendments thereto, and any other documents necessary between HUD and the City of Los Angeles for the disbursement of this renewal grant in the amount of \$1,501,500.
 - B. AUTHORIZE the General Manager, LAHD, or designee, to administer the HOPWA Permanent Supportive Housing Program known as the HUD *Connections* Grant in accordance with the provisions of HUD.
 - C. AUTHORIZE the General Manager, LAHD, or designee, to negotiate and execute a contract with HACLA in the amount of \$1,460,550 (\$1,365,000 for Tenant-Based Rental Assistance (TBRA), \$95,550 for Project Sponsor Administrative Costs) for the period of July 1, 2012 through June 30, 2015, subject to the review of the City Attorney as to form (Attachment 1).
 - D. DIRECT HACLA to transition program participants to the Housing Choice Voucher Program (Section 8) on a priority basis after receiving 18 months of TRBA assistance from this program.
 - E. AUTHORIZE the City Controller to:
 - a. Establish new accounts and appropriate funds within the HUD Connections Grant Fund No. 47X, Department 43 as follows:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
43J334	Tenant Based Rental Assistance	\$1,365,000.00
43J315	Project Sponsor Administration	95,550.00
43J143	Housing	13,650.00
43J304	Administration Reserve -2 yrs	<u>27,300.00</u>
		\$1,501,500.00

- b. Expend funds not to exceed \$1,501,500.00 from the above fund and accounts upon proper written demand of the General Manager, LAHD, or designee.
- c. Transfer prior year's savings within the HUD Connections Grant Fund 47X Department 43 as follows:

From:

<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
43E143	Housing	\$ 13,000.00
43E304	Administration Reserve - 2 yrs	<u>14,489.80</u>
		\$ 27,489.80

To:		
<u>Account</u>	<u>Account Title</u>	<u>Amount</u>
43J143	Housing	\$ 27,489.80

- d. Increase appropriations in General Fund 100/43 Budget in Fiscal Year 2012-2013, Account 1010 entitled 'Salaries-General" in the amount of \$41,139.80 and expend funds in Account 1010 upon proper written demand of the General Manager, LAHD, or designee.
- e. Decrease the unexpended amount within the first HUD Connections Grant Fund No. 47X/43, which has expired, due to HUD reduction of the Line of Credit for that grant, as follows:

<u>Account No.</u>	<u>Account Title</u>	<u>Amount</u>
43W393	Tenant Based Rental Assistance	\$ 5,618.00
43E304	Administration Reserve – 2 yrs	<u>11,510.20</u>
		\$ 17,128.20

- F. AUTHORIZE the General Manager, LAHD or designee to prepare Controller instructions and any necessary technical adjustments consistent with the Mayor and City Council actions, subject to approval of the City Administrative Officer (CAO) and authorize the City Controller to implement the instructions.

Background

The Los Angeles Housing Department (LAHD) administers the Housing Opportunities for Persons with AIDS (HOPWA) formula grant from HUD for the entire County of Los Angeles, which is allocated to the City via the U.S. Department of Housing and Urban Development (HUD) Housing and Community Development Consolidated Planning process. The purpose of the HOPWA program is to address the housing and supportive service needs of individuals and their families who are living with HIV/AIDS and who are low income, homeless, or at risk of homelessness. To carry out the HOPWA program, LAHD contracts with 29 non-profit agencies and four public housing authorities, including the Housing Authority of the City of Los Angeles (HACLA). In addition, LAHD regularly convenes the Los Angeles Countywide HOPWA Advisory Committee (LACHAC) comprised of non-profit, local government, and community members to assist the HOPWA program accomplish its goals, assess the needs of the community and conduct strategic planning.

In 2004, LAHD was one of three cities nationwide that received a three-year competitive HUD grant of \$1.2 million for the HOPWA *Connections* Program. This grant was in addition to the formula grant described above that is awarded every year to Los Angeles. The purpose of the initial *Connections* grant award was to study the effects and benefits of permanent housing and supportive services on the health and risk behavior of persons living with HIV/AIDS who had been homeless or at risk of homelessness. The medical research and statistical analysis of the study participants was conducted by consultants through a separate grant from the Centers for Disease Control and Prevention (CDC).

The *Connections* grant provided funds for Tenant-Based Rental Assistance (TBRA), similar to the Section 8 program which is now called Housing Choice Vouchers (HCV), to enable the participants to achieve more stable living conditions. The Los Angeles *Connections* program design called for homeless persons and families living with HIV/AIDS to be given the opportunity to move into

permanent housing and receive the *Connections*-funded TBRA subsidies for 18 months, after which they were to be transitioned into HACLA's standard HCV/Section 8 program, if they continued to qualify.

To implement the program, LAHD entered into a multi-year contract with HACLA to assess client eligibility, ensure habitability standards, determine rent reasonableness and provide the TBRA certificates. Additional supportive and case management services were provided by agencies on contract with LAHD funded by the annual HOPWA formula grant or by the County of Los Angeles Ryan White Care Act resources. There is great demand for these resources; HACLA opened its waiting list for this program for one week in 2010 and 517 households registered.

HUD has twice allowed the LAHD to renew this competitive HOPWA grant, in 2008 and now in 2012, and each time the amount awarded has been increased. On February 14, 2012, LAHD submitted an application to HUD to renew the grant for another three year period for \$1,501,500. After review and negotiations, HUD approved the award on April 19, 2012 (see Attachment 1). The new grant award will be used to support 28 existing clients and 90 new clients over the three year period and will continue to operate in the same way; each client receiving 18 months of rental assistance funded by this grant will be eligible for transition into HACLA's standard HCV/Section 8 program, thus providing continued housing stability for this vulnerable population.

This report is requesting authority to accept the new grant of \$1,501,500 for a three year period. LAHD will continue to act as the Grantee and pending approval of the proposed contract (Attachment 2) in this transmittal, HACLA will continue to act as the project sponsor. Of the grant amount, \$1,365,000 (91%) will be used for TBRA for clients and nine percent will be allocated for administrative purposes, with \$95,550 for HACLA and \$40,950 for LAHD; the two agencies will also contribute in-kind leveraging support of \$114,200 for related administrative costs. This grant is another example of why Community Development Block Grant (CDBG) administrative funds are so important to the mission of LAHD; without the CDBG-funded accounting and grants management staff to facilitate implementation and compliance with federal regulations, the City could not accept this grant from HUD and 118 homeless individuals and households living with HIV/AIDS would not receive assistance.

Fiscal Impact

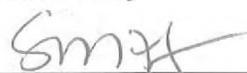
The HOPWA Permanent Supportive Housing grant is funded entirely by federal grant dollars and in-kind leveraging provided by LAHD and HACLA are paid with federal resources. There is no impact on the City's General Fund.

Prepared by:



SALLY RICHMAN
Director, Grants Management

Reviewed by:



SUZETTE FLYNN
Director, Housing Services

Reviewed by:



GREG KUNG
Assistant General Manager

Approved by:



RUSHMORE D. CERVANTES
Interim General Manager

Performance Grant Agreement for 2012 Renewal Grants

Grant Number: CA-H120002

Official Contact: Suzette Flynn

Title: Director, Housing Services

Mailing Address: 1200 West Seventh St, 9th floor
Los Angeles CA 90017

Telephone: (213) 808-8932

FAX Number: (213) 808-8965

Tax ID No.: 95-6000735

Email Address: suzette.flynn@lacity.org

DUNS No.: 808255160

Project Location (City/Co. & State): Los Angeles, CA

**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS
PERFORMANCE GRANT AGREEMENT FOR FISCAL YEAR 2012**

This Performance Renewal Grant Agreement ("Agreement") is made between the United States Department of Housing and Urban Development ("HUD") and City of Los Angeles ("Grantee").

Definitions

The terms "Grant" and "Grant Funds" mean the funds provided under this Agreement.

The term "Application" means the application submissions on the basis of which a Grant was originally approved by HUD, including certifications and assurances and any information or documentation required to meet grant award conditions. The Application, CA-H080003 (Grantee's original or existing grant number), is incorporated herein, as updated through the "Renewal Application" and, if applicable, through a HUD-approved grant amendment. However, in the event of conflict between a provision of the Application and a provision of this Agreement, the latter shall control.

The term "Renewal Application" means the application submission on the basis of which the 2012 Grant renewal was approved by HUD, including certifications and assurances, and any information or documentation required to meet renewal grant award conditions. The Renewal Application, CA-H120002 (Renewal Grant Number), is incorporated herein as part of this Agreement and attached hereto as Exhibit A. In the event of conflict between a provision of the Renewal Application and any provision of this Agreement, the latter shall control.

The term "Project Sponsor" means any private nonprofit organization or governmental housing agency that receives funds under a contract with the Grantee to carry out eligible activities identified in the Application.

Background

This Agreement will be governed by the requirements of the AIDS Housing Opportunity Act, 42 U.S.C. 12901 *et seq.* ("Act"), the Housing Opportunities for Persons With AIDS ("HOPWA") program regulations, 24 C.F.R. part 574 ("Regulations"), and HOPWA renewal memorandum, Standards for Fiscal Year 2012 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued January 5, 2012. The Regulations are attached hereto as Exhibit C and are incorporated into this Agreement.

Approved Grant Amount

Upon execution of this Agreement, HUD agrees to provide \$1,501,500.00 to the Grantee to carry out the project described in the Renewal Application (Exhibit A), and approved in the budget (Exhibit B), both of which are incorporated into this Agreement.

Renewal Grant Purpose and Requirements for Providing Permanent Supportive Housing

As a requirement for the receipt of federal funds for permanent supportive housing, Grantee agrees to maintain project eligibility and related documentation on the following:

- (1) Permanent Supportive Housing. At least 51 percent of the HOPWA program activity funds awarded to the project must be used to provide permanent supportive housing support to HOPWA eligible persons. Any new funds, including commitments of other funds, must be utilized to provide permanent supportive housing to eligible persons for the planned annual outputs;
- (2) Commitments. Exhibit B provides the list of commitments of other resources to be used in conjunction with HOPWA funds. If your project relies on other state, local, federal, or private resources to provide the permanent housing or supportive services portion of your project, as documented in the approved HUD 40110-B, HOPWA budget form submitted in the final approved renewal grant application, you must ensure that the other resources will continue to be available for that purpose throughout the commitment period noted in the grant. Failure to use committed resources as documented and approved by HUD will constitute a grant default, which may result in grant sanctions, including reductions in amounts awarded for supportive services;
- (3) Leases and Occupancy Agreements. Grantee must maintain evidence that the client has a continuous legal right to remain in the unit or property and has access to ongoing supportive services provided through qualified providers. Grant files must include a copy of the standard lease form or occupancy agreement used for residents of the project. The lease or occupancy agreement must be for a term of at least one year. The lease or occupancy agreement must also be automatically renewable upon expiration, except on reasonable prior notice by either the tenant or the landlord. Failure to maintain this project documentation of the client's lease or occupancy agreement will constitute a grant default;
- (4) Permanent Housing Placement Costs. If the application proposes to provide security deposits, such costs are to be reasonable and limited to not more than two months rent and classified as

part of the BLI shown as Permanent Housing Placement Costs. Grantees should quantify this effort and establish their plan for undertaking and reporting on this activity under this BLI;

- (5) General Section. The Grantee agrees to comply with the Fiscal Year 2012 General Section, including drug-free workplace standard requirement listed in Section III.C. 5. ;
- (6) Environmental Review. The Grantee agrees to comply with environmental review requirements, as set forth at 24 C.F.R. part 58. Where applicable, Grantee also agrees to provide HUD with information necessary for HUD to perform any required environmental review under 24 C.F.R. part 50. Grantee shall carry out mitigating measures required by HUD or select alternate eligible property resulting from such review. Grantee shall not acquire, rehabilitate, convert, lease, repair or construct property, or commit HUD or local funds to such program activities with respect to any such property, until it has received notice from HUD that the environmental review is complete.

Amendments

This constitutes the entire agreement between HUD and the Grantee. This Agreement may not be amended except in a writing executed by authorized officials of HUD and the Grantee. When requesting an amendment to this Agreement, including a transfer of contractual rights via an assignment, the Grantee shall submit a letter of request to the address to the appropriate field office and attach the proposed amendment(s) to the applicable page(s) of this Agreement. The effective date of any amendment to this Agreement shall be the date of execution by HUD.

Pre-award costs

In cases where the original agreement has now expired and all funds expended, eligible costs under the new renewal award may include pre-award costs to support continuation of the approved renewal activities. Pre-award costs are authorized by OMB Circulars A-87 and A-122, which are applicable to the HOPWA program under 24 C.F.R. § 574.605. Pre-award costs are those costs incurred prior to the effective date of the award directly pursuant to the execution of this Agreement where such costs are necessary to comply with the proposed delivery schedule or period of performance for continued activities. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of HUD. Renewal Grantees are required to obtain approval of pre-award costs via a written request to the field office prior to incurring costs.

Performance

Grantee agrees to, and will ensure that each Project Sponsor agrees to:

- (1) Comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the Central Contractor Registration (CCR) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to part 25 of the Financial Assistance Use of Universal Identifier and Central Contractor Registration, 75 Fed. Reg. 55671 (Sept. 14, 2010) (codified at 2 C.F.R. part 25) and Appendix A to part 170 of the Requirements for Federal Funding

Accountability and Transparency Act Implementation, 75 Fed. Reg. 55663 (Sept. 14, 2010) (codified at 2 C.F.R. part 170).

- (2) The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) regarding Reporting and Use of Information Concerning Recipient Integrity and Performance, including Appendix A to Part 35 of the Time-of-Award Responsibilities, 75 Fed. Reg. 7316 (Feb. 18, 2010)(to be codified at 2 CFR part 35).
- (3) Provide housing support to HOPWA eligible persons over the operating period of this grant consistent with the services described in the renewal application and attached as Exhibit A, and applicable HUD regulations;
- (4) Comply with and meet the performance measure benchmark outputs and outcomes established in the Renewal Application HOPWA Budget form HUD 40110-B found in Exhibit B for the implementation and operation of this award;
- (5) Conduct an ongoing assessment of the permanent supportive housing assistance required by the participants in the program, including annual assessments of their housing situations, and report on the annual achievement of HOPWA client outcome goals in achieving stable housing, reducing risks of homelessness and improving access to care for beneficiaries;
- (6) Assure the adequate provision of supportive services to the participants in the program, including support to access health-care, HIV treatment and benefits or other support available under mainstream health and human welfare programs and other public and private resources, as needed. Further, the Grantee shall ensure that grant funds will not be used to make payments for health services for any item or service to the extent that payment has been made, or can reasonably be expected to be made with respect to that item or service: (i) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or (ii) by an entity that provides health services on a prepaid basis;
- (7) The following applies to an application that involves the use of HOPWA funds for supportive service activities aimed at assisting HOPWA clients with substance abuse treatment. Note that, in operating this project, the Grantee and any project sponsor must comply with federal, state and other applicable laws pertaining to the illegal use of a controlled substance. The Grantee and sponsor must undertake reasonable steps to ensure that beneficiaries receive appropriate access to substance abuse treatment and counseling. Admission should be denied, or eviction initiated, for persons engaging in illegal drug activities, where such activities threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. Grantees and project sponsors must establish procedures for project ineligibility and evictions related to illegal drug activities;
- (8) Agree that any program income resulting under this grant be added to the funds committed to the project or other HOPWA program activities under this agreement, to be used to further eligible project or program objectives;

- (9) Agree to maintain records of beneficiary and program activity eligibility, including documentation that evidences compliance with agreements noted above. In the case of participant eligibility records, the Grantee shall update records no less than annually.
- (10) Within 90 days of the date of execution of the Grant Agreement, the grantee agrees, and will ensure that each project sponsor agrees, to either obtain a certificate of completion of HOPWA Financial Management Online Training (<http://www.hudhre.info/index.cfm?do=viewHopwaFinancialTraining>.) by at least one of its employees, or to demonstrate financial management capacity by the use of other credentials related to Federal requirements at 24 C.F.R. 85.20, as specified in a HUD-approved plan.

Disbursement of Funds

Grantee agrees to record the expenditure of funds in a timely manner and implement financial procedures to ensure disbursements for reimbursement of the HOPWA renewal grant award expenses through the IDIS system on at least a quarterly basis, beginning three months after the program commencement date established in this Agreement. The Grantee agrees, and will ensure that any Project Sponsor agrees, to make timely payments to each subrecipient upon request, provided the requesting subrecipient is in compliance with program requirements. A request by the Grantee to draw down Grant Funds under the IDIS system or any other payment system constitutes a representation by the Grantee that it and all participating parties are in compliance with the terms of this Agreement.

Performance Reporting

- (1) In accordance with 24 C.F.R. part 91, the Grantee shall submit an Annual Progress Report (APR) that demonstrates its progress in carrying out its strategic plan and its action plan within 90 days after the close of each program year. The performance report must include the number of individuals assisted, the types of assistance provided, a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including racial and ethnic status of persons assisted), actions taken to further fair housing. Comply with such other terms and conditions, including record keeping and reports (which must include racial and ethnic data on participants, annual housing outputs and client housing outcomes) for program monitoring and evaluation purposes, as HUD has established for purposes of carrying out the program in an effective and efficient manner;
- (2) Comply with such other terms and conditions, including record keeping and reports (which must include racial and ethnic data on participants, annual housing outputs and client housing outcomes) for program monitoring and evaluation purposes, as HUD has established for purposes of carrying out the program in an effective and efficient manner;

Project Sponsors

The Grantee shall ensure that Project Sponsors are aware of requirements imposed upon them by

federal statutes and implementing regulations. Project Sponsor contracts should include any clauses required by this Agreement and any other applicable federal requirements, including those set forth in Executive Orders and Office of Management and Budget Circulars.

Defaults and Remedies

A default shall occur when the Grantee materially fails to comply with program requirements. A default may consist of using Grant Funds other than as authorized by this Agreement, noncompliance with statutory, regulatory, NOFA, or other requirements applicable to this HOPWA award, any other material breach of this Agreement, or any material misrepresentation, which, if known to HUD, would have resulted in the Grant Funds not being provided. If the Grantee fails to comply with any term of this award, HUD may:

- (1) Temporarily withhold further payments pending corrective action by the Grantee or Project Sponsor;
- (2) Disallow all or part of the cost of an activity or action not in compliance;
- (3) Wholly or partly suspend or terminate the current award for the Grantee's or Project Sponsor's program;
- (4) Withhold further awards for the HOPWA program;
- (5) Reduce or recapture Grant Funds;
- (6) Require the Grantee to reimburse program accounts with non-Federal funds for the amount of ineligible costs; or
- (7) Take other appropriate action, including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

Nothing in this paragraph shall limit any remedies otherwise available to HUD in the case of a default by the Grantee. No delay or omissions by HUD in exercising any right or remedy available to it under this Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Grantee default. The Grant may be terminated for convenience when both parties agree that the continuation of the award would not produce beneficial results.

The point of obligation occurs on the dated signature of the Department of Housing and Urban Development representative. This Agreement is hereby executed by the Parties on the dates set forth below their respective signatures, as follows:

UNITED STATES OF AMERICA
Department of Housing and Urban Development
By: The Secretary or HUD designated signatory

By: William Vugov
(Signature)
Director, Office of Community Planning and Development
(Title)
4/19/12
(Date)

GRANTEE
By: _____
(Authorized signatory)

(Type in name of authorized signatory)

(Title of authorized signatory)

(Date)

The grantee agrees to the terms and conditions of this grant agreement. The term of this Agreement shall begin on _____ (mm/dd/yyyy) and end on _____ (mm/dd/yyyy), or three years from the beginning date of this agreement, whichever comes first. Notwithstanding the foregoing, the term of this Agreement may not begin until the original grant agreement CA-H080003 has expired.

The term of performance is acknowledged by HUD. _____ (Initial)

AGREEMENT _____
BETWEEN
THE CITY OF LOS ANGELES HOUSING DEPARTMENT
AND
THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
TO IMPLEMENT
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM
PERMANENT SUPPORTIVE HOUSING "CONNECTIONS RENEWAL"
HOUSING AND URBAN DEVELOPMENT

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Los Angeles, hereinafter called the "City," and the Housing Authority of the City of Los Angeles, hereinafter called the "Contractor."

WHEREAS, the City has entered into an Agreement with the United States Department of Housing and Urban Development (HUD), to administer the Housing Opportunities for Persons with AIDS (HOPWA) Permanent Supportive Housing through the "Connections Renewal" Program, by providing Tenant Based Rental Assistance (TBRA) Program with follow-up supportive services to eligible persons living with HIV/AIDS, hereinafter called the "Project" discussed below, under the AIDS Housing Opportunity Act of 1990, 42 U.S.C. §12901 et. Seq. (the Act), the HOPWA Program regulations, 24 CFR 574 (the Regulations) and HOPWA renewal memorandum, Standards for Fiscal Year 2012 HOPWA Permanent Supportive Housing Renewal Grant Applications, issued on January 5, 2012; and

WHEREAS, the City and the Contractor are desirous of entering into an agreement as authorized by the action of the Los Angeles City Council and Mayor (refer to Council File Number 12- ; adopted by the City Council on ___ 2012 and approved by the Mayor on ____, 2012), which authorized the General Manager of the Los Angeles Housing Department (LAHD) to prepare and execute an agreement with the Contractor to administer TBRA services; and

WHEREAS, the Contractor desires to participate in said Project and is qualified by reason of experience, organization, staffing and facilities to provide specialized services.

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

1. AGREEMENT.
This Agreement Number _____ consists of this document, pages one through twenty-two, Attachments I through VIII.
2. SCOPE OF SERVICES.

A. Project Summary

The Connections renewal project is a continuation of current efforts to provide Permanent Supportive Housing (PSH) for homeless and at risk of homeless persons living with HIV/AIDS and their families. These clients will also receive the opportunity to access supportive services from qualified providers to assist them acquire and maintain their

housing. This renewal project will retain the same contractor that has previously demonstrated the effective capacity to administer the project that will be described in greater detail in Section 2. Scope of Services, B. Contractor Responsibilities.

The goal of the project is to provide decent, safe and affordable housing for individuals that are homeless, at-risk-of homelessness or very low-income who were living with HIV/AIDS. All clients, after 18 months of Tenant Based Rental Assistance (TBRA) services will receive the opportunity to transition into the Contractor's Housing Choice Voucher (Section 8) program. The clients shall transition into the Contractor's Section 8 Program provided that both the household and the housing unit continue to meet the Contractor's Section 8 criteria. This renewal project will also provide TBRA assistance to the 28 continuing clients who have already received a Connections Certificate but whose 18-months of funding has not yet expired. The Contractor will also provide TBRA services to 90 new individuals. Potential clients will be selected from the Contractor's current TBRA lists and will be assessed for risk for homelessness based on certain criteria including income, current living situation, etc. Twenty (20) new individuals will receive the TBRA certificates for 18 months in Year 1. They will then receive the opportunity to transition to the Section 8 Voucher program. An additional 62 new eligible individuals will receive the TBRA services during Year 2, and eight (8) in Year 3.

B. Contractor Responsibilities

1. Intake and Recruitment

The Contractor maintains a list of potential clients for this project from persons that had previously registered for the HOPWA TBRA program. These clients are at various stages of the TBRA enrollment process and may have either self-applied or were referred by AIDS Service Organizations.

2. Client Assessment

The Contractor shall enter into a Memorandum of Understanding (MOU) with an AIDS Service Organization (ASO) that receives HOPWA funds to provide Housing Case Management services. A Housing Case Manager is a HOPWA-funded position that assists persons living with HIV/AIDS in locating, acquiring, financing, and maintaining affordable and appropriate housing. The ASO and Contractor shall evaluate potential clients for homeless or at-risk of homeless status based on criteria such as income, current living situation, etc. Potential clients will also be assessed for their readiness to access and maintain permanent, independent housing.

3. Rental Assistance

a. The Contractor shall provide TBRA services for up to twenty-eight (28) continuing clients and ninety (90) new and unduplicated clients for the complete three year term of this contract. Services for the 90 new and unduplicated clients will be provided as follows: Twenty (20) new individuals will receive the TBRA

certificates for 18 months in Year 1. They will then receive the opportunity to transition to the Section 8 Voucher program. An additional 62 new eligible individuals will receive the TBRA services during Year 2, and eight (8) in Year 3.

- b. The Contractor shall verify the income and determine the amount of rent to be paid by the client and the amount of rental assistance to be subsidized by the Contractor each month.
- c. The client's portion of the rent shall be based on thirty (30%) percent of the adjusted monthly income of the entire household. The Contractor shall ensure each unit's rent is no greater than the Fair Market Amount (FMR) amount specified by HUD for the geographic area to be served.

4. Housing Search Process

Individuals shall receive housing search assistance via the Contractor's listing of participating landlords and their available units, HOPWA-funded Housing Case Managers and the Housing Information Clearinghouse Services website www.chirpla.org and the 1(877) 7CHIRPLA administered by Pets Are Wonderful Support (PAWS) – Los Angeles.

5. Supportive and Follow-up Services

Individuals shall receive the opportunity to be assessed for housing, follow-up supportive service needs and receive a housing plan developed by a Housing Case Manager of non-profit agency that has a Memorandum of Understanding (MOU) with the Contractor. For the purposes of this project, Housing Case Managers shall provide follow-up supportive services that target mental health, substance abuse issues, and other needs that may prevent clients from maintaining their permanent housing.

6. Applicant Eligibility

- a. The Contractor shall determine that applicants have an original HIV/AIDS diagnosis form dated not earlier than twelve (12) months prior to the date of application submission.
- b. The Contractor shall confirm that each applicant is at least eighteen (18) years of age and able to provide informed consent.
- c. The Contractor shall determine that the applicants are low or very low-income based on the income eligibility standards as set forth by HUD for Los Angeles County.
- d. The Contractor shall determine that these individuals are low-income, homeless or at-risk of homelessness based on criteria as individual income, recent living situation, etc.

- e. The Contractor shall ensure that each applicant is a United States citizen or has the eligible immigration status to live in the United States to be able to transition to the Section 8 Program. Applicants must be able to provide information regarding identity (photo ID, Medicare, Driver's License, etc.).
 - f. The Contractor will ensure each applicant has met all other eligibility requirements set forth in the Contractor's Section 8 Administrative Plan, including income verification and the ability to pass criminal a background check pursuant to the Contractor's most current Section 8 requirements.
 - g. For all eligible applicants, the Contractor shall be responsible for the final review and determination of eligibility for rental assistance.
7. Family
For the purpose of this Agreement, family is defined as set forth in the relevant program Code of Federal Regulation (CFR) section, as amended from time to time, (HOPWA Regulations 24 CFR 574.3 and Section 8 Regulations 24 CFR 982.4).
8. Housing Quality Standards (HQS)
The rental unit shall meet Housing Quality Standards (HQS) as set forth by HUD before rental assistance can begin. The Contractor shall be responsible for the inspection of the unit to ensure that decent, safe, and sanitary conditions exist prior to the execution of a rental assistance contract. The Contractor shall inspect the housing facilities of all the participants in the Project to ensure safe and sanitary housing that is in compliance with all applicable State and local housing codes, licensing requirements, and other requirements in the jurisdiction in which the housing is located.
9. Geographic Service Area
The Contractor shall ensure that participants seek available rental housing units in geographic areas served by the Contractor, as set forth in the Contractor's administrative policy and procedures.
10. Contractor Files / Participant Documentation
The Contractor shall ensure that all participants have complete and accurate files with all the necessary and appropriate information including, but not limited to the following: an original HIV/AIDS diagnosis form signed by a certified physician, the identification number used by the Contractor is accurate and matches the participant, verification of legal residency documentation, residency status of all members in the household applying for HOPWA rental assistance, original copies of rental and/or lease agreements, verification and/or documentation of household income and a worksheet calculating the correct rental amount to be paid by the

participant and the Housing Assistance Payment (HAP) to be paid by the Contractor. The Contractor shall confirm the accuracy, completeness and location of each original file reimbursed by the City.

11. Annual Review of Participant Status

The Contractor shall conduct a review of each participant's files twelve (12) months after the initial start date of a participant in the Project, to update and verify all the necessary documentation, as set forth below, pertaining to their HOPWA tenant based rental assistance.

- a. The Contractor shall verify the HIV/AIDS diagnosis forms during each yearly re-certification to include, but not be limited to the following: (1) the participant's full name, (2) the doctor's full name, (3) the location of the doctor's office including a street address, city, zip code and the name of the facility (e.g. hospital name, clinic, etc.), (4) the doctor's signature, (5) the doctor's license number, (6) the participant's HIV/AIDS status such as HIV Asymptomatic, HIV Symptomatic or AIDS, and (7) an office stamp or official seal (if available). The form must be an original dated not earlier than twelve (12) months prior to the date of annual review.
- b. The Contractor shall confirm and update the number of members in each participant's household and their updated residency status if applicable. The Contractor shall review and update all of the following information including, but not limited to: household income, rental and/or lease agreements, correct rent to be paid by the participant and the Housing Assistance Payment (HAP) to be paid by the Contractor and the physical location of the file. If, at the time of Annual Review, participants fail to submit all of the required documentation pursuant to the Contractor's policies and procedures, the Contractor may suspend/and or terminate the participant's housing assistance.

12. Transition to Section 8

- a. The Contractor shall commence the process of transitioning participants into the Section 8 program at 12 months of the lease date. The Contractor shall remove participants from the Project if they refuse to transition or if they fail to meet the transition requirements of the Section 8 Program, as set forth in the Contractor's Administrative Code.
- b. If a participant should die, the surviving members of a family living in a unit assisted under the HOPWA Program shall not receive the opportunity to transition into the Section 8 TBRA Program. However, the surviving family members shall receive a

grace period of six (6) months from the date of the participant's death, during which time the assistance shall continue. An additional extension of up to six (6) months may be granted on a case-by-case basis. These requests for extensions must be submitted to the Contractor for their approval. The total grace period shall not exceed a period of one (1) year from the date of the participant's death. At the end of the total grace period, HOPWA Rental Assistance shall be terminated for the surviving family.

13. Overall Management

The Contractor shall use a database system to assist in generating reports that shall track Applicants/participants, the current number of certificates issued, and participants that have left or have been terminated from the Project. In addition, reports shall also track total funds available, funds in process, funds spent and the remaining balance of Project funds needed to sustain the Project through the Agreement end date.

14. Staff Training

The Contractor shall train all of their staff working on the Project regarding verification of participant's HIV/AIDS status, residency status, monthly income verification, number of members in a participant family, annual evaluations, and fraud prevention.

3. DEDICATED STAFF.

The Contractor will assign dedicated staff persons to carry out the activities of the Project as identified in this Agreement and be the responsible liaison to the City.

4. TIME OF PERFORMANCE.

a. Said services of Contractor are to commence on July 1, 2012 and shall remain in full force and effect until June 30, 2015, unless sooner terminated as provided herein, including any additional period of time as necessary to complete all required closeout activities in accordance with Paragraph 36 of this Agreement.

b. The City may grant time or performance modifications and/or extension to this Agreement when such modifications or extensions:

- i. Are specifically requested by the Contractor;
- ii. Shall not change the project goals or scope of services;
- iii. Are in the best interests of the City and Contractor in performing the scope of services under this Agreement; and
- iv. Are consistent with the regulatory and funding limitations prescribed by HUD under the HOPWA Program.

5. PROJECT FUNDS AND ADMINISTRATIVE FEE:

The City shall reimburse the Contractor for the following amounts to be used in the manner described in Paragraph 2, Scope of Services, Subparagraph C, Contractor Responsibilities. The funds in the Tenant-Based Rental Assistance line item shall only be used for Housing Assistance Payments (HAP) for participants in the Treatment Group. The funds in the Project Administration line item shall only be used for costs related to the Project as approved by the City.

Tenant-Based Rental Assistance	\$1,365,000
Project Administration	<u>\$95,550</u>
Total	\$1,460,550

6. RETURN OF UNEXPENDED FUNDS.

Either upon the completion or the termination of this Agreement, Contractor shall, within sixty (60) calendar days, return any unexpended funds to the City.

7. NON-DISCRIMINATION AND EQUAL OPPORTUNITY.

Contractor agrees to comply with the provisions of 24 CFR Section 574.600, which describe all applicable federal statutes, regulations and Executive Orders pertaining to nondiscrimination on the basis of race, color, religion, sex, national origin, age, familial status, sexual orientation, and disability. Of special note are the following:

- a. Minority, Women's and Other Business Enterprise Outreach.
The requirements of Executive Orders 11625, 12432 and 12138 require that under these Orders, the Grantee and Contractor must make efforts to encourage the use of minority, women, and other business enterprises in connection with funded activities.
- b. Affirmative Outreach.
The City and Contractor shall adopt procedures to ensure that all persons who qualify for the assistance, regardless of their race, color, religion, sex, age, national origin, familial status, or disability, know of the availability of the HOPWA program, including facilities and services accessible to persons with a disability, and maintain evidence of implementation of the procedures.
- c. Disability Requirements.
The City and Contractor shall not discriminate against a person with HIV/AIDS or related diseases based on an additional disability of such person in violation of the Fair Housing Act or Section 504 of the Rehabilitation Act of 1973.

8. AMERICANS WITH DISABILITIES ACT COMPLIANCE CERTIFICATION.

The Contractor shall comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq and complete the compliance form attached hereto and incorporated herein as Exhibit IV.

The Contractor will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract

entered into by the Contractor, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

9. ELIGIBILITY REQUIREMENTS FOR PARTICIPANTS OF CONTRACTOR.

The Contractor shall ensure that all Project participants who receive assistance and services from the Contractor, shall meet the eligibility requirements set forth in Paragraph 2, Scope of Services, Subparagraph 4, Participant Eligibility of this Agreement.

10. AGREEMENT ADMINISTRATION.

The Los Angeles Housing Department, hereinafter called the "Department," shall administer this Agreement on behalf of the City and the General Manager of the Department, hereinafter called the "General Manager," or his/her designee, and shall have full authority to act for the City regarding this Agreement, consistent with the provisions contained herein.

11. NOTICES.

All notices shall be served in writing. The notices to the Contractor shall be delivered or sent to:

Douglas Guthrie
Chief Executive Officer
Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, CA 90057

With a copy to:

Peter Lynn
Section 8 Director
Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, CA 90057

Notices, reports and statements to the City shall be delivered or sent to:

Rushmore Cervantes
Interim General Manager
Los Angeles Housing Department
1200 West Seventh Street, 9th Floor
Los Angeles, CA 90017

With a copy to:

Suzette Flynn
Director, Housing Services
Los Angeles Housing Department
1200 West Seventh Street, 9th Floor
Los Angeles, CA 90017

12. RELEASE OF PUBLIC INFORMATION.

The Contractor shall make every effort to coordinate with the City regarding the release of public information on this Project.

13. COMPLIANCE WITH LAWS.

All parties agree to comply with applicable Federal, State, and local laws, ordinances, regulations and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Act; 24 Code of Federal Regulations, Part 574 and U.S. Office of Management and Budget Circulars A-87, A-102, A-110 and A-122.

a. Living Wage Ordinance and Service Contract Worker Retention Ordinance

(1) Unless otherwise exempt in accordance with the provisions of this Ordinance, this contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contract Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time.

(a) Contractor/Consultant assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.

(b) Contractor/Consultant further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Contractor/Consultant shall require each of its Subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Contractor/Consultant shall deliver the executed pledges from each such Subcontractor to the City within ninety (90) days of the execution of the Subcontract. Contractor's/Consultant's delivery of executed pledges from each such Subcontractor shall fully discharge the obligation of the Contractor/Consultant to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.

(c) The Contractor/Consultant, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Contractor/Consultant

shall post the Notice of Prohibition Against Retaliation provided by the City.

- (d) Any Subcontract entered into by the Contractor/Consultant relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of LWO and the SCWRO, and shall incorporate the LWO and SCWRO.
 - (e) Contractor/Consultant shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.
- (2) Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies that may be available if Form OCC/LW-12 (Rev. 06/04) the City determines that the subject Contractor/Consultant has violated provisions of the LWO and the SCWRO or both. Where under the LWO Section 10.37.6(d), the designated administrative agency has determined (a) that the Contractor/Consultant is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the Contractor/Consultant in accordance with the following procedures. Impoundment shall mean that from monies due the Contractor/Consultant, the awarding authority may deduct the amount determined to be due and owing by the Contractor/Consultant to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures there described through final and binding arbitration. Whether the Contractor/Consultant is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The Contractor/Consultant may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

(3) **Earned Income Tax Credit**

This contract is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

(4) **Child Support Compliance Act**

This Contract is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Contractor certifies that it will (1) fully comply with all State and Federal

employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Contractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Contractor under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety(90) days after notice of such failure to Contractor by City. Any subcontract entered into by the Contractor relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Contractor to obtain compliance of its subcontractors shall constitute a default by the Contractor under the terms of this contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by the City.

Contractor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor assures that to the best of its knowledge it is fully, complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code Section 7110.

(a.) Slavery Disclosure Ordinance.

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Agreement is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time.

Contractor certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Agreement.

(b.) Equal Benefits Ordinance.

Unless otherwise exempted in accordance with the provisions of this Ordinance, this Contract is subject to the applicable provisions of the Equal Benefits Ordinance (EBO) Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

1. During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the EBO. The Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

“During the performance of a Contract with the City of Los Angeles, the Contractor shall provide equal benefits to employees with spouses and its employees with domestic partners.

Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.”

2. The failure of the Contractor to comply with the EBO shall be deemed to be a material breach of the Agreement by the Awarding Authority.
3. If the Contractor fails to comply with the EBO the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.
4. Failure to comply with the EBO may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.
5. If the City Administrative Officer determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the EBO, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

(c.) Contractor Responsibility Ordinance.

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of the Los Angeles Administrative Code, which requires Contractor to update its responses to the responsibility questionnaire within

thirty calendar days after any change to the responses previously provided if such change would affect Contractor's fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, Contractor pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. The Contractor further agrees to:

1. Notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the CONTRACTOR is not in compliance with all applicable federal, state and local laws in performance of this contract;
2. Notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Contractor has violated the provisions of Section 10.40.3(a) of the Ordinance;
3. Ensure that its subcontractor(s), as defined in the Ordinance, submit a Pledge of Compliance to awarding authorities; and
4. Ensure that its subcontractor(s), as defined in the Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Ordinance in performance of the subcontract.

b. Contractor Evaluation Program.

At the end of this Agreement, the City shall conduct an evaluation of the Contractor's performance. The City may also conduct evaluations of the Contractor's performance during the term of the Agreement. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations shall be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the Contractor assigns to the Agreement. A Contractor who receives a "Marginal" or "Unsatisfactory" rating shall be provided with a copy of the final City evaluation and allowed 14 calendar days to respond. The City shall use the final City evaluation, and any response from the Contractor, to evaluate proposals and to conduct reference checks when awarding other personal services contracts.

14. CONFIDENTIALITY OF REPORTS.

Contractor shall ensure that it will keep confidential all reports, information and data received, prepared or assembled by the Contractor pursuant to performance hereunder

and any documentation or information the City designates as confidential, unless such information is otherwise made available to the public. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the City.

15. CONFIDENTIALITY OF CLIENTS.

Contractor shall ensure that the name of any individual assisted under this Agreement and any other information regarding an individual receiving assistance will be kept confidential unless said information is otherwise made available to the public.

16. PROJECT EVALUATION AND REVIEW.

Contractor shall make available for inspection their performance, financial and all other records pertaining to performance of this Agreement to authorized City personnel, and allow said City personnel to inspect and monitor their facilities and Project operations, including the interview of Contractor staff, and participants, as reasonably required by the City. Contractor agrees to submit all data that are reasonably necessary to complete the Annual Grantee Performance Report and monitor Project accountability and progress in accordance with HUD requirements, in the format and at the time designated by the General Manager or his/her designee.

17. ACCOUNTING.

- a. The Contractor shall establish and maintain on a current basis an adequate accrual accounting system in accordance with generally accepted accounting principles and standards, as accepted and prescribed by the Office of the City Controller.
- b. The Contractor shall maintain an accounting system that monitors federal HOPWA funds for Project participants who are citizens or are non-citizens with eligible immigration status in accordance with 24 CFR part 5 subpart E.
- c. The Contractor shall monitor monthly expenditures and financial balances to ensure that adequate funds shall be available for non-interrupted services through the Agreement end date. The Contractor shall notify in writing the Los Angeles Housing Department HOPWA Program within five (5) days of the finding, when funds are insufficient to sustain the Project through the expiration date of the Agreement.

18. CHANGES.

The City may, from time to time, request changes in the scope of services of the Contractor to be performed hereunder. Such changes, which are agreed upon by and between the City and the Contractor, shall be incorporated into this Agreement by written amendments.

19. CHANGES IN GRANT ALLOCATION.

The City reserves the right to reduce the grant allocation to the Contractor when the City's fiscal monitoring indicates that the Contractor's rate of expenditure will result in unspent funds at the end of the Agreement term. Changes in the grant allocation shall be

made after consultation with the Contractor. Such changes shall be incorporated into this Agreement by written amendments.

20. REVENUE DISCLOSURE REQUIREMENT.

Contractor shall make available for inspection and audit to the City's representatives, upon request, at any time during the term of this Agreement, and during a period of three (3) years thereafter, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or in part under this Agreement, whether or not such monies are received through the City. All such books and records shall be maintained by the Contractor at a location in Los Angeles County. Failure of Contractor to comply with the requirements of this Section shall constitute a material breach of contract upon which City may cancel, terminate or suspend this Agreement.

21. JOINT FUNDING.

For subcontracted projects in which there are sources of funds in addition to HOPWA funds, Contractor shall not request reimbursement, nor shall the City pay, for any services, which are funded by other sources.

22. ASSURANCES.

The Contractor hereby certifies that it has complied with all applicable regulations, policies, guidelines and requirements; and OMB Circular Nos. A-87, A-102, A-110 and A-122, and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of Federal funds for this federally assisted program. Also, the Contractor agrees that, with respect to the services specified in Paragraph 2 of this Agreement, it will comply with all the provisions of 24 Code of Federal Regulations Section 574.500, which pertain to assurance of Contractor, which provisions are incorporated in to this Agreement by this reference. Furthermore, the Contractor agrees that it will comply with provisions of 41 Code of Federal Regulations 60-1.4 and 24 Code of Federal Regulations Section 135.20, each of which is incorporated herein by this reference.

23. ASSIGNMENT.

This Agreement may not be assigned by the Contractor to any third parties without the express prior written consent of the City. Any attempt by Contractor to assign any performance of terms of this Agreement without such consent shall be null and void and shall constitute a material breach of this Agreement.

24. TERMINATION AND TERMINATION COSTS.

This Agreement may be terminated at any time by either party upon thirty (30) days notice in writing to the other party. The City may immediately terminate this Agreement upon termination, suspension, discontinuation or substantial reduction in HOPWA funding for the Agreement activity if for any reason the timely completion of the work under this Agreement is rendered improbable, infeasible or impossible. In such event, Contractor shall be compensated for all necessarily incurred costs performed in good faith, in accordance with the terms of this Agreement, that have not been previously reimbursed to the date of said termination, and to the extent HOPWA funds are available.

25. FISCAL LIMITATIONS.

HUD may in the future place programmatic or fiscal limitations(s) on HOPWA funds not presently anticipated. Accordingly, the City reserves the right to revise this Agreement in order to take into account such actions affecting HUD program funding. In the event of funding reduction, the City may reduce the budget of this Agreement, as a whole or as to cost category, may limit the rate of the Contractor's authority to commit and spend funds, or may restrict the Contractor's use of its uncommitted and its unspent funds. Where HUD has directed or requested the City to implement a reduction in funding, in whole or as to a cost category, with respect to funding for this Agreement, the General Manager may act for the City in implementing and effecting such a reduction and in revising the Agreement for such purpose. Where the General Manager has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Agreement by the Contractor, the General Manager may act for the City in suspending the operation of this Agreement for up to sixty (60) days, upon three (3) working days notice to Contractor of his/her intention to so act, pending an audit or other resolution of such questions. In no event, however, shall any revisions made by the City affect expenditures and legally binding commitments made by the Contractor before it received written notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, and that such commitments are consistent with HUD cash withdrawal guidelines.

26. USE OF FUNDS FOR ENTERTAINMENT, MEALS OR GIFTS.

Contractor certifies and agrees that it shall not use funds provided through this Agreement for entertainment, meals or gifts.

27. INDEMNIFICATION.

Each of the parties to this Agreement is a public entity. In contemplation of the provision of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely be reason such entities being parties to an agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it, or any of its officers, agents or employees by law for injury caused by negligent or wrongful act or omission occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each party indemnifies and holds harmless the other party solely by virtue of said Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein. Contractor certifies that it has adequate policies of insurance to meet any obligation arising from this Agreement.

28. CONFLICT OF INTEREST

- a. The Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:

- i. A member of such person's immediate family, or partner or organization has a financial interest in the subcontract;
- ii. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
- iii. The participation of such person would be prohibited by the California Political Reform Act, California Government Code §87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

b. Definitions:

- i. The term "immediate family" includes but is not limited to those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law.
- ii. The term "financial or other interest" includes but is not limited to:
 1. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 2. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- iii. The Contractor further covenants that no officer, director, employee or agent shall solicit or accept gratuities, favors, or anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- iv. The Contractor shall not subcontract with a former director, officer, or employee within a one (1) year period following the termination of the relationship between said person and the Contractor.
- v. Prior to obtaining the City's approval of any subcontract, the Contractor shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

- vi. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
 - vii. The Contractor warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
 - viii. The Contractor covenants that no member, officer or employee of Contractor shall have an interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee member or officer or for one year thereafter.
 - ix. The Contractor shall incorporate the foregoing subsections of this Section into every agreement that it enters into a connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".
29. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES.
Contractor agrees that in the event the project established hereunder is subjected to audit exceptions by appropriate State and Federal audit agencies due to factors within the control of the Contractor, it shall be responsible for complying with such exceptions and paying the City the full amount of the City's liability to the funding agency resulting from such audit exceptions.
30. INDEPENDENT CONTRACTOR.
Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employee or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability.
31. AMENDMENTS: VARIATIONS.
This writing, with attachments, embodies the whole of the Agreement of the parties hereto. There are no oral agreements not contained herein. Except as herein provided, addition to or variation of the terms of this Agreement shall not be valid unless made in the form of a written amendment to this Agreement and formally approved and executed by both parties.
32. MONITORING AND EVALUATION.
The City shall monitor, evaluate and provide guidance to the Contractor in the performance of this Agreement. Authorized representatives of the Grantee and HUD shall have the right of access at reasonable times to all activities and facilities operated by the Contractor under this Agreement. Facilities include all files, records, and other documents related to the performance of this Agreement. Activities include attendance at staff, board of directors, advisory committee and advisory board meetings, and

observation of ongoing Project functions. The Contractor shall insure the cooperation of its staff and board members in such efforts. The General Manager or his/her designee shall conduct periodic Project progress reviews. These reviews may focus on but not be limited to, the extent to which the planned Project has been implemented and measurable goals achieved, effectiveness of Project management, and the impact of the Project.

33. AUDITS.

The Contractor's Project shall be audited in accordance with the City's policies and HUD guidelines, in accordance with the Single Audit Act of 1984, as described in 24 CFR 44. Audits may also be conducted by Federal, State or local funding source agencies. The City or its authorized representatives shall, at all reasonable times, have access for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Contractor related to this Agreement. The Contractor's staff shall cooperate fully with authorized auditors when the City conducts audits and examinations of the Contractor's Project. If indications of misappropriation or misapplication of the fund of this Agreement cause the City to require a special audit, the cost of the audit shall be encumbered and deducted from this Agreement's budget. Should the City subsequently reasonably determine that the special audit was not warranted, the amount encumbered shall be restored to the budget.

34. PROJECT INCOME.

The City reserves the right to determine the disposition of any Project income, as described in 24 CFR Part 85.25 accumulated under the Project set forth in Paragraph 2, Scope of Services, Project Summary. Said disposition may include the City taking possession of said City income.

35. FINANCIAL CLOSE-OUT PERIOD.

The Contractor agrees to complete all necessary financial close-out procedures required by the General Manager or his/her designee, within a period of not more than forty-five (45) calendar days from the expiration date of this Agreement. This time period shall be referred to as the Financial Close-Out Period. The City is not liable to provide reimbursement for any expenses or costs associated with this Agreement after the expiration of the Financial Phase-Out Period. After the expiration of the Financial Phase-Out Period, those funds not paid to the Contractor under this Agreement, if any, shall revert immediately to the City. The General Manager, or his/her designee, shall request a final financial audit for activities performed under this Agreement at the expiration of the Financial Phase-Out Period.

36. USE OF FUNDS.

All funds allocated under this Agreement shall be used solely for the purposes approved in Paragraph 2, Scope of Services, Subparagraph C, Contractor Responsibilities and Paragraph 5, Project Funds and Administrative Fees, of this Agreement. Funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any non-Project obligations, or as loans from non-Project activities. Separate financial records shall be kept for each funding source.

37. MONTHLY REPORTS.

- a. The Contractor is required to submit to the City the Fiscal Report and Client Demographic Report by the twentieth (20th) calendar day of each month (excluding weekends and holidays) in accordance with §601 of Attachment I.
- b. The Contractor shall provide monthly reports to the City including but not limited to the following; the number of participants receiving assistance, appropriate demographic information, original contract lease date, the Housing Assistance Payment per month, the number of members in their household, length of time on the Project, and the total amount of Agreement funds drawn down since the date of the previous report, remaining balance of such drawn down funds, and any projected over or under expenditures as of the expiration date of the Agreement.
- c. The Contractor's fiscal staff shall notify in writing the Contractor's executive management, Program participant intake staff, and the City regarding any possible funding shortfalls within five (5) days of the finding.

38. SEVERABILITY.

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement, and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

39. LOBBYING.

Contractor and each lobbyist (legislative advocate) or lobbyist firm, as defined in Los Angeles City Charter, Chapter IV, Article 8 (City Ordinances 134,571, 150,429, 153,221), retained by the Contractor, shall fully comply with the requirements as set forth in said City Charter. The Contractor must also certify in writing that they are familiar with the Los Angeles City Charter, Chapter IV, Article 8, and that all persons acting on behalf of the Contractor shall comply with the City Charter in accordance with the Certification attached hereto as Attachment V.

Failure on the part of the Contractor and or lobbyist to fully comply with City lobbying requirements shall constitute a material breach of this Agreement upon which the City may immediately terminate this Agreement and the Contractor shall be liable for civil action.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements, pursuant to 24 CFR Section 574.615, shall be subject to civil penalties.

40. NUMBER OF PAGES AND ATTACHMENTS.

This Agreement is executed in five (5) duplicate originals, each of which is deemed to be an original. This Agreement includes twenty-two (22) pages and eight (8) Attachments, which constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Los Angeles Housing Department and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM:
CARMEN A. TRUTANICH, City Attorney

Executed this _____ day of _____, 2012

By _____
Deputy/Assistant City Attorney

For: The City of Los Angeles Housing Department

Date _____

By: _____
Rushmore Cervantes
Interim General Manager
Los Angeles Housing Department

APPROVED AS TO FORM:
HACLA, General Counsel

By _____
Deputy/Assistant City Attorney

Date _____

ATTEST:
June Lagmay, City Clerk

By _____
Deputy City Clerk

Executed this _____ day of _____, 2012

Date _____

For: Housing Authority of the City of Los Angeles

(Contractor's Corporate Seal or Notary)

By _____
Douglas Guthrie,
Chief Executive Officer

ATTEST:

By: _____

Title: _____

Federal Grant Number: CA-H120002
Internal Revenue Service ID Number:
Council File/CAO File Number: 08-2912
Date of Approval: _____, 2012
Said Agreement is Number C- _____ of City Contracts