



SAN DIEGO  
HOUSING  
COMMISSION

## HOUSING AUTHORITY REPORT

**DATE ISSUED:** May 9, 2011

**REPORT NO:** HAR 11-026

**ATTENTION:** Members of the San Diego Housing Authority  
For the Agenda of June 7, 2011

**SUBJECT:** Sponsor Based Voucher Program Contracting

**COUNCIL DISTRICT:** Citywide

**REQUESTED ACTION:**

Authorize the CEO or designee to enter into contracts for the Sponsor Based Voucher Program (SBV).

**STAFF RECOMMENDATION:**

That the Housing Authority

- 1) Authorize the Chief Executive Officer or designee to enter into contracts for the Sponsor Based Voucher Program with St. Vincent de Paul, (SVDP) for Project 25 (25 vouchers), Community Research Foundation, Inc. (CRF) (25 vouchers) and Mental Health Systems, Inc. (MHS) (25 vouchers) for the purpose of administering the SBV program.
- 2) Authorize the CEO or designee to enter into future contracts for the SBV program.

**SUMMARY:**

On October 28, 2008 the Housing Authority authorized the Housing Commission to reactivate its status as a Move to Work (MTW) agency. As a MTW agency, the Housing Commission is allowed greater flexibility in the administration of its housing programs to meet the increasingly diverse needs of San Diego's residents.

On March 10, 2010, the Housing Commission approved the FY2011 MTW Plan. This plan contained an initiative to design the Sponsor Based Voucher Program, (SBV) which is intended to reduce the instances of homelessness in the City of San Diego. The SBV program allows sponsors to design a housing assistance program that will be integrated into their existing supportive service goals. The sponsors will tailor and administer the SBV program according to administrative procedures that will be submitted and approved by the Housing Commission staff. In addition, the Housing Commission will provide training, inspections and monitoring of each sponsor's SBV program.

On October 22, 2010 a Request for Proposals (RFP) was issued to invite sponsors to participate in the pilot SBV program; 50 SBVs were allocated to this RFP. Two sponsors were selected: CRF and MHS and each will receive a minimum of 25 vouchers.

- *CRF, Inc.* was founded in 1977 on the beliefs that persons affected by serious mental illness can recover and can live a full and rewarding life in the community. They view stable housing as a critically important component of each client's recovery. CRF has extensive experience helping

clients obtain stable housing and providing the skills training and support necessary for them to retain their homes.

- *MHS, Inc.* was founded 32 years ago with a single day treatment center in Escondido and from this one program, they have grown to over 80 programs spanning across 11 California counties. In 2006 MHS began operating two Assertive Community Treatment (ACT) programs, each with a sizable housing component. MHS's program will provide access to housing by adhering to the "housing first" philosophy that safe, affordable housing is a basic human right and a prerequisite for effective psychiatric and substance abuse treatment.

The Housing Commission allocated 25 SBV to the United Way of San Diego for use with the Project 25 and on October 4, 2010 United Way issued a RFP for sponsors to administer the Project 25 program and SVDP was awarded the contract.

- *SVDP* has been empowering people to achieve self-sufficiency for over 60 years. Established in 1950, SVDP has evolved from a small program handing out sandwiches to an internationally recognized, cutting edge provider of innovative housing programs and services in San Diego. SVDP approach of providing comprehensive, integrated, and collaborative services in one location has been commended by the U.S. Department of Housing and Urban Development (HUD) as a model for homeless service agencies. St Vincent de Paul Village was awarded the lead role in the United Way's recent Project 25 Frequent User Initiative.

The contracts authorized in this action (Attachment 2) clearly define the roles and responsibilities of the Housing Commission and the three sponsors selected to date for the implementation of the SBV program. Staff is also seeking authorization for the President and Chief Executive Officer of the Housing Commission to execute similar future contracts with providers for future SBV projects.

The maximum value for each voucher is based on the payment standard for a zero bedroom voucher, currently this amount is \$942 (or \$11,304 for one year) and subject to change annually. The value of the contracts will be based on the amount of approved rent after the participant portion of the rent has been deducted.

#### **FISCAL CONSIDERATIONS:**

The funds for these contracts are included in the FY11 Housing Commission Rental Assistance budget that was approved by the Housing Commission on March 19, 2010 and by the Housing Authority on May 11, 2010. The approximate value is \$10,000 per voucher or \$750,000 per year if 75 vouchers were in use.

#### **EQUAL OPPORTUNITY/CONTRACTING:**

Mental Health Systems, Inc., Community Research Foundation, Inc. and St. Vincent de Paul are not certified as Disadvantaged, Woman Owned or Disabled Veteran Business Enterprises. Certificates of Compliance and Workforce Analysis have been provided and show these vendors are in compliance with the Housing Commission Equal Opportunity Program, Federal, State and local laws. Information on the Workforce Analysis indicates that 84 percent of the vendors' workforce is disadvantaged.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

On October 28, 2008 the Housing Authority authorized the Housing Commission to apply for reinstatement of its status as a MTW agency.

On March 10, 2010 the Housing Commission Board approved the FY2011 MTW plan which contained an initiative to design the sponsor-based voucher program.

This item was heard at the May 13, 2011 Housing Commission Board Meeting. Staff will be available to report on the outcomes of that meeting.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

On February 17, 2010 a public hearing was held on the FY2011 MTW plan. All comments from the public relating to the plan initiatives were positive and included in the plan (Attachment 1).

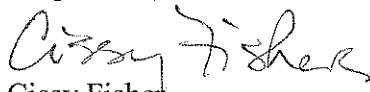
**KEY STAKEHOLDERS AND PROJECTED IMPACTS:**

If approved, these contracts will help the hardest to house homeless persons with mental illness and/or chronic substance abuse to receive supportive services and housing.

**ENVIRONMENTAL REVIEW:**

This activity is not a project as defined in California Environmental Quality Act (CEQA) Guidelines Section 15378 and, therefore, is not subject to CEQA pursuant to Section 15060 (c). In addition, this activity is exempt under the National Environmental Policy Act pursuant to 24 CFR Part 58.34 (a)(3).

Respectfully submitted,



Cissy Fisher,  
Vice President  
Special Housing Initiatives

Approved by,



Carol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachments: 1. March 10, 2010 Board Report and FY2011 MTW Plan  
2. Draft SBV Contracts for SVDP, CRF and MHS

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



ITEM 107

## REPORT

**DATE ISSUED:** March 10, 2010

**REPORT NO:** HCR10-007

**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of March 19, 2010

**SUBJECT:** FY2011 Moving to Work Annual Plan

**REQUESTED ACTION:**

Approval of the Housing Commission's FY2011 Moving to Work (MTW) Annual Plan and approval of an amendment to the Agency's MTW Agreement to include broader uses of funds authority.

**STAFF RECOMMENDATION:**

- 1) Approve the FY2011 MTW Annual Plan (Attachment 1) and the implementation of the initiatives therein.
- 2) Approve the amendment to the MTW Agreement (Attachment 2) that provides for broader uses of restricted federal funds.

**BACKGROUND:**

The Department of Housing and Urban Development (HUD) requires Moving to Work (MTW) agencies to submit an annual plan that includes all proposed activities. The Plan must describe precisely what the activity will be and how performance will be measured. The attached plan includes the eleven initiatives the Housing Commission is requesting authority to implement in FY2011.

**DISCUSSION**

The purpose of the MTW program is to give housing agencies the flexibility to locally design and test various approaches for providing and administering housing assistance that achieves at least one of the following objectives:

- 1) Reduces cost and achieves greater cost effectiveness in federal expenditures;
- 2) Gives incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- 3) Increase housing choices for low-income families.

**FY2011 ANNUAL MTW PLAN**

The initiatives in Housing Commission's Annual MTW plan are designed to streamline administrative processes, enhance existing programs and increase affordable housing opportunities through the implementation of new programs and the acquisition of new affordable housing units.

The FY2011 MTW initiatives included in the plan are summarized as follows:

1. *Allow lower rents for non-assisted units in SDHC-owned developments.* To increase the inventory of affordable units, SDHC requests authorization to charge reduced rents for SDHC-owned units not occupied by Housing Choice Voucher participants. The initiative will increase the number of unassisted affordable units in San Diego for low income families who cannot

afford higher rents and who do not have a Housing Choice Voucher. SDHC will continue to charge market rents for assisted units within the constraints of rent reasonableness.

2. *Allow lower rents for non-assisted units in selected developments.* The proposed initiative expands the preceding initiative to include project-based voucher (PBV) units in addition to SDHC-owned units. Selected developments receiving PBV funds will have the ability to charge higher rents for assisted units, within the constraints of rent reasonableness, if the owner agrees to offer unassisted units below market rates. The initiative will further promote affordability in the city of San Diego.
3. *Authorize commitment of PBV to SDHC-owned units without a competitive process and approval process by HUD.* The acquisition and improvement of some of SDHC-owned units could be augmented by the commitment of project-based vouchers. SDHC is requesting that the process of committing PBV to agency-owned units be streamlined.
4. *Two year occupancy term for PBV tenants before eligible for a tenant-based voucher.* The proposed initiative will require PBV holders to complete two years of occupancy before becoming eligible to receive a tenant-based voucher. Current regulations require only a one year waiting period. The proposed initiative increases the mandatory waiting period to two years in order to reduce costs, promote self-sufficiency, and increase housing choices for those families on the HCV waiting list.
5. *Acquisition of additional affordable units.* SDHC proposes to use broader uses of funds authority under the MTW program to acquire affordable housing units in San Diego using MTW funds. The initiative will offer enhanced housing choices for low-income residents of San Diego and will not be limited to Housing Choice Voucher program participants thereby increasing the number of housing choices available to low income families.
6. *Disregard retirement accounts.* The Fiscal Year 2010 MTW annual plan outlined efforts designed to streamline the methods required to verify program participant's income and assets with the goal of achieving greater cost effectiveness of Federal expenditures. This proposed initiative will further streamline internal processes by authorizing SDHC to disregard retirement accounts when verifying an applicant or participant's assets.
7. *Revise Earned Income Verification (EIV) utilization.* Effective January 31, 2010 HUD began requiring the use of the EIV Income Information Report with all mandatory certifications. SDHC requests permission to utilize the EIV report once per year during the annual certification cycle. The EIV used for the purposes of the annual certification will be used during any subsequent certifications occurring prior to the next scheduled annual certification.
8. *Development of Public Housing units using a combination of funds.* SDHC requests HUD approval to use MTW funds in conjunction with Replacement Housing Factor Funds (RHF) to develop public housing units during Fiscal Year 2011. SDHC anticipates acquiring and rehabilitating at least 30 additional public housing units by June 30, 2011. The initiative will increase housing choices for low-income families.

9. *Sponsor-based vouchers for the homeless.* In an effort to address the problem of homelessness within the city of San Diego, SDHC requests permission to design and implement a sponsor-based voucher program geared toward reducing instances of homelessness. Approximately 100 vouchers will be used to provide sponsor-based housing to individuals identified as homeless. Program participants would receive housing and supportive services from a designated service provider.
10. *Enhance Family Self-Sufficiency Program.* Family Self Sufficiency (FSS) services are offered to Housing Choice Voucher participants as a means for achieving economic self-sufficiency during the course of program participation. Current regulations require the family's head of household to participate in the FSS program in order for other adult household members to be eligible to participate in FSS activities. SDHC is requesting the authority to permit all adult household members to enroll in the FSS program regardless of familial status. The initiative will promote self-sufficiency by extending program benefits and opportunities to a broader population of household members.
11. *Broader uses of funds for Individual Development Accounts (IDAs).* Asset building programs are offered to rental assistance participants seeking to save money and build capital. IDAs are a component of the asset building programs offered by SDHC. IDAs are funded through federal funds which restrict fund usage to prescribed eligibility guidelines. Local funds are also utilized to fund IDAs for program participants determined ineligible for IDAs per federal regulations. SDHC is requesting authorization to utilize MTW broader use of funds authority to subsidize IDAs not authorized by federal regulations such as for those low income clients earning twice the Federal poverty level, those under eighteen years of age and for transportation costs.

#### **MTW AGREEMENT PROPOSED AMENDMENT**

On October 1, 2010, HUD notified all MTW agencies of a change in position regarding the eligible uses of HCV and Public Housing funds. Previously only rent payments on behalf of families were considered an eligible use of these funds. In the notice, HUD described the new position stating that MTW agencies could request authority to use their MTW funds to implement activities that fall outside of previous restrictions providing those activities continue to serve families at or below 80% AMI and meet one of the three MTW statutory purposes.

On December 23, 2010, SDHC sent to HUD a proposal to amend the San Diego Housing Commission's Restated MTW Agreement to include the broader uses of funds authority. On December 30, 2010 HUD provided the amended language. With Board approval the amended language will be accepted by SDHC and returned with proof of the required public hearing and Board approval process.

#### **PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

On November 21, 2008 and December 2, 2008 the Housing Commission and Housing Authority, respectively, authorized the Housing Commission to submit an application for reactivation of the Agency's status as a MTW site and to submit the SDHC 2010 MTW annual plan to HUD.

#### **FISCAL CONSIDERATIONS**

MTW is not a funding program, however it does allow participating agencies to use existing revenues with significantly more discretion than current Housing Choice Voucher and Public Housing regulations. The amount of assistance the Housing Commission receives to fund the Section 8 and

Public Housing programs from HUD is not to be affected by participation in the MTW Program or by the initiatives contained in the Plan.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

The Housing Commission's MTW Annual Plan, MTW Agreement Attachment D, and a notice of public hearing were posted for a public comment period of 30 days on February 10, 2010. To promote community and participant involvement, the Housing Commission placed notices in four local newspapers, including San Diego's largest circulation newspaper. Additionally, letters were sent to former Resident Advisory Board members, other rental assistance participants and agency partners requesting their participation. The public hearing was held on February 17, 2010 and all comments from the public relating to the plan initiatives were positive and are included in the plan.

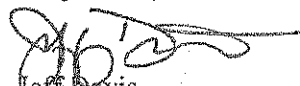
**KEY STAKEHOLDERS & PROJECTED IMPACTS:**

If approved, the MTW program will affect current and future Section 8 and Public Housing participants and owners. The intended impact of this program is to streamline family and agency administrative obligations and help families gain education, training, skills and to assist with upward mobility. Additionally, by utilizing MTW authority under "broader uses of funds", the Housing Commission intends to seek opportunities to create more affordable housing units in San Diego.

**ENVIRONMENTAL REVIEW:**

This activity does not fall within the definition of "project" under the California Environmental Qualities Act (CEQA) Guidelines Sections 15060(c)(3) and 15378. This activity is exempt from National Environmental Policy Act (NEPA) under §58.34(a)(2) information and financial services and §58.34(a)(3) administrative and management activities.

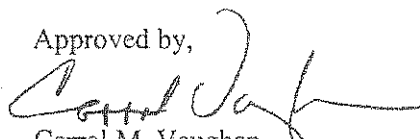
Respectfully submitted,



Jeff Davis,

Vice President  
Rental Assistance Programs

Approved by,



Carol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachment 1: 2011 MTW Plan

Attachment 2: MTW Agreement Amendment 1 – Broader Uses of Funds

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).





SAN DIEGO  
HOUSING  
COMMISSION

# Moving to Work

## Annual Plan for Fiscal Year 2011

APPROVED BY THE BOARD OF HOUSING COMMISSIONERS

San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101  
[www.sdhc.org](http://www.sdhc.org)

ATTACHMENT 1



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## SECTION I: INTRODUCTION AND OVERVIEW

### A. INTRODUCTION

The San Diego Housing Commission (SDHC) is pleased to submit the annual Moving to Work plan for Fiscal Year 2011. The document represents our second full year since reinstatement as a Moving to Work (MTW) demonstration agency. On December 30, 2009 SDHC received written approval from the Department of Housing and Urban Development (HUD) to move forward with amending the MTW agreement for the broader uses of funds authority. The amendment to the standard agreement contained in Attachment D allows SDHC the authority to use MTW funds to provide housing assistance for low-income families without the restrictions of Section 8 or Section 9 regulatory funding requirements.

The MTW demonstration program allows Public Housing Authorities (PHAs) to design and test various approaches for providing and administering housing assistance. Locally, the program is known as Moving Forward. HUD's three main objectives of the program are the following:

- ✓ Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- ✓ Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people in obtaining employment and becoming economically self sufficient; and
- ✓ Increase housing choices for low-income families.

Thus far, the initiatives implemented by SDHC in the Fiscal Year 2010 MTW Annual Plan have met with success and have been well received by the community at large. An update on the success of the individual initiatives will be discussed further in this plan with a full analysis to be presented in the Fiscal Year 2010 Annual Report.

For the agency's second MTW plan, an agency-wide Moving to Work Committee was formed for the purpose of fostering innovation, creating viable strategies to further the agency's objectives, and constructing cutting edge MTW initiatives that go beyond reforming the Section 8 program.

The Fiscal Year 2011 MTW Annual Plan embodies the collaboration of multiple departments within the agency and includes initiatives that will dramatically increase the ability of SDHC to provide affordable housing solutions to the community.

### B. GOALS AND OBJECTIVES

SDHC seeks to fulfill the three statutory objectives of the MTW demonstration program by meeting the following goals:

- ✓ Address the issue of homelessness in San Diego by creating solutions that recognize the unique conditions of being homeless in the City of San Diego
- ✓ Further streamline processes in the Rental Assistance Department to increase cost effectiveness
- ✓ Increase affordable housing options in the City of San Diego
- ✓ Maintain affordable rent levels in both assisted and non-assisted units
- ✓ Integrate VASH voucher holders into the MTW program



- ✓ Offer solutions to families seeking to move toward self-sufficiency

Our agency expects to achieve each goal in part through the initiatives presented in the Fiscal Year 2011 MTW Annual Plan. Realizing these goals will further advance SDHC towards achieving our overall long term objectives of:

- (1) Expanding the number of affordable housing units within the city,
- (2) Enhancing and further streamlining the HCV and public housing programs, and
- (3) Providing new housing solutions for San Diego's homeless population.

Future MTW Annual Plans will contain initiatives created with the intent of reaching our goals and objectives, thus reflecting our commitment to the community and the housing needs of San Diego families.

Following is a brief summarization of each proposed initiative as a quick point of reference.

1. *Allow lower rents for non-assisted units at SDHC-owned developments.* SDHC requests authorization to charge reduced rents for SDHC-owned units not occupied by Housing Choice Voucher participants. The initiative will increase the number of unassisted affordable units in San Diego for low-income families who cannot afford higher rents. SDHC will continue to charge rents for assisted units within the constraints of rent reasonableness.
2. *Allow lower rents for non-assisted units at selected developments.* The proposed initiative expands the preceding initiative to include other Project Based Voucher (PBV) units in addition to SDHC-owned units. Selected developments receiving PBV funds will have the ability to charge higher rents for assisted units, within the constraints of rent reasonableness, if the owner agrees to offer unassisted units below market rates. The initiative will further promote affordability in the City of San Diego.
3. *Authorize commitment of PBV to SDHC-owned units.* The acquisition and improvement of some of SDHC-owned units could be augmented by the commitment of PBV. SDHC is requesting that the process of committing PBV to agency-owned units be streamlined.
4. *Two year occupancy term for PBV tenants before eligible for a voucher.* The proposed initiative will require Project Based Voucher holders to complete two years of occupancy before becoming eligible to receive a tenant-based voucher. Current regulations require a one-year waiting period. The proposed initiative increases the mandatory waiting period to two years in order to reduce costs, promote self-sufficiency, and increase housing choices for those families on the HCV waiting list.
5. *Acquisition of additional affordable units.* SDHC proposes to use broader uses of funds authority under the MTW program to acquire affordable housing units in San Diego using MTW funds. The initiative will offer enhanced housing choices for low-income residents of San Diego and will not be limited to Housing Choice Voucher program participants.
6. *Disregard Retirement Accounts.* The Fiscal Year 2010 MTW annual plan outlined efforts designed to streamline the methods required to verify program participant's income and assets with the goal of achieving greater cost effectiveness of Federal expenditures. This



proposed initiative will further streamline internal processes as well as encourage self-sufficiency by authorizing SDHC to disregard retirement accounts when verifying an applicant or participant's assets.

7. *Revise Earned Income Verification (EIV) Utilization.* Effective January 31, 2010 HUD is requiring the use of the EIV Income Information Report with all mandatory certifications. SDHC requests permission to utilize the EIV report once per year during the annual certification cycle. The EIV used for the purposes of the annual certification will be used during any subsequent certifications occurring prior to the next scheduled annual certification.
8. *Development of Public Housing Units Using a Combination of Funds.* SDHC requests HUD approval to use MTW funds in conjunction with Replacement Housing Factor Funds (RHF) to develop public housing units during Fiscal Year 2011. SDHC anticipates acquiring and rehabilitating an additional 30 public housing units by June 30, 2011. The initiative will increase housing choices for low-income families.
9. *Sponsor-Based Vouchers for the Homeless.* In an effort to help address the problem of homelessness within the City of San Diego, SDHC requests permission to implement a sponsor-based voucher program geared toward reducing instances of homelessness. Approximately 100 vouchers will be used to provide sponsor-based housing to individuals identified as chronically homeless. Program participants would receive housing and supportive services from a designated service provider.
10. *Enhance Family Self-Sufficiency Program.* Family Self Sufficiency (FSS) services are offered to Housing Choice Voucher participants as a means for achieving economic self-sufficiency during the course of program participation. Current regulations require the family's head of household to participate in the FSS program in order for other adult household members to be eligible to participate in FSS activities. SDHC is requesting the authority to permit all adult household members to enroll in the FSS program regardless of familial status. The initiative will promote self-sufficiency by extending program benefits and opportunities to a broader population of households.
11. *Broader Uses of Funds for Individual Development Accounts (IDAs).* Asset building programs are offered to rental assistance participants seeking to save money and build capital. IDAs are a component of the asset building programs offered by SDHC. IDAs are funded through federal funds which restrict fund usage to prescribed eligibility guidelines. Local funds are also utilized to fund IDAs for program participants determined ineligible for IDAs per federal regulations. SDHC is requesting authorization to utilize MTW broader use of funds authority to subsidize IDAs not authorized by federal regulations.

#### MTW INITIATIVE UPDATE

In the Fiscal Year 2010 MTW Annual Plan, SDHC proposed ten initiatives for implementation beginning July 1, 2009. Additionally, HUD provided authorization for the creation of an Economic Development Academy (EDA) in Fiscal Year 2009. SDHC has not yet completed a full analysis of the metrics associated with each initiative, however, SDHC would like to take the opportunity to highlight the progress of selected Fiscal Year 2010 initiatives.



- ✓ The Triennial Recertification Cycle initiative designed for households on fixed incomes was implemented effective October 1, 2009 and applied to the February 2010 annual certification cycle. There are approximately 4,179 elderly and/or disabled participants currently assigned to the triennial recertification cycle.
- ✓ The Choice Communities initiative, a four-pronged approach to encourage MTW families to move to low-poverty areas, commenced on January 1, 2010 with the implementation of the Moving for Opportunity, Security Deposit, and 40% Affordability Cap Elimination programs components of the initiative. For families choosing to move into one of nine low poverty areas in San Diego, packets containing information about the Choice Communities are available, along with a Security Deposit Assistance program and a waiver of the 40% Affordability Cap. The last and most significant element to the approach, increased payment standards for MTW participants moving to low-poverty areas, is expected to begin June 1, 2010.
- ✓ Simplification of the income and asset verification systems was effectively implemented October 1, 2009 and applied to the February 2010 annual certification cycle. All interim, move, and intake certification received or seen on October 1, 2009 and thereafter were processed utilizing the new approach to the verification hierarchy. Annual certification forms were revised to reflect the changes. Both staff and participant families have reported on the benefits of this simplification initiative.
- ✓ A Housing Choice Voucher Homeownership Program, "Home of Your Own", was implemented effective October 1, 2009. During implementation, families with an income level conducive to successful homeownership were identified and sent informational flyers outlining the program. SDHC's website also has information, a pre-qualification checklist, and application for the program. To date, one family is proceeding through the eligibility process of the program while there are eight applications in the initial review process. Applications continue to be received and processed.
- ✓ SDHC has finalized the design and pre-construction phase of the Economic Development Academy (EDA) and is awaiting the approval of the Housing Authority to move forward. As a means to provide services to participants while planning and construction take place, SDHC has been sponsoring limited EDA activities in its central office as well as utilizing two off-site facilities for workshops on workforce preparation, computer skills, and financial skills education. The EDA is expected to open in the fall of 2010.



## SECTION II: GENERAL SDHC OPERATING INFORMATION

### A. HOUSING STOCK INFORMATION

1. Number of public housing units – 75
2. SDHC does not have any planned significant expenditures for a development exceeding 30% of the Agency's total budgeted capital expenditures for Fiscal Year 2011.
3. New public housing units – 30
4. Number of public housing units to be removed – 0
5. Number of MTW HCV units authorized – 13,340
6. Number of non MTW units authorized – 510
7. Number of HCV units to be project-based – SDHC plans to project-base a combination of SDHC-owned units and non-SDHC-owned units for a total of 250 units in FY 2011. All non-SDHC-owned projects will be identified through a competitive process that is expected to begin in the fall of 2010.

### B. LEASING INFORMATION PLANNED

1. Anticipated total number of MTW public housing units leased in Plan year – 105
2. Anticipated total number of non-MTW public housing units leased in Plan year – 0
3. Anticipated total number of MTW HCV units leased in Plan year – 13,340
4. Anticipated total number of non-MTW units leased in Plan year – 510
5. SDHC historically has maintained a near 100% lease-up rate in its programs. Due to the housing crisis in San Diego, it is not expected that there will be any potential difficulties in leasing public housing or HVC units.
6. *Optional:* Number of project-based vouchers at start of plan year - 106

### C. WAITING LIST INFORMATION

SDHC will continue to have community-wide wait lists for the HCV and public housing programs. Project based developments designated as supportive service providers will maintain their own individual wait lists to match their target population.

As anticipated, the Section 8 waiting list significantly grew this year from 39,795 in 2009 to a current total of 45,231. The public housing waiting list was 16,200 last year and has not significantly changed in the past 12 months.

SDHC will conduct an analysis in Fiscal Year 2011 to determine the practicability of purging and closing the list and then reopening it at a future date.



### SECTION III — NON-MTW RELATED HOUSING AUTHORITY INFORMATION (OPTIONAL)

- A. List planned sources and uses of other HUD or of Federal Funds-exclude HOPE VI – N/A
- B. SDHC is currently in the process of requesting regulatory and statutory waivers from the Housing Voucher Management and Operations Division of HUD for administration of the HUD-VASH Voucher Program. This will allow the VASH voucher participants the flexibilities and opportunities afforded by the MTW program and allow SDHC to administer its HUD-VASH vouchers in a more streamlined and effective manner by mirroring the administration of its MTW vouchers. VASH funding will not be combined with MTW block grant funding.

### Section IV — Long-Term MTW Plan (Optional)

As we mark the beginning of our second year as a reinstated MTW agency, SDHC is energized and ready to continue to utilize the flexibility this progressive program provides. MTW allows SDHC to continue to bring innovative solutions to the significant housing-related issues facing our community while concurrently streamlining organizational processes.

SDHC is proud of what we will have accomplished in our first year as MTW. Our initial annual plan was unquestionably ambitious, yet by the end of our first year, we will have been successful in implementing nearly all of the initiatives in our first plan, building enhanced programs for our clients as well as creating brand new programs designed to provide these families with more choices in affordable housing and new opportunities to move towards self-sufficiency.

As we look forward to the next eight years of our MTW contract, we intend to use the power of the program to focus on three goals:

- Attain new affordable units within the city;
- Enhance and further streamline the HCV and Public Housing programs; and
- Provide new housing solutions for the city's homeless population.

#### *Attain New Affordable Units within the City*

In future years, as the agency receives additional replacement housing factor funds, the focus will be to leverage those funds with Section 8 funds to acquire additional family units for operation under the public housing program. Neither program alone would have sufficient funds to make an impact in this area.

The units acquired will serve very low-income families and help to provide decent, safe and sanitary housing options in a high housing cost area such as San Diego. In high cost areas, very low-income families often have no choice but to reside in overcrowded situations in order to be able to afford rent. Adding family units to SDHC's public housing inventory will provide additional housing choices for these families.



*Enhance and Further Streamline the HCV and Public Housing Programs*

SDHC has implemented numerous initiatives designed to streamline operations and improve these two rental assistance programs for the families that are served by them. These include initiating a triennial recertification cycle for elderly and disabled households on fixed income and the establishment of a more efficient verification process that allows clients to provide reliable verification that is more accessible and generally more dependable than previously required.

Further, SDHC has enhanced the HCV program by creating the "Home of Your Own" voucher-based homeownership program and the "Choice Communities" program designed to provide incentives to families that encourage moves from high-poverty areas to low-poverty areas.

Looking to the future, SDHC sees a great opportunity for further streamlining and enhancing these essential programs, including reform designed to encourage and reward families that make efforts toward become more economically self-sufficient.

*Provide New Housing Solutions for the City's Homeless Population*

Current estimates indicate there are approximately 4,300 residents of the City of San Diego are either unsheltered (42 percent), living in emergency shelters (16 percent), or living in transitional housing programs (42 percent). Of these, approximately 15 percent are chronically homeless persons who account for at least 50 percent of the cost of public services for homeless individuals and families. The single family shelter in the City is over-subscribed; there is no year-round program for single adults. In conjunction with the City of San Diego, the County of San Diego, and several regional service provider organizations, SDHC is working to reduce the number of homeless persons in our region and reduce the cost associated with unsheltered residents.

SDHC views project-based vouchers and sponsor-based vouchers as two key ingredients of successfully providing permanent supportive housing programs to the homeless. Permanent supportive housing is the key to reducing chronic homelessness. SDHC will devote funds and other resources to programs and sites that provide housing and appropriate services to support successful tenancy for those who are unable to achieve or maintain it themselves. These activities will assist related efforts to prevent homelessness in the City.

Program participants and community constituencies are vital to the success of SDHC's long term goals. SDHC will make a concentrated effort to reach out to our clientele and our local partners in order to gain their ongoing input and support for future MTW plans. With future plans, SDHC is determined to use the MTW authority given, which allows the agency to reform and design programs specifically targeted to our local community, to its fullest potential.



## SECTION V — PROPOSED MTW ACTIVITIES: HUD APPROVAL REQUESTED

Proposed MTW Activities			
Proposed MTW Activity	Reduce Cost and Achieve Greater Cost Effectiveness	Encourage Self Sufficiency	Increase Housing Choices
1. Allow SDHC to charge lower rents for non-assisted units in SDHC-owned developments			X
2. Allow lower rents for non-assisted units in selected developments			X
3. Authorize commitment of PBV to SDHC-owned units	X		X
4. Two year occupancy term for PBV tenants before eligible for a voucher	X		
5. Acquisition of additional affordable housing units in the City of San Diego			X
6. Disregard retirement accounts	X		
7. Revise EIV	X		
8. Development of public housing units using a combination of funds			X
9. Sponsor-Based Vouchers for the Homeless	X		X
10. Enhance FSS Program		X	X
11. Broader Uses of Funds for IDAs		X	X

### 1. ALLOW LOWER RENTS FOR NON-ASSISTED UNITS IN SDHC-OWNED DEVELOPMENTS

SDHC requests authority to charge higher rents, within rent reasonableness constraints, for voucher-assisted units in its developments than for other units. Rent reasonableness for such units would be determined by comparisons to similar units in the surrounding neighborhoods, rather than in SDHC-owned developments. This authorization will allow SDHC to charge lower rents for unassisted units in its developments, in appropriate circumstances, to provide additional affordability.

**Relation to Statutory Objectives:** Increase housing choices for low-income families.

**Anticipated Impact:** SDHC owns 1,366 former public housing units, which are restricted to households with incomes at initial occupancy that do not exceed 80 percent of area median



income (AMI). In some circumstances, to promote affordability, SDHC seeks authority to charge rents for unassisted units that are below the "reasonable rent" charged for voucher-assisted units. The proposed authorization would enable it to do so without compromising allowable voucher contract rents, thus increasing affordability of these unassisted units and housing choice for low-income families.

To the extent the SDHC lowers such rents, rent revenues to SDHC would decrease. SDHC is leveraging its former public housing properties to raise funds for the creation of additional affordable housing. Such leveraging will limit the extent to which SDHC could reduce rents in the unassisted units. An undesirable outcome may be that SDHC may receive decreased rent revenues.

#### Baselines, Benchmarks, and Metrics:

##### Baselines:

- Number of non-assisted units with reduced rents is 0.
- Total amount of rent reductions in non-assisted units is \$0.

##### Benchmarks:

- Annual number of non-assisted units with reduced rents will be 50 by June 30, 2011.

##### Metrics:

- Number of non-assisted units with reduced rents.
- Total amount of rent reductions in non-assisted units.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

PBV: Allow Higher Rents for Voucher Assisted Units								
Metric	Baseline 2010	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Number of non-units with reduced rents	0					50	6/30/2011	
Total amount rents reduced in non-assisted units	\$0					N/A		
Potential Undesirable Outcomes								
Metric	Baseline 2010	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Acceptable Level	Action Items
Decreased rent revenues	0							TBD

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section D(2)(a) containing waivers of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937



Act and 24 CFR 982.508, 982.503, and 982.518. MTW Agreement Attachment C, Section D(2)(c) containing waivers of Section 8(o)(10) of the 1937 Act and 24 CFR 982.507.

## **2. ALLOW LOWER RENTS FOR NON-ASSISTED UNITS IN SELECTED DEVELOPMENTS**

SDHC requests authorization to allow owners of selected developments that will receive PBV for some units, with rents constrained by PBV rules including rent reasonableness, to charge more for the PBV units than other units where the owner agrees to offer the other units at below low-market rentals to promote affordability. In these instances, SDHC would obtain agreements from the owners specifying the below-market rents and any restrictions on the occupancy of such units. Rent reasonableness for the PBV units at such developments would be set in reference to rents of comparable unassisted units in the neighborhoods, rather than in the developments.

**Relation to Statutory Objectives:** Increase housing choices for low-income families.

**Anticipated Impact:** The anticipated impact of this activity will be to increase housing choices for low income families by allowing SDHC to preserve existing housing with below-market rents, while keeping its commitment of project-based vouchers to such developments to the minimum number of units necessary. SDHC is in discussions with an owner now where use of the activity may be beneficial.

### **Baselines, Benchmarks, and Metrics:**

#### **Baselines:**

- Number of developments with PBV rents exceeding non-PBV rents is 0.

#### **Benchmarks:**

- This initiative will be used for at least two developments by June 30, 2011.

#### **Metrics:**

- Annual number of developments participating in the initiative.
- Annual number of non-PBV units receiving below-market rents.
- Annual number of PBV units in participating developments.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:



PBV: Allow Higher Rents for Project Based Units								
Metric	Baseline 2010	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Number of developments participating in the initiative	0					2	6/30/2011	
Annual number of non-PBV units receiving below-market rents	0					N/A		
Annual of PBV units in participating in developments	0					N/A		

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section D(2)(a) containing waivers of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8 (o)(13)(H)-(I) of the 1937 Act and 24 CFR 982.508, 982.503, and 982.518. MTW Agreement Attachment C, Section D(2)(c) containing waivers of Section 8(o)(10) of the 1937 Act and 24 CFR 982.507. MTW Agreement Attachment C, Section D(7)(b) containing waivers of 24 CFR 983.51.

### 3. AUTHORIZE COMMITMENT OF PBV TO SDHC-OWNED UNITS

SDHC owns 1,366 former public housing units. Occupancy of these units is restricted to households with incomes at initial occupancy that do not exceed 80 percent of AML. Where a unit is not occupied by a household with a tenant-based voucher, SDHC is able to serve only those able to afford full contract rent. These households' incomes are significantly over the average income of households that would be served through this initiative. The preservation and improvement of some of these units could be augmented by the commitment of PBV. SDHC requests the authority to commit PBV to SDHC-owned properties without the need to be competitively bid, as stated in Attachment C, and without going through an approval process with HUD. Where SDHC commits PBV, SDHC rather than an independent entity would perform rent reasonableness and inspection tasks, as SDHC has already been authorized to do for its own units subsidized by tenant-based vouchers.

**Anticipated Impact:** The commitment of PBV to some of these units will allow additional families with extremely low incomes to be served by SDHC-owned housing. The commitment of PBV to some of the units will also contribute to the preservation and improvement of those units as low-income housing. Use of SDHC staff rather than an independent entity for rent reasonableness and inspection functions will reduce costs.

**Relation to Statutory Objectives:** Increase housing choices for low-income families. Reduce cost and achieve greater cost effectiveness in Federal expenditures.

#### Baselines, Benchmarks, and Metrics:

##### Baselines:

- Number of PBV committed to SDHC-owned units is 0.



- Average income of households served by PBV in SDHC-owned units is \$0, as there are currently no PBV in SDHC-owned units.
- Average cost of inspection and rent reasonableness performed by a contractor is \$29.
- Average cost of inspection and rent reasonableness performed by SDHC is \$23.
- Number of inspections and rent reasonableness performed by SDHC for PBV in SDHC-owned units is 0.

**Benchmarks:**

- Number of PBV units committed to SDHC-owned units will be 50 by June 30, 2011.

**Metrics:**

- Number of PBV units committed to SDHC-owned units.
- Annual number of inspections and rent reasonableness performed by the SDHC for PBV in SDHC-owned units.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

PBV: Authorize Commitment of PBV to SDHC Owned Units								
Metric	Baseline 2010	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Number of PBV units committed to SDHC-owned units	0					50	6/30/2011	
Annual number of inspections and rent reasonableness performed by SDHC for PBV in SDHC-owned units.	0					N/A	6/30/2011	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section D(7)(a) containing waivers of Section 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102, and Part 983. MTW Agreement Attachment D, authorization to conduct inspections and rent reasonableness determinations for Agency-owned units directly, without engaging an independent third party.

**4. REQUIRE OCCUPANCY IN PBV DEVELOPMENTS FOR TWO YEARS BEFORE HOUSEHOLDS BECOME ELIGIBLE TO AVAILABLE TENANT-BASED VOUCHERS**

This proposal would retain households' mobility option if they are housed with PBV, but after a longer period than program rules otherwise require. SDHC requests the authority to undertake



this activity for all PBV developments, except those designated as transitional housing. The annual turnover rate for PBV families is 30 percent, averaged over the last four years.

**Anticipated Impact:** This MTW activity will help to stabilize occupancy at PBV developments that otherwise may be subjected to high turnover rates as households leave after one year of occupancy in order to obtain a tenant-based voucher. This will also reduce the administrative costs for SDHC in processing changes in PBV tenancy thus achieving greater cost effectiveness in Federal expenditures. For developments serving populations such as homeless individuals needing supportive services, this activity will increase the likelihood that the households will remain in place so that necessary services can be provided. Finally, to the degree the use of tenant-based vouchers by households leaving project-based voucher developments occurs at a slower pace, households on the waiting list for tenant-based vouchers could receive vouchers more promptly. An undesirable outcome may be that some PBV residents may have compelling reasons to move prior to two years of occupancy, but would no longer be eligible to an available voucher before that time.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Baselines, Benchmarks, and Metrics:**

The following baselines, benchmarks, and metrics are predicated upon an anticipated baseline of 250 PBV units under lease.

**Baselines:**

- Total percentage of families who are required to remain in PBV units more than 12 months before receiving tenant-based voucher is 0%.
- Annual percentage of PBV families who moved with a tenant-based voucher in calendar year 2009 is 17%.
- Annual percentage of families who vacate PBV units before eligible for a voucher in calendar year 2009 was 22%.
- Average annual turnover rate for PBV units is 30% (2006-2009).
- FTE required to handle turnover of PBV units is .4

**Benchmarks:**

- 100% of PBV developments with contracts beginning July 1, 2010 and after will include this requirement in the contracts.
- 50% reduction in annual turnover rate in PBV units by June 30, 2012.
- Staff time required to handle turnover of PBV units will be .2 FTE by June 30, 2012.

**Metrics:**

- Annual percentage of families who vacate PBV units before eligible for a voucher.
- Annual percentage of PBV families who move with a tenant-based voucher.
- Percentage of PBV developments with contracts beginning July 1, 2010 and after with this contractual requirement.
- Average annual turnover rate for PBV units.
- FTE required to handle turnover of PBV units.





**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Two Year Occupancy Term for PBV Tenants Before Eligible for a Tenant-Based Voucher								
Metric	Baseline 2010	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual percentage of families who vacate PBV units before eligible for a voucher	22%					N/A		
Annual percentage of PBV families who move with a tenant-based voucher	17%					N/A		
Percentage of PBV developments with contracts beginning 7/1/2010 and after with this contractual requirement	0%					100%	6/30/2012	
Average annual turnover rate for PBV units	30%					50% reduction	6/30/2012	
FTE required to handle turnover of PBV units	.4					.2	6/30/2012	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section D(4) containing waivers of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 CFR 982 Subpart E, 982.305, and 983 Subpart F. MTW Agreement Attachment C, Section D(7)(a) containing waivers of Section 8(o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102, and Part 983.

**Hardship Policy:** SDHC will include in its Administrative Plan this hardship policy for those families who present a compelling reason to move out of the PBV unit and receive a tenant-based voucher prior to fulfilling the two-year occupancy requirement. The case will go before the Vice President of Rental Assistance or designee. Approval to move with a tenant-based voucher may be granted. Circumstances surrounding the request to move, site-specific development policies, and availability of tenant-based vouchers will also be included as part of the determination.

## 5. ACQUISITION OF ADDITIONAL AFFORDABLE HOUSING UNITS IN THE CITY OF SAN DIEGO

SDHC proposes to acquire additional affordable housing units under MTW. These units will be acquired as affordable housing units, not Public Housing units and therefore will not require an operating subsidy. This initiative would allow SDHC to use its MTW funds to provide low-income families the opportunity to reside in safe, decent, and sanitary housing paying affordable rents. These affordable housing units will be located within the City of San Diego and may be acquired by SDHC to be rented to families at or below 80% AML. At this time, SDHC intends to allow



eligible low-income families to reside in these units, including those that may be receiving Section 8 rental assistance. Please note SDHC does not intend to reduce the number of vouchers it administers in order to fund this initiative; its desire is to increase housing choices for low-income families using as many avenues as possible.

The broader uses of funds authority under MTW makes this initiative possible as HCV funds can be used to serve a greater number of families residing within the City of San Diego. These units may house both families who are MTW Housing Choice Voucher participants and families who are not currently receiving other types of rental assistance.

SDHC has identified a downtown historic hotel it seeks to purchase using local resources and convert to affordable housing units. The hotel is in a prime downtown location, public transit-oriented, and is currently for sale by the owner. The owner is a non-profit organization that is going out of business and must sell; the complex is in danger of becoming market-rate if not acquired by SDHC. This property is comprised of 130 Single Room Occupancy (SRO) units and is a senior housing complex. The need is great for this type of affordable unit in the City of San Diego.

Using Broader Uses of Funds authority, SDHC will be able to acquire properties using MTW funds to preserve and increase the number of affordable housing units in the City of San Diego. This flexibility will allow scarce local resources to be used for other purposes.

**Anticipated Impact:** The anticipated impact of this initiative will be that additional affordable housing units will be created in the City of San Diego, thereby increasing housing choices for low-income families.

**Relation to Statutory Objectives:** Increase Housing Choices for low-income families.

**Baselines, Benchmarks and Metrics:** The success of this activity will be measured by how many additional affordable housing units are acquired. *Note:* This activity is largely influenced by HUD funding levels and market conditions.

**Baselines:**

- Current number of affordable housing units owned by SDHC is 1,778.

**Benchmarks:**

- Increase the number of affordable housing units owned by SDHC by 200 for a total of 1,978 by June 30, 2011.

**Metrics:**

- Number of affordable housing units owned by SDHC.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a monthly basis. The report will summarize the data on a month to date and year to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:



San Diego SDHC Additional Affordable Housing Units						
Metric	Baseline 2009	QTD (#)	YTD (#)	Benchmark	Anticipated Benchmark Completion Date	On Track to Reach Goal (Y or N)
Number of affordable housing units owned by SDHC	1,778			1,978	6/30/2011	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment D, Broader Uses of Funds.

#### 6. DISREGARD RETIREMENT ACCOUNTS IN ASSET CALCULATION

SDHC received authorization from HUD in the Fiscal Year 2010 MTW annual plan to streamline the income and asset verification systems. The multifaceted initiative primarily simplified income and asset verification methodology by restructuring the verification hierarchy. A component of the restructured verification hierarchy excluded a participant's assets when the total combined cash surrender value of household assets equals less than \$10,000. Currently, 784 rental assistance participants are reporting retirement accounts. However, once the \$10,000 asset disregard streamlining measure cycles through an entire year, approximately 214 families would have documented retirement accounts. In an attempt to further streamline processes and reduce overall staff time required to complete the certifications, SDHC proposes to disregard retirement accounts when determining a participant's asset income.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Anticipated Impact:** The asset income from retirement accounts will no longer be utilized for purposes of calculating the tenant rent portion. SDHC expects the increase in HAP from the implementation of this initiative to be negligible. The impact of increased HAP will be balanced by the staff time saved during the verification and certification process.

#### Baselines, Benchmarks, and Metrics:

##### Baselines:

- Total number of families with retirement accounts is 214.
- .14 FTE required to verify retirement accounts.
- Total annual asset income from retirement accounts is \$109,668.

##### Benchmarks:

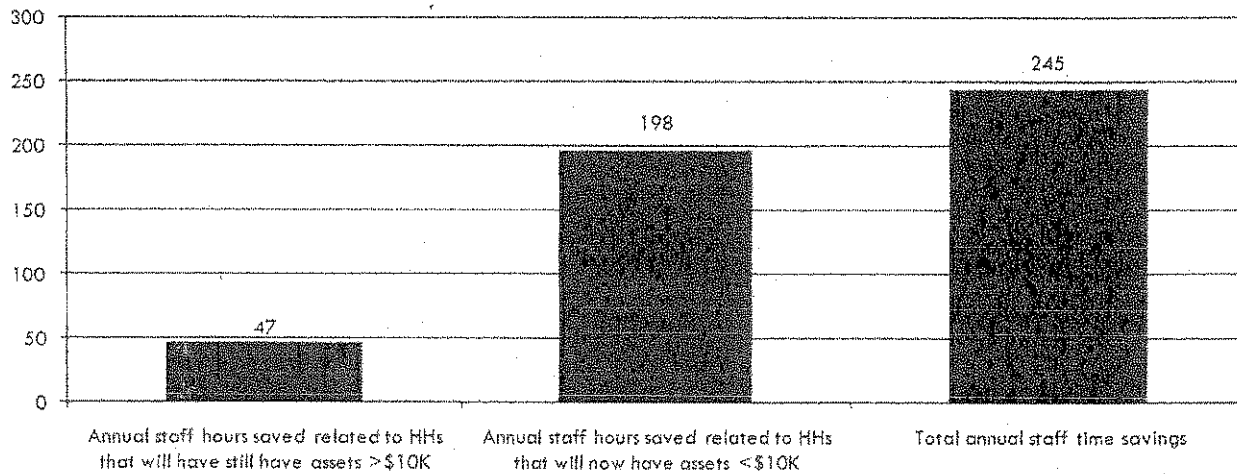
- 0 FTE required to verify retirement accounts by June 30, 2011.

##### Metrics:

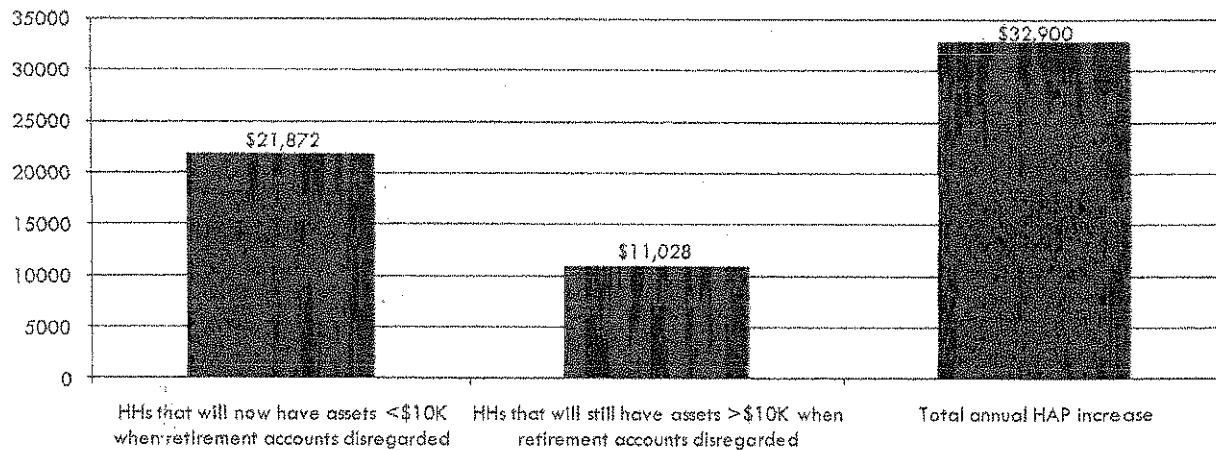
- Annual FTE required to verify retirement accounts.



### Retirement Asset Disregard Time Savings Analysis



### Retirement Asset Disregard HAP Impact Analysis



#### Potential Undesirable Outcomes:

SDHC may experience a marginal increase of approximately \$32,900 in Housing Assistance Payments due to the change in asset calculation. By disregarding retirement accounts, families who hold retirement accounts and previously reported assets exceeding the \$10,000 threshold may fall underneath this threshold when these assets are not used in the calculation. Due to the number of components that go into the HAP cost calculations, there are too many variables to isolate the effect the lost asset income will have in subsequent years.



**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a quarterly or annual basis. The report will summarize the data on a quarter to date and year to date basis as it applies to the metric. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Retirement Account Disregard Initiative								
Metric	Baseline 2009	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual FTE required to verify retirement accounts	.14					0	6/30/2011	

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section C(4) containing waivers of Section 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257. MTW Agreement Attachment C, Section D(1)(c) containing waivers of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516.

**Impact Analysis and Hardship Policy:** An impact analysis was completed and it was determined that approximately 214 families will see a decrease in their rent portions due to the implementation of this initiative. A hardship policy is not required as the impact to participants is a lower family share of rent.

## 7. REVISE EIV UTILIZATION

Effective January 31, 2010, HUD implemented new regulations mandating the use of EIV as a third party source to verify tenant employment and income information during mandatory certifications. SDHC plans to simplify the use of EIV's Income Information Report by reducing the number of times per year that it must be generated. Staff will generate the EIV income report once per year, at the annual certification, and it will be compared to the income reported by the family at all certifications that occurred during the preceding 12-month period. The comprehensive review will identify income that may not have been reported by the family at the last certification.

Quality control auditing will continue to include monitoring that appropriate follow-up has occurred when unreported income information is provided in the EIV report pertaining to the current or last's year's annual certification as well as at any interim certifications that occurred during the preceding 12-month period.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures.

**Anticipated Impact:** It is anticipated that this initiative will reduce cost and achieve greater cost effectiveness by streamlining the EIV process. Through this simplification, SDHC expects to utilize



.5 FTE less for the EIV process. The savings of this staffing time will be assigned to program integrity activities.

#### Baseline, Benchmarks and Metrics:

##### Baselines:

- Annual number of interim certifications: 6,150
- Time required to print, review, compare and bar code or index EIV separately per interim certification: 20 minutes.
- Annual staff time required to print, review, compare and bar code or index EIV per interim certification: 2050 hours, or 1 FTE.

##### Benchmarks:

- Total time expended to use EIV for interim certifications will be 1025 hours or .5 FTE by June 30, 2011.
- Annual savings of .5 FTE by June 30, 2011.

##### Metrics:

- Annual number of interim certifications.
- FTE required to utilize EIV for interim certifications
- Annual hours expended utilizing EIV for interim certifications.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the data. Reports describing the above metrics will be developed and analyzed on a monthly basis. The report will summarize the data on a month to date and year to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Simplify the System for EIV Utilization						
Metric	Baseline 2010	QTD (#)	YTD (#)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number of interim certifications	6,150			N/A	6/30/2011	
FTE required to utilize EIV for interim certifications	1			.5	6/30/2011	
Annual hours expended utilizing EIV for interim certifications	2050			1025	6/30/2011	

**Authorization to Conduct the Activity:** MTW Agreement Attachment C, Section C(4) containing waivers of Section 3(a)(1) and 3(A)(2) of the 1937 Act and 24 CFR 966.4 and 960.257. MTW Agreement Attachment C, Section D(3)(b) containing waivers of 24 CFR 982.516 and 982 Subpart E.



## 8. DEVELOPMENT OF PUBLIC HOUSING UNITS USING A COMBINATION OF FUNDS

SDHC proposes to develop additional public housing units utilizing Replacement Housing Factor Funds supplemented with MTW funds when necessary to complete the total development cost budget. The development method proposed is acquisition and rehabilitation. Due to the disposition of public housing units, SDHC is eligible to receive approximately \$2,000,000 million of Replacement Housing Factor funds per year for a five year period. During FY 2009, the amount of RHF funds received was \$2,005,429. In FY 2010, SDHC utilized ARRA Capital funds for acquisition, supplemented by Replacement Housing Factor funds and other capital funds for the acquisition and rehabilitation of 39 family public housing units. SDHC proposes to develop a limited number of additional public housing units utilizing the Replacement Housing Factor funds that it will be receiving over the next four years supplemented with Section 8 funds. It is acknowledged that upon requesting an operating subsidy for the public housing units developed, future Replacement Housing Factor funds will be decreased in accordance with HUD's formula.

**Relation to Statutory Objectives:** Increases housing choices for low-income families.

**Anticipated Impact:** The anticipated impact of this initiative is that it will allow additional very-low-income families to be housed in SDHC's balanced affordable housing portfolio. This is made possible by the MTW flexibility of combining available funds to be used for acquisition and rehabilitation of additional units, along with a public housing operating subsidy.

**Baselines, Benchmarks and Metrics:** The success of this proposal will be measured by the number of public housing units that can be developed within the funding made available. This activity is largely influenced by HUD funding levels.

**Baselines:**

- Current inventory of 75 public housing units.

**Benchmarks:**

- Add 30 Public Housing units during FY2011, for a total of 105 public housing units.

**Metrics:**

- Total number of public housing units owned by the Commission.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the data. Reports describing the above metrics will be developed and analyzed on a monthly basis. The report will summarize the data on a month to date and year to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

Development of Public Housing Initiative						
Metric	Baseline 2009	QTD (#)	YTD (#)	Benchmark	Anticipated Completion Date	On Track to Reach Goal (Y or N)
Number of public housing units owned by SDHC	75			105	6/30/2011	





**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section C(4) containing waivers of Section 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257. MTW Agreement Attachment C, Section D(1)(c) containing waivers of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516. MTW Agreement Attachment D; Broader Uses of Funds Authority.

## 9. SPONSOR-BASED VOUCHERS FOR THE HOMELESS

The objective of this program will be to work in partnership with sponsors to combine comprehensive supportive services with permanent housing using a Sponsor Based Voucher (SBV) program. Research shows the cost of housing a homeless person and keeping them housed is less of a drain on community resources if the housing is enhanced with supportive services. This new program will serve the homeless of San Diego who lack an adequate nighttime residence, live on the street, can't afford market-rate housing, and have disabilities and/or substance abuse issues. SDHC will provide up to 100 zero-bedroom vouchers and sponsor organizations will provide the services and property management.

It should be noted that SDHC will not be using income or rent reasonableness to determine HAP subsidy. With this initiative, SDHC is seeking authority to provide funds for housing and supportive services directly to the sponsor, who will in turn execute all administrative functions and ensure proper rent payments are distributed on behalf of clients. SDHC will credit each program participant as housed under this initiative and funded under the current voucher allocation. Unit month counts will accumulate as with other MTW vouchers.

The subsidy attaches to a specific housing sponsor, typically a non-profit housing developer or supportive housing provider, and selected via a public process. The sponsor may use the subsidy to subsidize any unit that the sponsor controls, either through ownership or leasing. When the tenant in a sponsor-based unit moves, he or she does not retain the subsidy -- it remains with the sponsor. Sponsor-based subsidies are moveable in the sense that the sponsor may choose to move the subsidy from one unit to another or one site to another.

Examples of services provided may include, but are not limited to, the following:

- Outreach
- Information & Referral
- Case Management
- Senior Services
- Food Services
- Job Skills Training/Education
- On Site Employment
- Transportation Vouchers
- Personal Financial Management & Budgeting
- Personal Hygiene Training & Services
- Health & Wellness Education
- Health Aide Services (Visiting nurse care)
- Dental Care
- Health Care



- Trauma Treatment
- Domestic Violence Services
- Legal Assistance and/or a Homeless Court
- Substance Abuse Counseling (Group & Individual)
- Mental Health Therapy (Group & Individual)

**Program Requirements:** The program requirement component is still pending.

**Waiting Lists:** Sponsors will create and maintain SBV waiting lists. In creating these waiting lists sponsors will receive input from SDHC on rating and ranking of the applications and the need to verify the homeless preferences applicants will receive. SDHC will monitor these waiting lists for compliance with the sponsors program and verifications of homelessness have been met.

**Inspections:** SDHC will conduct Housing Quality Inspections (HQS) for each unit the sponsor leases using SBV funds.

**Administration:** This program requirement will be met by the sponsors. They will determine program eligibility, conduct annual and interim re-examinations. The sponsors will be required by have a program plan that will define eligibility and leasing requirements, show income allowances and deductions, HQS, and termination policies and procedures. The sponsor will be required to develop service protocols and define how they will conduct client management.

**Client Management:** Program reporting will be conducted through an HMIS system and a PIC program reporting system.

**Monitoring:** SDHC will train the sponsor on SBV program requirements. The sponsors will be responsible for performing all eligibility and income determinations, rent calculations, interim and annual certifications and all quality control including maintenance of waiting lists. SDHC will provide program oversight and monitor sponsor for compliance with program requirements.

**Relation to Statutory Objectives:** Reduce cost and achieve greater cost effectiveness in Federal expenditures. Increase housing choices for low-income families.

**Anticipated Impact:** The anticipated impact of this program will be to reduce the number of unsheltered in San Diego and provide needed services to enhance their stability, increasing housing choices for low income persons. By shifting specific administrative functions to the sponsor, SDHC will reduce cost and achieve greater cost effectiveness in Federal expenditures.

#### **Baselines, Benchmarks and Metrics:**

##### *Baselines:*

- Current number of program participants is 0.

##### *Benchmarks:*

- Select sponsor to administer the Sponsor-Based Voucher program.
- House 100 homeless persons by December 31, 2011.
- Have 50 homeless people maintain current housing status for 12 months by June 30, 2012.

**Metrics:**

- Annual number of program participants.
- Annual number of program participants remaining housed.
- Annual percentage of program participants remaining housed.
- Annual number and type of services provided per program participant.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** An electronic database will be developed to store the rudimentary data. Reports describing the above metrics will be developed and analyzed on a monthly basis. The report will summarize the data on a month to date and year to date basis. Analyzing data on a frequent basis will assist us in quantifying results and identifying opportunities for continuous improvement in the program. Below is a draft proposal of the report:

<b>Sponsor-Based Vouchers for the Homeless</b>								
<b>Metric</b>	<b>Baseline 2010</b>	<b>QTD (#)</b>	<b>QTD (%)</b>	<b>YTD (#)</b>	<b>YTD (%)</b>	<b>Benchmark</b>	<b>Anticipated Benchmark Reached Date</b>	<b>On Track to Reach Goal (Y or N)</b>
Annual number of program participants remaining housed	0					50	6/30/2012	
Annual percentage of program participants remaining housed	0%					50%	6/30/2012	
Annual number of program participants	0					100	12/31/2010	
Annual number and type of services provided per program participant	0					N/A		

**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section C(4) containing waivers of Section 3(a)(1) and 3(a)(2) of the 1937 Act and 24 CFR 966.4 and 960.257. MTW Agreement Attachment C, Section D(1)(c) containing waivers of Section 8(o)(5) of the 1937 Act and 24 CFR 982.516. MTW Agreement Attachment D, Broader Uses of Funds.

**10. ENHANCE THE FAMILY SELF-SUFFICIENCY PROGRAM TO ALLOW SDHC TO ENTER INTO CONTRACT OF PARTICIPATION AGREEMENTS WITH ADULT NON-HEAD OF HOUSEHOLDS.**

HUD regulations restrict SDHC from executing Family Self-Sufficiency (FSS) Contracts of Participation (COP) with anyone other than a head of household. In order for any other adult family member to participate in the program, the head of household must actively participate in FSS. Further, in order for a FSS family to successfully complete the program, the head of household is solely responsible for completing his/her Individual Training and Services Plan (ITSP) and must be employed by COP expiration.

SDHC is requesting MTW authority to provide the opportunity for FSS enrollment to more than 9,400 non-head of household adults when the head of household is unable to join the program. Non head of households who enter into a COP will be responsible for the completion of the ITSP and must be employed by the end of participation in order for the FSS family to successfully complete the program.



If the proposed initiative is approved, the FSS Action Plan, which provides for the policies and procedures of the FSS Program, will be revised in order to address this change. The FSS Action Plan will specifically stipulate that there will be only one FSS escrow account per household. The FSS Action Plan will also allow the execution of a COP by a non head of household only in instances where the head of household is not able to actively participate in the program. Appropriate reasons for a non head of household not to participate in FSS will include cases where the head of household suffers from a disability, or is primarily responsible to provide constant care to a family member with special needs or young children.

Currently, HAP funds deposited by SDHC into FSS escrow accounts are reimbursed to the agency by HUD. With this initiative, SDHC is requesting that this policy be extended to the escrow accounts opened by non-head of households who join FSS. If approved, this initiative will be revenue-neutral to SDHC. SDHC plans to increase its overall FSS program enrollment regardless of whether or not this initiative is approved. This initiative will simply provide a wider variety of rental assistance families the opportunity to participate in FSS.

**Relationship to Statutory Objectives:** Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self sufficient. Increase housing choices for low-income families.

**Anticipated Impact:** The anticipated impact of this initiative is increased recruitment and enrollment into the FSS Program, which will provide incentives to families to become economically self-sufficient. This initiative will allow families to enroll in FSS when they are ready, even when the head of household is unable to participate in the program. No undesirable effects are foreseen or expected as a consequence of this initiative.

**Baselines, Benchmarks and Metrics:** Currently SDHC follows HUD guidelines and only executes COP agreements with adult head of households. Since it is a new initiative, the baseline is 460 families currently enrolled in FSS, all COPs executed by the head of household. SDHC, accounting for attrition through graduation and COP expiration, will increase its overall FSS enrollment to 520 participants, with the goal of reaching 20% of total enrollment by non-head of households. The FSS Program is designed to assist participants with achieving career goals in the medium- to long-term, allowing enrollees up to five years to complete their ITSP. For this reason, the proposed initiative will follow a progression of initial steps leading to more significant outcomes in subsequent years.

**Baselines:**

- 460 families enrolled in the FSS program, all with COP executed with the head of household.
- 0 families enrolled in the FSS program with COP executed with adult non-head of household.
- 0 adult non-head of household invited to join FSS.
- 0 adult non-head of households attended a FSS orientation in FY 2009.
- \$400,552 HAP dollars deposited into all FSS escrow accounts in FY 2009.
- 0 adult non-head of households enrolled in a training or education program.
- 0 adult non-head of households obtained full-time employment.
- 0 adult non-head of households obtained part-time employment.



- 0 FSS Families with COP executed by adult non-head of household had earned income increase.

### Annual Projected Families Enrolled in Family Self-Sufficiency Program & Projected HUD Reimbursement for Escrow Payments



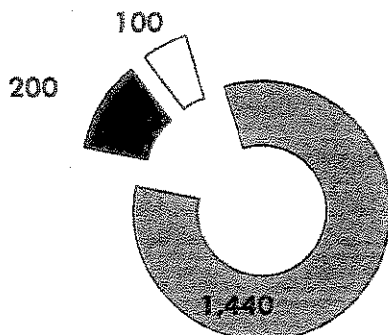
■ FSS Head of Household Enrollees & Projected HUD Reimbursement for Escrow Payments

■ FSS Non Head of Household Enrollees & Projected HUD Reimbursement for Escrow Payments

#### Benchmarks:

- Total of 1440 adult non-head of households invited to join FSS by June 30, 2011.
- Total of 200 adult non-head of households attended a FSS orientation by June 30, 2011.
- Total of 100 adult non-head of households enrolled in FSS by June 30, 2011.
- \$480,662 HAP dollars deposited into all FSS escrow accounts by June 30, 2011.
- Total of 10 adult non-head of households enrolled in a training or education program by June 30, 2011.
- Total of 10 adult non-head of households obtained full time employment by June 30, 2011.
- Total of 10 adult non-head of households obtained part time employment by June 30, 2011.
- Total of 10 FSS Families with COP executed by adult non-head of household had earned income increase by June 30, 2011.

### Projected Adult Non-Head of Households Enrolled in the Family Self-Sufficiency Program



■ Invited Adult Non Head of Household

■ Invitees Attending a FSS Orientation

□ Orientation Attendees Enrolling in FSS

**Metrics:**

- Number of adult non-head of households invited to join FSS.
- Number of adult non-head of households who attended a FSS orientation.
- Number of adult non-head of households who enroll in FSS.
- Total annual HAP dollars provided by HUD for escrow accounts.
- Number of adult non-head of households who enrolled in a training or education.
- Number of adult non-head of households who obtained full-time employment.
- Number of adult non-head of households who obtained part-time employment.
- Number of Families with COP executed by adult non-head of household who had earned income increase.
- Total HAP dollars provided by HUD for escrow accounts.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** SDHC plans on using Efforts To Outcomes (ETO) Software, by Social Solutions. The ETO software is a web-based performance management solution that allows data to be accessed via generated reports to monitor, measure, and optimize program impact. ETO reports describing the above metrics will be developed and analyzed on a monthly basis. The reports will summarize the data on a month-to-date and year-to-date basis. Analyzing data on a frequent basis will assist SDHC in quantifying results and identifying opportunities for continuous improvement in the initiative.

<b>Non-HOH Enrollment in FSS</b>								
<b>Metric</b>	<b>Baseline 2010</b>	<b>QTD (%)</b>	<b>QTD (#)</b>	<b>YTD (#)</b>	<b>YTD (%)</b>	<b>Benchmark</b>	<b>Anticipated Benchmark Reached Date</b>	<b>On Track to Reach Goal (Y or N)</b>
Number of adults non- head of household invited to join FSS	0					1440	06/30/2011	
Number of adults non- head of household who attended an FSS orientation	0					200	06/30/2011	
Number of adults non- head of household who enroll in FSS	0					100	06/30/2011	
Total annual HAP dollars provided by HUD for escrow accounts	\$400,552					\$480,662	06/30/2011	
Number of adult non-head of households who enrolled in a training or education	0					10	06/30/2011	
Number of adult non-head of households who obtained full time employment	0					10	06/30/2011	
Number of adult non-head of households who obtained part time employment	0					10	06/30/2011	
Number of Families with COP executed by adult non-head of household who had earned income increase	0					10	06/30/2011	



**Authorization(s) to Conduct the Activity:** MTW Agreement Attachment C, Section E containing waivers of Section 23 of the 1937 Act and 24 CFR 984.

## **II. ALLOW BROADER USES OF FUNDS FOR THE CREATION OF INDIVIDUAL DEVELOPMENT ACCOUNTS**

SDHC operates asset building programs for youth and adult MTW HCV participants. Asset building programs encourage families to save money to buy homes, secure reliable transportation for job-related activities, or to build small business start-up capital. Individual Development Accounts (IDAs), a component of asset building programs, are savings accounts with matching funds drawn from private or public sources. SDHC's current IDAs provide a 3:1 match for participants with a maximum of \$3000 in matching funds.

### *Adult IDAs*

Currently, IDA matching funds for adult participants come from a competitive grant offered through the U.S. Department of Health and Human Services (HHS). These funds come with restrictions that make participants earning more than twice the Federal poverty level ineligible for an IDA. Currently, over 500 MTW HCV families exceed these income limits. SDHC requests broader uses of funds authority to create ten IDAs for participants who do not qualify for HHS funds due to income restrictions. These new IDAs will be limited to families who earn 80 percent AMI or below.

### *Youth IDAs*

In May 2008, SDHC established a small asset building program, named *The Money Project* by participants, for 63 youth fourteen years of age and older. Because HHS funding restrictions do not allow IDAs for individuals younger than eighteen years of age, SDHC secured local funds for the youth program. Due to the economy, it has been difficult to secure additional funding to expand the youth program. More than 120 youth have attended the program orientation required to join the program. SDHC has been unable to enroll most of these youth due to lack of funding. SDHC requests broader uses of funds authority to create ten IDAs for participants fourteen years and older who are interested in enrolling in the asset building program.

### *Transportation IDAs*

MTW flexibility allowed for the implementation of the Choice Communities initiative in FY 2010. The Choice Communities Program provides families with tools to encourage them to move from high-poverty neighborhoods to low-poverty neighborhoods. One barrier to families wanting to move to a low-poverty area is adequate transportation. Often these low-poverty neighborhoods are far from participants' jobs and support networks, and public transportation is not always convenient. HHS funding does not allow for IDAs to be used toward transportation costs. SDHC requests broader uses of funds authority to create ten IDAs for participants living in the Choice Communities areas to save for a car purchase or car maintenance costs.

No additional HUD funding will be requested for this initiative, but rather MTW monies will be used. SDHC anticipates the cost of this initiative will be approximately \$90,000 over a three-year period.





Number of Projected IDAs Resulting from MTW Broader Fund Flexibility			
IDA Type	Number of IDAs	IDA Match Commitment at \$3,000 Max (3:1)	
		Annual Match Commitment (Participant contribution)	3 Year Program Match Commitment (SDHC's MTW funds contribution)
Over Income IDAs	10	\$10,000	\$30,000
Youth IDAs	10	\$10,000	\$30,000
Transportation IDAs	10	\$10,000	\$30,000
<b>Total</b>	<b>30</b>	<b>\$30,000</b>	<b>\$90,000</b>

**Relationship to Statutory Objectives:** Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self sufficient. Increase housing choices for low-income families.

**Anticipated Impact:** This initiative will allow for the establishment of IDAs for MTW HCV participants who otherwise would not be able use this benefit due to funding limitations, thus providing incentives for families to become more self-sufficient.

Additionally, the transportation IDAs will increase housing choices for low-income families with transportation barriers who are interested in moving from high-poverty neighborhoods to low-poverty neighborhoods.

**Baselines, Benchmarks and Metrics:** SDHC's asset building programs are designed to assist participants with achieving asset building goals in the medium to long term, allowing enrollees up to three years to complete their asset plan. For this reason, the proposed initiative will follow a progression of initial steps leading to more significant outcomes in subsequent years.

**Baselines:**

- 90 current participants who meet HHS eligibility enrolled in the adult asset building program.
- 63 youth enrolled in the youth asset building program funded by local funds.
- 0 adult participants earning more than HHS income limits enrolled in the asset building program with an IDA match account.
- 0 youth ages 14 and over enrolled in the youth asset building program with an IDA match account funded by MTW funds.
- 0 participants enrolled in the asset building program with a transportation IDA match account funded by MTW funds.
- 0 MTW IDA participants opened and IDA account.
- 0 MTW IDA participants developed a credit improvement plan.
- 0 MTW IDA participants made at least nine monthly deposits to their IDA during a twelve-month period.
- 0 MTW IDA participants completed ten hours of Financial Skills Education each.

**Benchmarks:**

- Total of 10 adult participants earning more than HHS income limits enrolled in asset building program taking advantage of maximum annual IDA match by June 30, 2011.



- Total of 10 youth ages 14 and over enrolled in youth asset building program taking advantage of maximum annual IDA match funded by MTW funds by June 30, 2011.
- Total of 10 participants enrolled in asset building program taking advantage of maximum annual Transportation IDA match funded by MTW funds by June 30, 2011.
- Total of 20 MTW IDA participants open a IDA account by June, 30, 2011.
- Total of 15 MTW IDA participants develop a credit improvement plan by June 30, 2011.
- Total of 15 MTW IDA participants make at least nine monthly deposits to their IDA during a twelve-month period by June 30, 2011.
- Total of 15 MTW IDA participants complete ten hours of Financial Skills Education each by June 30, 2011.

**Metrics:**

- Annual number of adult participants enrolled in asset building program taking full advantage of maximum annual IDA match funded by MTW funds.
- Annual number of youth ages 14 and over enrolled in youth asset building program taking full advantage of maximum annual IDA match funded by MTW funds.
- Annual number of participants enrolled in asset building program taking full advantage of maximum annual transportation IDA match funded by MTW funds.
- Annual number of MTW IDA participants who opened an IDA account.
- Annual number of MTW IDA participants who developed a credit improvement plan.
- Annual number of MTW IDA participants who made at least nine monthly deposits to their IDA during a twelve-month period.
- Annual number of MTW IDA participants who completed ten hours of Financial Skills Education.

**Data Collection Process and Proposed Metrics to Measure Achievement of Statutory Objectives:** The Workforce & Economic Development Unit will use Efforts To Outcomes (ETO) Software to track tenant participation in Asset Building programs, and tenant IDA activity. The ETO software is a web-based performance management database that allows data to be accessed via generated reports to monitor, measure, and optimize program impact. ETO reports describing the above metrics will be developed and analyzed on a monthly basis. Progress toward establishing and tracking IDAs for this initiative will be share with the Choice Communities Program.



Creation of Additional IDAs								
Metric	Baseline 2009	QTD (#)	QTD (%)	YTD (#)	YTD (%)	Benchmark	Anticipated Benchmark Reached Date	On Track to Reach Goal (Y or N)
Annual number of adult participants enrolled in asset building program with IDA funded by MTW funds	0					10	06/30/2011	
Annual number of youths enrolled in youth asset building program with IDA funded by MTW funds	0					10	06/30/2011	
Annual number of participants enrolled in asset building program with transportation IDA	0					10	06/30/2011	
Annual number of MTW IDA participants who opened a IDA account	0					20	06/30/2011	
Annual number of MTW IDA participants who developed a credit improvement plan	0					15	06/30/2011	
Annual number of MTW IDA participants who made at least nine monthly deposits to their IDA during a twelve-month period	0					15	06/30/2011	
Annual number of MTW IDA participants who completed ten hours of Financial Skills Education	0					15	06/30/2011	

Authorization(s) to Conduct the Activity: MTW Agreement Attachment D, Broader Uses of Funds.



## SECTION VI – ONGOING MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED

#	Initiative Description	Statutory Objective	Plan Year Approved	Status Update/Implementation Date	Attachment C Revisions	Outside Evaluators
1	Implement a revised inspection protocol	Reduce costs and achieve greater cost effectiveness	2010	Implemented June 1, 2010	N/A	No
2	Authorize the SDHC to inspect and determine rent reasonableness for SDHC owned properties	Reduce costs and achieve greater cost effectiveness	2010	Implemented August 1, 2009	N/A	No
3	Implement triennial income certifications for elderly and disabled clients	Reduce costs and achieve greater cost effectiveness	2010	Implemented October 1, 2009	N/A	No
4	Choice Communities Components <ul style="list-style-type: none"> <li>▪ Eliminate 40% Affordability Cap</li> <li>▪ Moving for Opportunity Program</li> <li>▪ Revolving Security Deposit Loan fund</li> <li>▪ Increase payment standards in low-poverty areas</li> </ul>	Increase housing choices	2010	<ul style="list-style-type: none"> <li>▪ Implemented January 1, 2010</li> <li>▪ Implemented January 1, 2010</li> <li>▪ Implemented January 1, 2010</li> <li>▪ Implemented June 1, 2010</li> </ul>	N/A	No
5	Standardize utility allowances by unit size	Reduce costs and achieve greater cost effectiveness	2010	Implemented April 1, 2010	N/A	No
6	Simplify income and asset verification systems to reduce administrative costs	Reduce costs and achieve greater cost effectiveness	2010	Implemented October 1, 2009	N/A	No
7	Adopt a local interim certification policy	Increase housing choices; encourage self-sufficiency	2010	Implemented June 1, 2010	N/A	No
8	Establish an HCV homeownership program	Increase housing choices; encourage self-sufficiency	2010	Implemented October 1, 2009	N/A	No
9	Expand the PBV program	Increase housing choices	2010	Pending voucher availability	N/A	No
10	Undertake Public Housing development	Increase housing choices	2010	Acquired 39 additional public housing units	N/A	No
11	Economic Development Academy	Encourage self-sufficiency	2009	Opening October 1, 2010	N/A	No



## SECTION VII – SOURCES AND USES OF FUNDING

A. Below is a table detailing the sources and uses of funding:

FY11 MTW Revenues & Expenditures				
PLANNED SOURCES				
		Section 8	Public Housing	Total
Capital Fund 501-07	HUD grants	0	286,116	286,116
Capital Fund FY10 501-09 (UC Public Housing)	HUD grants	0	27,358	27,358
Capital Fund FY11 501-10 (UC Public Housing)	HUD grants	0	31,042	31,042
Capital Fund FY11 501-10 (Vista Verde Public Housing)	HUD grants	0	34,500	34,500
Capital Fund FY11 Replacement Housing Factor	HUD grants	0	2,005,429	2,005,429
Public Housing AMP 7	Rental income	0	146,848	146,848
Public Housing AMP 7	Non-dwelling income	0	71,336	71,336
Public Housing AMP 7	Operating subsidy	0	18,049	18,049
Public Housing AMP 7	Other revenue - ph reserves	0	6,594,468	6,594,468
Public Housing AMP 8	Rental income	0	163,164	163,164
Public Housing AMP 8	Non-dwelling income	0	6,582	6,582
Public Housing AMP 8	Operating subsidy	0	20,054	20,054
Public Housing Other AMPS (1-6)	Operating subsidy - repositioning	0	5,438,243	5,438,243
Section 8 Voucher	Section 8 subsidy	173,102,187	0	173,102,187
<b>Total Sources</b>		<b>173,102,187</b>	<b>14,843,189</b>	<b>187,945,376</b>
PLANNED USES				
		Section 8	Public Housing	Total
Administration & Operations		10,906,125	210,183	11,116,308
Housing Assistance Payments		155,706,553	0	155,706,553
Housing Dev/Site Acquisition		1,500,000	12,272,476	13,772,476
MTW Choice Communities		35,000	0	35,000
MTW Economic Development Academy (Operations & Admin)		2,396,765	0	2,396,765
MTW Economic Development Academy (WED IDA Accounts)		30,000	0	30,000
MTW Foreclosure Initiatives		150,000	0	150,000
MTW Security Deposit Assistance Program		50,000	0	50,000
Property Mgmt & Routine Maintenance Expenses		0	141,496	141,496
Relocation		18,000	0	18,000
Site Improvement		0	85,374	85,374
Reserves		2,309,744	2,133,660	4,443,404
<b>Total Expenditures</b>		<b>173,102,187</b>	<b>14,843,189</b>	<b>187,945,376</b>

- B. SDHC will not use any State or local funds for the MTW program.
- C. No central office cost center has been established because SDHC owns and manages only 75 public housing units.
- D. SDHC is using a cost allocation approach that meets HUD's requirements.



- E. SDHC will use single-fund flexibility in support of MTW activities rather than creating numerous budgets. SDHC combines funds from public housing operating and capital fund assistance (authorized by section 9 of the United States Housing Act of 1937 (the Act) and voucher funds (authorized by section 8(o) of the Act) to implement a block grant/single fund budget approach to budgeting and accounting. SDHC has consolidated public housing and housing choice voucher program funds to implement the approved Moving to Work initiatives described in this Plan, and in future Plans.

Funds that originated as voucher funds may be used for all of these activities.

SDHC may use public housing and/or voucher funds to acquire additional public housing and affordable housing developments. These funds would be used for the capital to acquire, rehabilitate or produce housing units that will comply with public housing development requirements. The units then could receive operating subsidy as replacement housing.

#### **UPDATE ON RHF AND ARRA FUNDS**

The use for the 2009 Replacement Housing Factor Funds, which amount to \$2,005,429, have been combined with ARRA Capital Funds in the amount of \$2,173,051, along with prior year capital funds, to acquire 39 family housing units that the SDHC will operate as public housing (total estimated project budget of \$5,183,037). The development consists of seven two-bedroom apartments, 32 three-bedroom apartments and one two-bedroom manager's unit (not included in total). MTW block grant funds were not used to purchase these public housing units. Further, SDHC understands ARRA funds are not included in the MTW block grant fund.

### **SECTION VIII — ADMINISTRATIVE INFORMATION**

- A. Resolution signed by the Board of Commissioners: See Appendix A
- B. SDHC will use annual MTW Reports as its evaluation mechanism.
- C. Evidence of Community and Resident Participation: See Appendix B

## **APPENDIX A**

### **Board Resolution**

## **APPENDIX B**

### **Public Hearing Notice and Evidence of Community and Resident Participation**

The San Diego Housing Commission formally solicited public comment on the Fiscal Year 2011 Annual Plan Draft in order to incorporate the ideas of citizens into the proposed plan, the amendment to the MTW agreement, as well as answer questions pertaining to Moving to Work subject matter. A public hearing was held on February 17, 2010 at the SDHC corporate office for the purposes of educating the public and receiving comments. A public notice was circulated in four local publications (La Prensa San Diego, The Daily Transcript, The San Diego Union Tribune, The San Diego Voice and Viewpoint) to encourage public involvement. In an attempt to encourage further participation among San Diego residents and program clients, SDHC issued personal invitations to a selected group of individuals and partners. The majority of individuals receiving the personal invitations were current rental assistance recipients and therefore were positioned to provide practical suggestions and feedback. All methods of invitation provided residents of San Diego with multiple options for contacting appropriate personnel with comments if unable to attend the public hearing. Overall, SDHC received positive feedback concerning the proposed initiatives with an emphasis on the initiatives specifically designed to address homelessness and promote self-sufficiency.

The following information serves as proof of public hearing notice and community participation:

- ✓ Proof of publication – La Prensa San Diego
- ✓ Proof of publication – The Daily Transcript
- ✓ Proof of publication – The San Diego Union Tribune
- ✓ Proof of publication – The San Diego Voice and Viewpoint
- ✓ Public Hearing Sign-in Sheet
- ✓ Public Comment Matrix



Group/Agency	Questions/Comments Received	SDHC Responses
Citizen	With the block grant funding, how much Moving Forward funding will be set aside for public housing?	SDHC anticipates using \$1.5 million in block grant funds to supplement Replacement Housing Factor and American Reinvestment and Recovery Act funds which will be used to purchase additional public housing units in Fiscal Year 2011.
Citizen	Does the Housing Commission still use the term public housing?	Yes. SDHC is in the process of increasing its public housing inventory.
Section 8 Tenant	Does the Veteran have to go through veterans Administration for the VASH program?	Yes. The VASH program targets homeless veterans and their families. All referrals to the VASH program are made through the Veterans Administration.
Section 8 Tenant	Does the veteran have to go to the Mission Valley office?	The La Jolla office is the primary contact point for veterans interested in the VASH program, but any Veterans Administration office should be able to direct interested persons to the appropriate personnel.
Section 8 Tenant	I've been in the Section 8 program myself for a number of years, and I think it's a great program.	Thank you. SDHC agrees the program is great.
Citizen	What will prevent HUD from giving out too much funding?	All funding amounts are obligated under annual contracts between HUD and the Public Housing Authority. HUD determines funding based on the units authorized under the contracts to each PHA.
Citizen	What is project-based?	Unlike tenant-based assistance where the voucher holder can move to different units and retain assistance, project-based assistance is tied to a specific unit. If the tenant receiving project-based assistance decides to move, the assistance remains with the unit.
Section 8 Tenant	Is project-based like mod-rehab?	The assistance is comparable.
Citizen	I live in District 4, and there are a lot of unassisted units that are in bad condition. With the PVB units, are the conditions of the units tied to their eligibility for the participants? Are they monitored? On a scale of one to ten how are they monitored? Are there lists of units for public record?	All project-based units are subject to annual Housing Quality Standards inspections. The rental contracts for these units will reflect the HQS requirements to ensure both landlords and tenants comply. HUD requires all assisted units meet these standards in order to ensure participants reside in decent, sanitary housing conditions. Concerning the list of project-based units: The Vice President of the Rental Assistance Department is in attendance and states he will provide a list if the information is indeed public record. (The address of the inquiring citizen was solicited in the event SDHC is authorized to make the information public.)

Group/Agency	Questions/Comments Received	SDHC Response
Section 8 Tenant	Can the San Diego Housing Commission shorten the time they take for the rent adjustment to be made when income decreases?	SDHC is currently following current internal procedures concerning the timeline staff members have to process interim requests, but thank you for the suggestion. SDHC will consider the suggestion.
Section 8 Tenant	I know some individuals that have benefitted from the FSS program. One of my neighbors went to school and became a court reporter, and two guys that lived there before were in the program and one became a doctor, the other became an engineer. They are very successful.	Thank you for sharing the information. Everyone here is grateful to hear stories of success. This is the reason we are all here.
Citizen	Can you tell me about the FSS program or send me information?	Please submit your address after the public hearing so the appropriate FSS staff member can forward the information. Information was sent to this citizen on February 18, 2010.
Section 8 Tenant	Email received in response to public hearing: I think that the landlord who accepts Section 8 should be held accountable and that the participant who reports things that are not in compliance with the program should be able to move. Yes, the rent subsidiary should match what the rent is right now. Sometimes, it takes a while to find a place that take Section 8 or any other voucher program and it is getting harder to find landlords to take it. On the other hand, the landlord that will take are willing to work with the program and should be recognize for that. FYI, I have a wonderful landlord and he make sure that my place is compliance and he performs above that. I am happy that you are going to help the homeless. They are some homeless that work and could benefit from the program. Thank you for taking the time to read this e-mail.	Email sent in response thanking him for his comments and feedback.
Section 8 Tenant	Received a phone call from a Section 8 participant on February 23, 2010, regarding the new MTW plan. She was an original participant in SHDC's MTW demonstration program in 1998. She would like to see SDHC more actively solicit participant involvement and listen to their feedback. She would like to see the EDA offer an English grammar/writing skills class. She thinks a participant survey soliciting ideas for new programs and changes is a good start.	Her comments were heard and different feedback mechanisms were discussed; she liked the idea of a participant survey. She was told that with this new MTW demonstration one goal is to incorporate more client participation and feedback in the design of future initiatives.

12/29/09

**ATTACHMENT D**

**COMMUNITY-SPECIFIC AUTHORIZATIONS**

**TO  
AMENDED AND RESTATED MOVING TO WORK AGREEMENT  
BETWEEN  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
AND  
SAN DIEGO HOUSING COMMISSION**

This Attachment D describes and authorizes activities which may be implemented by the San Diego Housing Commission (the "Agency") pursuant to the Moving to Work Agreement between the Agency and HUD dated January 14, 2009, which together with any and all attachments, exhibits, and appendices thereto is hereinafter referred to as the "Agreement."

This Attachment D is updated and revised per the First Amendment to the SDHC's Agreement dated \_\_\_\_\_, which added the Uses of Funds paragraph.

Notwithstanding any other provision of this Agreement the Agency is authorized as follows:

**Use of MTW Funds** (added 12/29/09)

The Agency and HUD acknowledge that Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the "1937 Act") and voucher program funds provided under Section 8 of the 1937 Act "to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve."

The Agency and HUD further acknowledge that the terms of the agreement under which the Agency participated in the MTW demonstration program prior to the Amended and Restated MTW Agreement (the "Original MTW Agreement") did not state that the use of such combined public housing operating and capital funds and voucher program funds (collectively, "MTW Funds") was restricted to those uses specified in Sections 8 and 9 of the 1937 Act.

The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that restrict the use of funds to Sections 8 and 9 are repealed, and the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses

are consistent with other requirements of the MTW statute [i.e., including but not limited to the requirements to maintain a comparable mix of families and serve substantially the same number of families as would have been assisted if the Agency were not in the MTW demonstration, assuring that housing assisted under the demonstration meets housing quality standards established or approved by the Secretary, that at least 75 percent of the families assisted be very low income families, that the agency has established a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, that the requirements of sections 12 of the 1937 Act are applied to any housing assisted under the demonstration other than housing assisted solely because of occupancy by families receiving tenant-based assistance, and that Section 18 of the 1937 Act shall continue to apply to public housing notwithstanding the use of any use of the housing under the demonstration] and have been proposed in an Agency's Annual MTW Plan and approved by HUD.



Notwithstanding the above, such funds remain Federal funds, and are subject to any and all other Federal requirements outside of the 1937 Act (e.g., including but not limited to Appropriations Acts, competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements), as modified from time to time.

#### **A. Authorizations Related to Section 8 Housing Choice Vouchers Only**

In addition to the authorizations provided in Attachment C, D.1., the San Diego Housing Commission (Agency) is authorized to determine the inspection protocols and frequencies for both Agency-owned and non-Agency-owned units. The Agency also is authorized to conduct inspections and rent reasonableness determinations for Agency-owned units directly, without engaging an independent third party. The Agency will utilize the same inspection protocol and rent reasonableness methodology for both Agency-owned and non-Agency-owned units.

Notwithstanding any language in this Agreement or its attachments, the Agency shall follow the regulations at 24 CFR 941.202, 941.203, and 983.57.

## Housing Commission Meetings - 2010

December 10, 2010	Agenda - Minutes  Audio	Actions
	<b>HCR10-162</b> - 2011 Housing Commission Meeting Schedule	Approved 6-0 Guillen absent
	<b>HCR10-161</b> - California State Association of Counties Excess Insurance Authority (CSAC-EIA) Resolution to Delegate a Person and/or Position to act on behalf of the Housing Commission	Approved 6-0 Guillen absent
	<b>HCR10-144</b> - Contract with YWCA of San Diego	Approved 6-0 Guillen absent
	<b>HCR10-156</b> - Application for Fiscal Year 2012 Community Development Block Grant Funds	Approved 6-0 Guillen absent
	<b>HCR10-145</b> - Fiscal Year 2010 Annual Finance Audit Report <b>Attachment 1</b> <b>Attachment 2</b> <b>Attachment 3</b> <b>Attachment 4</b> <b>Attachment 5</b>	Approved 6-0 Guillen absent
	<b>HCR10-154</b> Proposed Fiscal Year 2011 Budget Fall Revision	Approved 6-0 Guillen absent
	<b>Informational Reports</b>	
	<b>HCR10-159</b> - Activity Performance Report - First Quarter FY 2011	
	<b>HCR10-158</b> - FY2011 First Quarter Budget Status Report	
	<b>HCR10-160</b> - Agency Income Statements	
November 12, 2010	Agenda - Minutes  Audio	Actions
	<b>HCR10-150</b> - Grant Application Ratification-HUD Healthy Homes Production Program	Approved 6-0 Waring not present
	<b>HCR10-146</b> - United Way Grant Application	Approved 6-0 Waring not present

**SAN DIEGO HOUSING COMMISSION**  
**AGREEMENT FOR SPONSOR BASED VOUCHERS**  
**WITH COMMUNITY RESEARCH FOUNDATION, INC.**

THIS AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_ 2011, between the

Commission:

SAN DIEGO HOUSING COMMISSION  
1122 Broadway, Ste 300  
San Diego, California 92101  
619-578-7473

and the Contractor:

Community Research Foundation, Inc.  
1202 Morena Boulevard, Suite 300  
San Diego, CA 92110

**101. DESCRIPTION OF WORK**

Sponsor Based Vouchers (SBV) is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, primarily those with serious mental illness and chronic problems with alcohol or drugs. It is funded by a Moving Forward Initiative within the Rental Assistance Program (RAP) Department and is authorized pursuant to the Moving to Work Agreement between the Commission and the United States Department of Housing and Urban Development ("HUD") and the Commission's Moving to Work Annual Plan for Fiscal Year 2011. The SBV Program is designed to link rental assistance with supportive services funded by other sources. Rental assistance funding must be matched in the aggregate by supportive services that are equal in value and appropriate for the needs of the program participants. Contractor shall provide housing and supportive services as described in the Contract Attachment No. 2, and as outlined in their Commission-approved SBV Administrative Plan (on file at the Commission and Contractor offices).

**102. CONTRACT ATTACHMENTS**

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

1. General Provisions, Contract Attachment No. 1
2. Specifications/Scope of Service, Contract Attachment No. 2
3. HUD Definitions, Contract Attachment No. 3
4. Certificate of Compliance, Contract Attachment No. 4

**103. TIME OF PERFORMANCE**

All services required pursuant to this Agreement shall commence effective July 1, 2011 through June 30, 2012 or such earlier date that the program funds have been expended.

#### 104. COMPENSATION AND METHOD OF PAYMENT

##### a. Initial Housing Assistance Payments

For services performed under this Agreement, the Commission shall provide the Contractor with twenty five (25) sponsor based vouchers for Contractor's use to subsidize any unit under the Contractor's control, as set forth in this Agreement. The Sponsor Based Vouchers provided to Contractor shall be for zero bedroom units.

At the beginning of the term of this Agreement, the amount of the housing assistance payment (HAP) by Commission to Contractor shall be \$942 per month. The amount of housing assistance payment by the Commission is subject to change during the term of this Agreement in accordance with HUD requirements.

In no event shall the Commission be obligated to provide Contractor with housing assistance payments pursuant to this Agreement in excess of \$250,000.00, unless and until approval of this Agreement is obtained from the Housing Authority of the City of San Diego. If approval of this Agreement by the Housing Authority is not obtained, this Agreement shall terminate at such time as the total \$250,000.00 has been expended for housing assistance payments under this Agreement. Upon approval of this Agreement by the Housing Authority of the City of San Diego, the limit on payments in excess of \$250,000 shall be removed from this Agreement.

The amount of the monthly housing assistance payment for each Sponsor Based Voucher shall be calculated by Contractor, and verified by Commission, using HUD's Housing Choice Voucher rent calculation methods for a Zero Bedroom Voucher.

Contractor acknowledges that the Commission is under no obligation to compensate Contractor for services rendered or expenses accrued under this Agreement in excess of the housing assistance payments required for the twenty five (25) Sponsor Based Vouchers. It shall be the responsibility of the Contractor to monitor its activities to ensure that the scope of services specified in Contract Attachment No. 2 (Scope of Services) may be completed with no charges accrued in excess of the maximum compensation during the term of this Agreement.

Further, the Commission may cancel the Agreement, without cause, by written notice to the Contractor at any time during the term of the Agreement, or any extension thereto, in the event that the Commission and/or the Housing Authority of the City of San Diego fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement as set forth in Section 9 of Contract Attachment No. 1 (General Provisions).

##### b. Method of Payment

Until otherwise notified, Contractor shall submit a requisition to the Commission by the fifteenth day of each month to request housing assistance payments pursuant to the Sponsor Based Vouchers for the following month. The requisition shall include: (1) the SBV Program and Contractor's name; (2) the participant name and address of each unit receiving subsidy; (3) the total rent, tenant portion, and housing assistance payment amount as previously determined by Contractor; and (4) a certification by the Contractor specifying that payment requested is solely for housing assistance payments in accordance with this Agreement. Upon approval of the requisition and verification of the housing assistance payment amount, the Commission shall make payment to Contractor by approximately the first day of the following month.

Payments will be made to Contractor at the address given above, unless otherwise specified. The amount of the Commission housing assistance payment shall be credited against the monthly rent for the subsidized unit.

#### 105. SBV PROGRAM REQUIREMENTS

##### a. Default.

Contractor shall be in default of this Agreement if any of the following conditions occur during the term of this Agreement. Contractor:

1. Uses any of the funds for a purpose other than a housing assistance payment;
2. Fails to provide permanent supportive housing services for the minimum term of this Agreement;
3. Fails to strictly comply with the requirements of the Agreement and/or the Commission-approved SBV Administrative Plan;
4. Materially breaches any of the covenants on its part to be performed under the terms of this Agreement and/or the Commission-approved SBV Administrative Plan; and
5. Any other breach of the terms of this Agreement and/or the Commission-approved SBV Administrative Plan.

##### b. Actions upon breach.

Upon the Commission's determination that there has been a default as referenced in Paragraph 105.a. hereof, the Commission may, at its option, after five (5) days written notice to the Contractor, take any or all of the following actions:

1. Direct the Contractor to submit progress schedules, as dictated by the Commission and/or HUD, for completing the approved activities;
2. Issue a letter of warning to the Contractor of the default, establishing a date by which corrective actions must be completed and putting the Contractor on notice that more serious actions will be taken if the default is not timely cured or is repeated;
3. Direct the Contractor to establish and maintain a management plan that assigns responsibilities for carrying out the remedial actions by the Contractor;
4. Direct the Contractor to suspend, discontinue or not incur costs for the affected activity;
5. Reduce or recapture the funds from the Contractor;
6. Direct the Contractor to reimburse the program accounts for costs inappropriately charged;
7. Replace Contractor with another service provider;



8. Any other appropriate action, including but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory relief and/or judgment, specific performance, damages, temporary or permanent injunctions and any and all other available remedies; or
9. Any other action directed and/or approved by HUD.

#### 106. MODIFICATION OF AGREEMENT

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both the Commission and Contractor. Furthermore, Contractor may not change the location of units assisted with the Sponsor Based Vouchers, scope of services provided, or population to be served under this Agreement without the express written approval of the Commission.

#### 107. NOTICES

Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the Contractor at the addresses given above.

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

COMMISSION:

SAN DIEGO HOUSING COMMISSION

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONTRACTOR:

Community Research Foundation, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

Christensen & Spath LLP

By: \_\_\_\_\_

General Counsel  
San Diego Housing Commission

Date: \_\_\_\_\_

**CONTRACT ATTACHMENT NO. 1**  
**General Provisions**

1. **Preference for Domestic Materials.** Wherever possible in the performance of this Agreement, only unmanufactured materials produced in the United States, and only manufactured materials manufactured in the United States, manufactured substantially from materials produced in the United States shall be used in the performance of the Agreement. Any person who fails to comply with such provision shall not be awarded any contract to which this article applies for a period of three (3) years from the date of the violation. (GOVT CODE - 4304).

2. **Preparation of Written Reports or Documents.** Provided that the total cost for work performed by Contractor exceeds five thousand dollars (\$5,000) and requires preparation of any document or written report prepared for or under the direction of the Commission, which is prepared in whole or in part by Contractor or its agents, the document or written report shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such document or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report. (GOVT CODE -7550).

3. **Equal Opportunity.** During the performance of this Agreement, Contractor shall comply with all applicable local, state and federal Equal Opportunity Programs, as well as any other applicable local, state and federal laws. Contractor shall not discriminate against any person, employee or applicant for employment, or otherwise, because of race, color, religion, ancestry, gender, disability, national origin, or any other basis prohibited by law. Contractor shall ensure that applicants for employment and employees are treated equally without regard to their race, color, religion, ancestry, gender, disability, national origin, or any other illegal classification.

4. **Notice of Regulations and Requirements Pertaining to Reporting.** Contractor's performance under this Agreement is subject to State and Federal regulations. Contractor hereby agrees to comply with all applicable requirements pertaining to reports or documentation required under the terms of this Agreement, if any.

5. **Contract Work Hours and Safety Standards Act.** In the event Contractor's performance of this Agreement entails the use of laborers or mechanics, and the Agreement is for more than the sum of \$2,500, and uses Federal funds, then Contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-339) as supplemented by Department of Labor regulations (29 CFR Part 5).

6. **Patents and Copyrights.** The Commission hereby reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for government purposes any patents and/or copyrights in any work developed under this Agreement.

7. **Access to and Retention of Records.** Contractor hereby grants access to HUD, the Comptroller General of the United States, the City of San Diego, the Housing Authority of the City of San Diego, Commission, or their duly authorized representatives, to any books, documents, papers and records of the Contractor which are directly pertinent to this specific Agreement for the purposes of audits, examinations, excerpts and transcriptions. Contractor agrees to retain any such records and documents for three (3) years from the date of final payment under this Agreement.

8. **Energy Conservation.** Provided this Agreement uses Federal funds, Contractor hereby certifies compliance with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

9. **Termination.** The Commission, thirty (30) days after mailing written notice to Contractor, may terminate this Agreement, in whole or in part, when it is in the Commission's interest. If this Agreement is terminated, the Commission shall be liable only for payment under the payment provisions of this Agreement for services, work and/or supplies, rendered and/or supplied before the effective date of termination. This Agreement may be terminated without notice, by the Commission, upon the cessation of funding of the state, local or federal program, which funds this Agreement.

10. **Status of Contractor.** This Agreement calls for the performance of the services, work and/or supplying goods and/or materials by the Contractor as an independent contractor. Contractor will not be considered an employee of the Commission for any purpose.

11. **Conflict of Interest.** For the duration of this Agreement, the Contractor will not act as a consultant or perform services of any kind for any person or entity, which would conflict with the services to be provided herein, or place the Contractor in positions adverse, hostile or incompatible with the interests of the Commission, the Housing Authority, or the City of San Diego.

12. **Contractor's Liability.** Contractor shall be responsible for all injuries to persons and for all damages to real or personal property of the Commission or others, caused by, resulting from the negligence of itself, its employees, or its agents during the progress of, or connected with the rendition of services hereunder. Contractor shall indemnify, hold harmless and defend the Commission, the Housing Authority of the City of San Diego, the City of San Diego, and all officers and employees of each agency from and against any and all liability, claims, costs (including reasonable attorney's fees), damages, expenses and causes of action for damages to real or personal property, or personal injury to any person(s) resulting, in whole or in part, from the negligence of Contractor, its employees or its agents; or for any breach of any obligations, duties or covenants of Contractor under this Agreement or transactions related to it.

13. **Subcontracting/Assignability.** No services or work covered by this Agreement may be subcontracted, nor may any interest in this Agreement be assigned or transferred (whether by assignment or novation) without the prior written approval of the Commission.

14. **Insurance.** Contractor shall maintain, at its sole cost and expense, all insurance required under this Section. The insurance obtained must be approved by the Commission. Contractor agrees to the following:

(a) Contractor shall provide public liability and property damage insurance in the minimum amount of \$1,000,000 for injury to or death of one or more persons and/or property damage arising out of a single accident or occurrence, insuring against all liability of the Commission, Contractor, its Subcontractors and its authorized representatives, arising out of or in connection with the Contractor's performance of work under this Agreement.

(b) Contractor shall purchase and maintain in full force and effect worker's compensation insurance for contractors, subcontractors, employees and agents in form and amount acceptable to the Commission during the full term of this Agreement.

(c) Contractor shall provide automobile liability insurance on owned and non-owned motor vehicles used in the performance of services as detailed in the Scope of Services, both on site or in connection therewith for a combined single limit for bodily injury and property damage of no less than \$500,000 per occurrence.

(d) All insurance required to be purchased and maintained by the Contractor shall name the Commission, the Housing Authority of the City of San Diego and the City of San Diego as additional insureds and shall contain cross-liability endorsements.

(e) The Contractor shall furnish to the Commission Certificates of Insurance evidencing the insurance carried in compliance with this Section. This Certificate shall contain a provision that at least 30 days prior written notice will be given to the Commission in the event of cancellation, reduction or nonrenewal of the insurance.

(f) The policies shall provide that coverage on all policies may not be canceled, amended, terminated or otherwise modified without thirty (30) days advance written notice to the Authority, the Commission and the City. Coverage shall remain in full force and effect during the entire term of the policy and for such term thereafter as the Commission shall determine.

(g) For any claims arising out of or in connection with Contractor's performance under this Agreement, the insurance required to be purchased and maintained by the Contractor shall be primary and non-contributory to any insurance carried by the Commission, the Housing Authority and/or the City of San Diego.

(h) All insurance required to be purchased and maintained by the Contractor shall be endorsed with a waiver of subrogation. Contractor's insurers, in their endorsements, agree to waive all rights of subrogation against the Commission, the Housing Authority, the City of San Diego, and their employees and agents for losses paid by Contractor's insurers that arise out of or in connection with Contractor's performance under this Agreement.

**15. Agreement Governed by Law of State of California.** This Agreement and its performance and all suits and special proceedings under this Agreement shall be construed in accordance with the laws of the State of California and the United States of America.

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

**17. Interest of Current or Former Members, Officers, Employees.** No member, officer or employee of the Commission, no member of the governing body of the locality in which the work is situated, no member of the governing body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, shall, during his or her tenure, or for one (1) year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section shall result in unilateral and immediate termination of this Agreement by the Commission.

**18. Drug-free Workplace.** Contractor shall certify to the Commission that it will provide a drug-free workplace and will comply with all State and Federal requirements pertaining to maintenance of a drug-free workplace.

**19. Section 3 Agreement Clauses (if Agreement funded with Federal funds and as applicable).**

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

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

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

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

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

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

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

**20. Lobbying Provisions.** Contractor hereby certifies to the Commission, under penalty of perjury, under the terms of applicable federal law, that at all applicable times before, during and after the term of the Agreement, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative contract, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative contract;

(b) If any funds other than Federal appropriated funds have been paid to any person

for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal agreement, grant, loan or cooperative contract, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) Contractor will require that the above stated language be included in the award documents for all sub awards at all tiers, including subcontracts, sub grants, loans, contracts, and cooperative Contracts concerning the subject matter of this Agreement; and

(d) Further, Contractor and all sub recipients, at all times, shall certify compliance with the provisions of 31 USC 1352 and any and all terms and conditions of the Byrd Anti-Lobbying Amendment, as amended from time to time.

**21. Entire Agreement.** This Agreement represents the sole and entire agreement between the Commission and Contractor and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein.

**22. Attorneys' Fees and Costs.** The prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and reasonable attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("C.C.P.") Sections 1717, 1032, 1033, 1033.5, and any other applicable provisions of California law, including, without limitation, the provisions of C.C.P. Section 998.

**23. Disputes.** Provided that any source of funds for this Agreement is obtained from Federal sources, then this Agreement shall be subject to the Contract Disputes Act of 1978, as amended, (41U.S.C. 601-613), and except as expressly otherwise provided in the Act, all disputes arising under or relating to this Agreement shall be resolved under the terms of this clause by litigation in State Court. If this Agreement is solely funded from Non-Federal funds, then all disputes shall be resolved by litigation in San Diego County Superior Court, Downtown Branch, after first attempting resolution of the dispute through non-binding mediation.

**24. Labor Provisions.** It is the responsibility of the Contractor and the Contractor shall be fully aware of and shall comply with each and every requirement of State, Federal and Local law concerning the provision of labor concerning this Agreement, including but not limited to, the payment of applicable wage rates, if any.

**CONTRACT ATTACHMENT NO. 2**  
**SPECIFICATIONS/SCOPE OF SERVICES**

(a) Program Term, Supportive Services and Property Management

Contractor shall:

1. Provide housing and services under this Agreement for a term of one (1) year in accordance with the SBV Program regulations and SBV Administrative Plan.
2. Utilize 25 Sponsor Based Vouchers to provide housing to "Participants" (defined in (b) below). The Sponsor Based Vouchers must be used within the City of San Diego and at units in which Contractor has control, either through ownership or lease.
3. Create an SBV Administrative Plan to govern the administration of the SBV Program between Contractor, Commission and Participants. The SBV Administrative Plan shall be subject to approval by Commission.

(b) Persons Served

"Participants" for purposes of this Agreement are individuals who meet the definition of homeless, on Attachment No. 3, and who were identified during Registry Week in September 2010, as homeless with a chronic or disabling medical condition or scoring high on the Vulnerability Index and a diagnosis of severe mental illness.

1. Contractor shall provide housing and supportive services to 25 Participants throughout the one (1) year program term.
2. Contractor shall determine eligibility of all Participants prior to participation according to the Contractor's SBV Administrative Plan and Contractor's service delivery design.

(c) Supportive Services

Contractor shall:

1. Provide supportive services in a manner that is easily accessible and available to Participants. Examples of services provided could include, but are not limited to the following: Substance Abuse Counseling (Group & Individual); Mental Health Therapy (Group & Individual); Information & Referral; Case Management; Senior Services; Job Skills Training/Education; Childcare or Daycare; Domestic Violence Services; Personal Financial management & budgeting; Personal Hygiene training & services; Health & Wellness Education; Health Aide Services (Visiting nurse care).
2. Contractor agrees to provide supportive services to all Participants in accordance with the SBV Administrative Plan, approved by Commission. Contractor shall notify and obtain approval from the Commission SBV Administrator, for any changes in the scope of services or provider(s) designated to provide such services by the Contractor.

3. Contractor agrees to coordinate and provide Participant access to evaluation of the SBV Program services through participation in a program advisory group or as a participant member of Contractor's board of directors.
4. Maintain Participant files, including but not limited to: documentation of supportive services match; education/training and services plan; progress towards goals, back-up documentation for reporting, etc.

(d) Waiting List

Contractor shall create and maintain site-based waiting lists. In creating these waiting lists, Contractor shall receive input from Commission on rating and ranking applicants to ensure compliance with Fair Housing laws. Participants will also be required to apply for and remain on Commission's tenant based waiting list in order to transfer to the tenant based voucher program in the future.

(e) Housing Assistance Payments (HAP)

Contractor shall:

1. Submit monthly HAP requests to Commission prior to the 15<sup>th</sup> day of the preceding month. The HAP requests shall include initial or interim rent calculations, occupancy agreement, and eligibility documentation including certification of homelessness and disability for all Participants. Contractor shall prepare documentation pursuant to the Commission-approved SBV Administrative Plan.
2. Perform annual tenant recertification of income and adjust rent accordingly.
3. Develop and monitor Participant program occupancy agreement.
4. Coordinate initial and annual inspections with the Commission SBV Administrator, and provide move-in and move out inspections (if required).
5. Commission shall conduct an initial rent reasonableness determination for each Participant utilizing a Sponsor Based Voucher. Commission shall also conduct subsequent rent reasonableness determinations every time total rent increases.

(f) Program Reporting

The Commission will utilize Contractor's reports to measure the success of the SBV Program and for purposes of reporting to HUD. The Contractor will submit the following reports:

1. Quarterly Reports shall include:
  - a. Participants' length of stay in housing
  - b. Residential Stability of Participants
  - c. Increased skills or income of Participants
  - d. Greater self-determination
  - e. Waiting Lists directly
2. Annual Reports shall include:
  - a. Submission of annual report data including client level data from Housing Management Information System (HMIS), length of stay, reason for loss of housing (i.e. eviction) and a narrative on program highlights
  - b. Input of client data in the local Housing Management Information System (HMIS)



- c. Measurable performance goals and objectives.
- 3. Contractor shall provide additional information to Commission within five (5) days of a written request from the Commission.

(g) Housing Quality Standards (HQS)

- 1. Contractor shall maintain the units to which the Sponsor Based Vouchers are applied in accordance with the Housing Quality Standards (HQS) promulgated by HUD under its Section 8 Program, as such standards are interpreted and enforced by the Commission under its normal policies and procedures. The Contractor shall apply all local and state laws regarding occupancy and tenancy.
- 2. The units leased pursuant to the SBV Program shall be subject to HQS inspections by Commission.
- 3. Commission shall conduct an initial and annual HQS inspection for each unit subsidized with a Sponsor Based Voucher pursuant to this Agreement.
  - a. Contractor must maintain, or cause to be maintained, the assisted unit and the premises in accordance with the Housing Quality Standards (HQS) promulgated by HUD under its Section 8 Program, as such standards are interpreted and enforced by the Commission under its normal policies and procedures.
  - b. If the Contractor does not maintain, or cause to be maintained, the assisted unit in accordance with the HQS, the Commission may exercise any available remedies. The Commission's remedies for such breach include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of rental payments, termination of rental payments. The Commission shall not exercise such remedies against the Contractor and/or owner of a unit because of an HQS breach for which the Participant is responsible, and that is not caused by the Contractor and/or owner.
  - c. The Commission shall not make any rental subsidy payments if the assisted unit does not meet the HQS, unless the Contractor and/or owner corrects the defect within the period specified by the Commission and the Commission verifies the correction. If a defect is life threatening, the Contractor must correct, or cause to have corrected, the defect within no more than 24 hours. For other defects, the Contractor must correct, or cause to have corrected, the defect within the period specified by the Commission.
  - d. The Commission may inspect the assisted unit and premises at such times as the Commission determines necessary, to ensure that the assisted unit is in accordance with the HQS.
  - e. The Commission must notify the Contractor of any HQS defects shown by the inspection. If the assisted unit is not under the control or ownership of the Contractor, it is the Contractor's responsibility to notify the owner of the assisted unit and to diligently pursue the correction of the defects identified by Commission.

(h) Training

1. Contractor's staff performed services pursuant to this Agreement shall attend training provided by Commission concerning administration of the SBV Program, including tenant rent calculation and maintaining Housing Quality Standards.
2. Commission shall provide additional training or consultation as Commission deems necessary to assist Contractor with carrying out the terms of this Agreement.

(i) SBV Program Requirements, Evaluation and Reports

1. Contractor and Commission shall coordinate on annual evaluation of the SBV Program and any other reporting required by Commission or HUD.
2. Commission shall audit and monitor Contractor's SBV Program files for required documentation for new Participants (including proof of homelessness, proof of disability, rent calculation). Commission shall monitor Contractor's on site programmatic review; HMIS participation and data entry.
3. Commission shall monitor and be entitled to information concerning the use of any payment made on any Sponsor Based Voucher, to ensure payment is made to the appropriate owners and in compliance with this Agreement.

**CONTRACT ATTACHMENT NO. 3**  
**HUD Definitions**

**DEFINITIONS**

Definition of "Homeless": The target population is defined as an individual who lacks a fixed, regular and adequate nighttime residence; or, who has a primary nighttime residence that is:

1. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
2. an institution that provides a temporary residence for individuals intended to be institutionalized; or
3. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Individuals who come from transitional housing, must have previously come from the streets or emergency shelters.

Persons living in the following situations do not qualify as "homeless" under the definition used by HUD: (1) "doubled up" ("couch surfing") or living in a temporary living situation; (2) about to be evicted from their housing; (3) or being discharged from jails/prisons, mental institutions, or foster care after being in the system for more than 30 days.

Chronic Homeless: Disabled individual who has lived on the streets or in emergency shelter for one continuous year, or four times in three years. Families or persons coming from transitional shelters are not considered chronic homeless.

**CONTRACT ATTACHMENT NO 4  
CERTIFICATE OF COMPLIANCE**

The City of San Diego, The San Diego Housing Commission and Housing Authority are committed to an Equal Opportunity Program pursuant to applicable Federal and State laws and regulations, which provides Equal Opportunity in all activities of the State and its agencies, including the employment of individuals and firms that contract with the San Diego Housing Commission.

\_\_\_\_\_  
Community Research Foundation, Inc.

(Name of Firm)

As an authorized official for the above named firm, I hereby certify by the signature affixed to this document that said firm will comply with Executive Order 11246, Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act and any other applicable Federal and State laws and regulations hereinafter enacted.

Further, I am submitting a current Report of San Diego County Workforce and if requested, an acceptable Equal Employment Opportunity Plan which addresses the corrective actions that will be taken by this firm to eliminate any discriminatory outreach or hiring practices, if they exist, and to introduce outreach and hiring practices to maximize employment opportunities for all qualified individuals.

\_\_\_\_\_  
Name of Authorized Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

**SAN DIEGO HOUSING COMMISSION**  
**AGREEMENT FOR SPONSOR BASED VOUCHERS**  
**WITH MENTAL HEALTH SYSTEMS, INC.**

THIS AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_ 2011, between the

Commission:

SAN DIEGO HOUSING COMMISSION  
1122 Broadway, Ste 300  
San Diego, California 92101  
619-578-7473

and the Contractor:

Mental Health Systems, Inc.  
9465 Farnham Street  
San Diego, CA 92123

**101. DESCRIPTION OF WORK**

Sponsor Based Vouchers (SBV) is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, primarily those with serious mental illness and chronic problems with alcohol or drugs. It is funded by a Moving Forward Initiative within the Rental Assistance Program (RAP) Department and is authorized pursuant to the Moving to Work Agreement between the Commission and the United States Department of Housing and Urban Development ("HUD") and the Commission's Moving to Work Annual Plan for Fiscal Year 2011. The SBV Program is designed to link rental assistance with supportive services funded by other sources. Rental assistance funding must be matched in the aggregate by supportive services that are equal in value and appropriate for the needs of the program participants. Contractor shall provide housing and supportive services as described in the Contract Attachment No. 2, and as outlined in their Commission-approved SBV Administrative Plan (on file at the Commission and Contractor offices).

**102. CONTRACT ATTACHMENTS**

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

1. General Provisions, Contract Attachment No. 1
2. Specifications/Scope of Service, Contract Attachment No. 2
3. HUD Definitions &, Contract Attachment No. 3
4. Certificate of Compliance, Contract Attachment No. 4

**103. TIME OF PERFORMANCE**

All services required pursuant to this Agreement shall commence effective July 1, 2011, through June 30, 2012, or such earlier date that the program funds have been expended.

#### 104. COMPENSATION AND METHOD OF PAYMENT

##### a. Initial Housing Assistance Payment.

For services performed under this Agreement, the Commission shall provide the Contractor with twenty five (25) sponsor based vouchers for Contractor's use to subsidize any unit under the Contractor's control, as set forth in this Agreement. The Sponsor Based Vouchers provided to Contractor shall be for zero bedroom units.

At the beginning of the term of this Agreement, the amount of the housing assistance payment (HAP) by Commission to Contractor shall be \$942 per month. The amount of housing assistance payment by the Commission is subject to change during the term of this Agreement in accordance with HUD requirements.

In no event shall the Commission be obligated to provide Contractor with housing assistance payments pursuant to this Agreement in excess of \$250,000.00, unless and until approval of this Agreement is obtained from the Housing Authority of the City of San Diego. If approval of this Agreement by the Housing Authority is not obtained, this Agreement shall terminate at such time as the total \$250,000.00 has been expended for housing assistance payments under this Agreement. Upon approval of this Agreement by the Housing Authority of the City of San Diego, the limit on payments in excess of \$250,000 shall be removed from this Agreement.

The amount of the monthly housing assistance payment for each Sponsor Based Voucher shall be calculated by Contractor, and verified by Commission, using HUD's Housing Choice Voucher rent calculation methods for a Zero Bedroom Voucher.

Contractor acknowledges that the Commission is under no obligation to compensate Contractor for services rendered or expenses accrued under this Agreement in excess of the housing assistance payments required for the twenty five (25) Sponsor Based Vouchers. It shall be the responsibility of the Contractor to monitor its activities to ensure that the scope of services specified in Contract Attachment No. 2 (Scope of Services) may be completed with no charges accrued in excess of the maximum compensation during the term of this Agreement.

Further, the Commission may cancel the Agreement, without cause, by written notice to the Contractor at any time during the term of the Agreement, or any extension thereto, in the event that the Commission and/or the Housing Authority of the City of San Diego fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement, as set forth in Section 9 of Contract Attachment No. 1 (General Provisions).

##### b. Method of Payment

Until otherwise notified, Contractor shall submit a requisition to the Commission by the fifteenth day of each month to request housing assistance payments pursuant to the Sponsor Based Vouchers for the following month. The requisition shall include: (1) the SBV Program and Contractor's name; (2) the participant name and address of each unit receiving subsidy; (3) the total rent, tenant portion, and housing assistance payment amount as previously determined by Contractor; and (4) a certification by the Contractor specifying that payment requested is solely for housing assistance payments in accordance with this Agreement. Upon approval of the requisition and verification of the housing assistance payment amount, the Commission shall make payment to Contractor by approximately the first day of the following month.

Payments will be made to Contractor at the address given above, unless otherwise specified. The amount of the Commission housing assistance payment shall be credited against the monthly rent for the subsidized unit.

#### 105. SBV PROGRAM REQUIREMENTS

##### a. Default.

Contractor shall be in default of this Agreement if any of the following conditions occur during the term of this Agreement. Contractor:

1. Uses any of the funds for a purpose other than a housing assistance payment;
2. Fails to provide permanent supportive housing services for the minimum term of this Agreement;
3. Fails to strictly comply with the requirements of the Agreement and/or the Commission-approved SBV Administrative Plan;
4. Materially breaches any of the covenants on its part to be performed under the terms of this Agreement and/or the Commission-approved SBV Administrative Plan; and
5. Any other breach of the terms of this Agreement and/or the Commission-approved SBV Administrative Plan.

##### b. Actions upon breach.

Upon the Commission's determination that there has been a default as referenced in Paragraph 105.a. hereof, the Commission may, at its option, after five (5) days written notice to the Contractor, take any or all of the following actions:

1. Direct the Contractor to submit progress schedules, as dictated by the Commission and/or HUD, for completing the approved activities;
2. Issue a letter of warning to the Contractor of the default, establishing a date by which corrective actions must be completed and putting the Contractor on notice that more serious actions will be taken if the default is not timely cured or is repeated;
3. Direct the Contractor to establish and maintain a management plan that assigns responsibilities for carrying out the remedial actions by the Contractor;
4. Direct the Contractor to suspend, discontinue or not incur costs for the affected activity;
5. Reduce or recapture the funds from the Contractor;
6. Direct the Contractor to reimburse the program accounts for costs inappropriately charged;
7. Replace Contractor with another service provider;

8. Any other appropriate action, including but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory relief and/or judgment, specific performance, damages, temporary or permanent injunctions and any and all other available remedies; or

9. Any other action directed and/or approved by HUD.

#### 106. MODIFICATION OF AGREEMENT

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both the Commission and Contractor. Furthermore, Contractor may not change the location of units assisted with the Sponsor Based Vouchers, scope of services provided or population to be served under this Agreement without the express written approval of the Commission.

#### 107. NOTICES

Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the Contractor at the addresses given above.

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

COMMISSION:

SAN DIEGO HOUSING COMMISSION

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONTRACTOR:

MENTAL HEALTH SYSTEMS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

Christensen & Spath LLP

By: \_\_\_\_\_

General Counsel  
San Diego Housing Commission

Date: \_\_\_\_\_



**CONTRACT ATTACHMENT NO. 1**  
**General Provisions**

1. **Preference for Domestic Materials.** Wherever possible in the performance of this Agreement, only unmanufactured materials produced in the United States, and only manufactured materials manufactured in the United States, manufactured substantially from materials produced in the United States shall be used in the performance of the Agreement. Any person who fails to comply with such provision shall not be awarded any contract to which this article applies for a period of three (3) years from the date of the violation. (GOVT CODE - 4304).

2. **Preparation of Written Reports or Documents.** Provided that the total cost for work performed by Contractor exceeds five thousand dollars (\$5,000) and requires preparation of any document or written report prepared for or under the direction of the Commission, which is prepared in whole or in part by Contractor or its agents, the document or written report shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such document or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report. (GOVT CODE -7550).

3. **Equal Opportunity.** During the performance of this Agreement, Contractor shall comply with all applicable local, state and federal Equal Opportunity Programs, as well as any other applicable local, state and federal laws. Contractor shall not discriminate against any person, employee or applicant for employment, or otherwise, because of race, color, religion, ancestry, gender, disability, national origin, or any other basis prohibited by law. Contractor shall ensure that applicants for employment and employees are treated equally without regard to their race, color, religion, ancestry, gender, disability, national origin, or any other illegal classification.

4. **Notice of Regulations and Requirements Pertaining to Reporting.** Contractor's performance under this Agreement is subject to State and Federal regulations. Contractor hereby agrees to comply with all applicable requirements pertaining to reports or documentation required under the terms of this Agreement, if any.

5. **Contract Work Hours and Safety Standards Act.** In the event Contractor's performance of this Agreement entails the use of laborers or mechanics, and the Agreement is for more than the sum of \$2,500, and uses Federal funds, then Contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-339) as supplemented by Department of Labor regulations (29 CFR Part 5).

6. **Patents and Copyrights.** The Commission hereby reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for government purposes any patents and/or copyrights in any work developed under this Agreement.

7. **Access to and Retention of Records.** Contractor hereby grants access to HUD, the Comptroller General of the United States, the City of San Diego, the Housing Authority of the City of San Diego, Commission, or their duly authorized representatives, to any books, documents, papers and records of the Contractor which are directly pertinent to this specific Agreement for the purposes of audits, examinations, excerpts and transcriptions. Contractor agrees to retain any such records and documents for three (3) years from the date of final payment under this Agreement.

8. **Energy Conservation.** Provided this Agreement uses Federal funds, Contractor hereby certifies compliance with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

9. **Termination.** The Commission, thirty (30) days after mailing written notice to Contractor, may terminate this Agreement, in whole or in part, when it is in the Commission's interest. If this Agreement is terminated, the Commission shall be liable only for payment under the payment provisions of this Agreement for services, work and/or supplies, rendered and/or supplied before the effective date of termination. This Agreement may be terminated without notice, by the Commission, upon the cessation of funding of the state, local or federal program, which funds this Agreement.

10. **Status of Contractor.** This Agreement calls for the performance of the services, work and/or supplying goods and/or materials by the Contractor as an independent contractor. Contractor will not be considered an employee of the Commission for any purpose.

11. **Conflict of Interest.** For the duration of this Agreement, the Contractor will not act as a consultant or perform services of any kind for any person or entity, which would conflict with the services to be provided herein, or place the Contractor in positions adverse, hostile or incompatible with the interests of the Commission, the Housing Authority, or the City of San Diego.

12. **Contractor's Liability.** Contractor shall be responsible for all injuries to persons and for all damages to real or personal property of the Commission or others, caused by, resulting from the negligence of itself, its employees, or its agents during the progress of, or connected with the rendition of services hereunder. Contractor shall indemnify, hold harmless and defend the Commission, the Housing Authority of the City of San Diego, the City of San Diego, and all officers and employees of each agency from and against any and all liability, claims, costs (including reasonable attorney's fees), damages, expenses and causes of action for damages to real or personal property, or personal injury to any person(s) resulting, in whole or in part, from the negligence of Contractor, its employees or its agents; or for any breach of any obligations, duties or covenants of Contractor under this Agreement or transactions related to it.

13. **Subcontracting/Assignability.** No services or work covered by this Agreement may be subcontracted, nor may any interest in this Agreement be assigned or transferred (whether by assignment or novation) without the prior written approval of the Commission.

14. **Insurance.** Contractor shall maintain, at its sole cost and expense, all insurance required under this Section. The insurance obtained must be approved by the Commission. Contractor agrees to the following:

(a) Contractor shall provide public liability and property damage insurance in the minimum amount of \$1,000,000 for injury to or death of one or more persons and/or property damage arising out of a single accident or occurrence, insuring against all liability of the Commission, Contractor, its Subcontractors and its authorized representatives, arising out of or in connection with the Contractor's performance of work under this Agreement.

(b) Contractor shall purchase and maintain in full force and effect worker's compensation insurance for contractors, subcontractors, employees and agents in form and amount acceptable to the Commission during the full term of this Agreement.

(c) Contractor shall provide automobile liability insurance on owned and non-owned motor vehicles used in the performance of services as detailed in the Scope of Services, both on site or in connection therewith for a combined single limit for bodily injury and property damage of no less than \$500,000 per occurrence.

(d) All insurance required to be purchased and maintained by the Contractor shall name the Commission, the Housing Authority of the City of San Diego and the City of San Diego as additional insureds and shall contain cross-liability endorsements.

(e) The Contractor shall furnish to the Commission Certificates of Insurance evidencing the insurance carried in compliance with this Section. This Certificate shall contain a provision that at least 30 days prior written notice will be given to the Commission in the event of cancellation, reduction or nonrenewal of the insurance.

(f) The policies shall provide that coverage on all policies may not be canceled, amended, terminated or otherwise modified without thirty (30) days advance written notice to the Authority, the Commission and the City. Coverage shall remain in full force and effect during the entire term of the policy and for such term thereafter as the Commission shall determine.

(g) For any claims arising out of or in connection with Contractor's performance under this Agreement, the insurance required to be purchased and maintained by the Contractor shall be primary and non-contributory to any insurance carried by the Commission, the Housing Authority and/or the City of San Diego.

(h) All insurance required to be purchased and maintained by the Contractor shall be endorsed with a waiver of subrogation. Contractor's insurers, in their endorsements, agree to waive all rights of subrogation against the Commission, the Housing Authority, the City of San Diego, and their employees and agents for losses paid by Contractor's insurers that arise out of or in connection with Contractor's performance under this Agreement.

**15. Agreement Governed by Law of State of California.** This Agreement and its performance and all suits and special proceedings under this Agreement shall be construed in accordance with the laws of the State of California and the United States of America.

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

**17. Interest of Current or Former Members, Officers, Employees.** No member, officer or employee of the Commission, no member of the governing body of the locality in which the work is situated, no member of the governing body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, shall, during his or her tenure, or for one (1) year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section shall result in unilateral and immediate termination of this Agreement by the Commission.

**18. Drug-free Workplace.** Contractor shall certify to the Commission that it will provide a drug-free workplace and will comply with all State and Federal requirements pertaining to maintenance of a drug-free workplace.

**19. Section 3 Agreement Clauses (if Agreement funded with Federal funds and as applicable).**

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

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

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

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

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

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

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

**20. Lobbying Provisions.** Contractor hereby certifies to the Commission, under penalty of perjury, under the terms of applicable federal law, that at all applicable times before, during and after the term of the Agreement, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative contract, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative contract;

(b) If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal agreement, grant, loan or cooperative contract, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) Contractor will require that the above stated language be included in the award documents for all sub awards at all tiers, including subcontracts, sub grants, loans, contracts, and cooperative Contracts concerning the subject matter of this Agreement; and

(d) Further, Contractor and all sub recipients, at all times, shall certify compliance with the provisions of 31 USC 1352 and any and all terms and conditions of the Byrd Anti-Lobbying Amendment, as amended from time to time.

**21. Entire Agreement.** This Agreement represents the sole and entire agreement between the Commission and Contractor and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein.

**22. Attorneys' Fees and Costs.** The prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and reasonable attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("C.C.P.") Sections 1717, 1032, 1033, 1033.5, and any other applicable provisions of California law, including, without limitation, the provisions of C.C.P. Section 998.

**23. Disputes.** Provided that any source of funds for this Agreement is obtained from Federal sources, then this Agreement shall be subject to the Contract Disputes Act of 1978, as amended, (41U.S.C. 601-613), and except as expressly otherwise provided in the Act, all disputes arising under or relating to this Agreement shall be resolved under the terms of this clause by litigation in State Court. If this Agreement is solely funded from Non-Federal funds, then all disputes shall be resolved by litigation in San Diego County Superior Court, Downtown Branch, after first attempting resolution of the dispute through non-binding mediation.

**24. Labor Provisions.** It is the responsibility of the Contractor and the Contractor shall be fully aware of and shall comply with each and every requirement of State, Federal and Local law concerning the provision of labor concerning this Agreement, including but not limited to, the payment of applicable wage rates, if any.

**CONTRACT ATTACHMENT NO. 2**  
**SPECIFICATIONS/SCOPE OF SERVICES**

**(a) Program Term, Supportive Services and Property Management**

Contractor shall:

1. Provide housing and services under this Agreement for a term of one (1) year in accordance with the SBV Program regulations and SBV Administrative Plan.
2. Utilize 25 Sponsor Based Vouchers to provide housing to "Participants" (defined in (b) below). The Sponsor Based Vouchers must be used within the City of San Diego and at units in which Contractor has control, either through ownership or lease.
3. Create an SBV Administrative Plan to govern the administration of the SBV Program between Contractor, Commission and Participants. The SBV Administrative Plan shall be subject to approval by Commission.

**(b) Persons Served**

"Participants" for purposes of this Agreement are individuals who meet the definition of homeless, on Attachment No. 3, and who were identified during Registry Week in September 2010, as homeless with a chronic or disabling medical condition or scoring high on the Vulnerability Index and a diagnosis of severe mental illness.

1. Contractor shall provide housing and supportive services to 25 Participants throughout the one (1) year program term.
2. Contractor shall determine eligibility of all Participants prior to participation according to the Contractor's SBV Administrative Plan and Contractor's service delivery design.

**(c) Supportive Services**

Contractor shall:

1. Provide supportive services in a manner that is easily accessible and available to Participants. Examples of services provided could include, but are not limited to the following: Substance Abuse Counseling (Group & Individual); Mental Health Therapy (Group & Individual); Information & Referral; Case Management; Senior Services; Job Skills Training/Education; Childcare or Daycare; Domestic Violence Services; Personal Financial management & budgeting; Personal Hygiene training & services; Health & Wellness Education; Health Aide Services (Visiting nurse care).
2. Contractor agrees to provide supportive services to all Participants in accordance with the SBV Administrative Plan, approved by Commission. Contractor shall notify and obtain approval from the Commission SBV Administrator, for any changes in the scope of services or provider(s) designated to provide such services by the Contractor.

3. Contractor agrees to coordinate and provide Participant access to evaluation of the SBV Program services through participation in a program advisory group or as a participant member of Contractor's board of directors.
4. Maintain Participant files, including but not limited to: documentation of supportive services match; education/training and services plan; progress towards goals, back-up documentation for reporting, etc.

(d) Waiting List

Contractor shall create and maintain site-based waiting lists. In creating these waiting lists, Contractor shall receive input from Commission on rating and ranking applicants to ensure compliance with Fair Housing laws. Participants will also be required to apply for and remain on Commission's tenant based waiting list in order to transfer to the tenant based voucher program in the future.

(e) Housing Assistance Payments (HAP)

Contractor shall:

1. Submit monthly HAP requests to Commission prior to the 15<sup>th</sup> day of the preceding month. The HAP requests shall include initial or interim rent calculations, occupancy agreement, and eligibility documentation including certification of homelessness and disability for all Participants. Contractor shall prepare documentation pursuant to the Commission-approved SBV Administrative Plan.
2. Perform annual tenant recertification of income and adjust rent accordingly.
3. Develop and monitor Participant program occupancy agreement.
4. Coordinate initial and annual inspections with the Commission SBV Administrator, and provide move-in and move out inspections (if required).
5. Commission shall conduct an initial rent reasonableness determination for each Participant utilizing a Sponsor Based Voucher. Commission shall also conduct subsequent rent reasonableness determinations every time total rent increases.

(f) Program Reporting

The Commission will utilize Contractor's reports to measure the success of the SBV Program and for purposes of reporting to HUD. The Contractor will submit the following reports:

1. Quarterly Reports shall include:
  - a. Participants' length of stay in housing
  - b. Residential Stability of Participants
  - c. Increased skills or income of Participants
  - d. Greater self-determination
  - e. Waiting Lists directly
2. Annual Reports shall include:
  - a. Submission of annual report data including client level data from Housing Management Information System (HMIS), length of stay, reason for loss of housing (i.e. eviction) and a narrative on program highlights
  - b. Input of client data in the local Housing Management Information System

(HMIS)

c. Measurable performance goals and objectives.

3. Contractor shall provide additional information to Commission within five (5) days of a written request from the Commission.

(g) Housing Quality Standards (HQS)

1. Contractor shall maintain the units to which the Sponsor Based Vouchers are applied in accordance with the Housing Quality Standards (HQS) promulgated by HUD under its Section 8 Program, as such standards are interpreted and enforced by the Commission under its normal policies and procedures. The Contractor shall apply all local and state laws regarding occupancy and tenancy.
2. The units leased pursuant to the SBV Program shall be subject to HQS inspections by Commission.
3. Commission shall conduct an initial and annual HQS inspection for each unit subsidized with a Sponsor Based Voucher pursuant to this Agreement.
  - a. Contractor must maintain, or cause to be maintained, the assisted unit and the premises in accordance with the Housing Quality Standards (HQS) promulgated by HUD under its Section 8 Program, as such standards are interpreted and enforced by the Commission under its normal policies and procedures
  - b. If the Contractor does not maintain, or cause to be maintained, the assisted unit in accordance with the HQS, the Commission may exercise any available remedies. The Commission's remedies for such breach include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of rental payments, termination of rental payments. The Commission shall not exercise such remedies against the Contractor and/or owner of a unit because of an HQS breach for which the Participant is responsible, and that is not caused by the Contractor and/or owner.
  - c. The Commission shall not make any rental subsidy payments if the assisted unit does not meet the HQS, unless the Contractor and/or owner corrects the defect within the period specified by the Commission and the Commission verifies the correction. If a defect is life threatening, the Contractor must correct, or cause to have corrected, the defect within no more than 24 hours. For other defects, the Contractor must correct, or cause to have corrected, the defect within the period specified by the Commission.
  - d. The Commission may inspect the assisted unit and premises at such times as the Commission determines necessary, to ensure that the assisted unit is in accordance with the HQS.
  - e. The Commission must notify the Contractor of any HQS defects shown by the inspection. If the assisted unit is not under the control or ownership of the Contractor, it is the Contractor's responsibility to notify the owner of the assisted unit and to diligently pursue the correction of the defects identified by Commission.



(h) Training

1. Contractor's staff performed services pursuant to this Agreement shall attend training provided by Commission concerning administration of the SBV Program, including tenant rent calculation and maintaining Housing Quality Standards.
2. Commission shall provide additional training or consultation as Commission deems necessary to assist Contractor with carrying out the terms of this Agreement.

(i) SBV Program Requirements, Evaluation and Reports

1. Contractor and Commission shall coordinate on annual evaluation of the SBV Program and any other reporting required by Commission or HUD.
2. Commission shall audit and monitor Contractor's SBV Program files for required documentation for new Participants (including proof of homelessness, proof of disability, rent calculation) Commission shall monitor Contractor's on site programmatic review, HMIS participation and data entry.
3. Commission shall monitor and be entitled to information concerning the use of any payment made on any Sponsor Based Voucher, to ensure payment is made to the appropriate owners and in compliance with this Agreement.

**CONTRACT ATTACHMENT NO. 3**  
**HUD Definitions**

**DEFINITIONS**

Definition of "Homeless": The target population is defined as an individual who lacks a fixed, regular and adequate nighttime residence; or, who has a primary nighttime residence that is:

1. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
2. an institution that provides a temporary residence for individuals intended to be institutionalized; or
3. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Individuals who come from transitional housing must have previously come from the streets or emergency shelters.

Persons living in the following situations do not qualify as "homeless" under the definition used by HUD: (1) "doubled up" ("couch surfing") or living in a temporary living situation; (2) about to be evicted from their housing; (3) or being discharged from jails/prisons, mental institutions, or foster care after being in the system for more than 30 days.

Chronic Homeless: Disabled individual who has lived on the streets or in emergency shelter for one continuous year, or four times in three years. Families or persons coming from transitional shelters are not considered chronic homeless.

**CONTRACT ATTACHMENT NO 4  
CERTIFICATE OF COMPLIANCE**

The City of San Diego, The San Diego Housing Commission and Housing Authority are committed to an Equal Opportunity Program pursuant to applicable Federal and State laws and regulations, which provides Equal Opportunity in all activities of the State and its agencies, including the employment of individuals and firms that contract with the San Diego Housing Commission.

Mental Health Systems, Inc.  
(Name of Firm)

As an authorized official for the above named firm, I hereby certify by the signature affixed to this document that said firm will comply with Executive Order 11246, Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act and any other applicable Federal and State laws and regulations hereinafter enacted.

Further, I am submitting a current Report of San Diego County Workforce and if requested, an acceptable Equal Employment Opportunity Plan which addresses the corrective actions that will be taken by this firm to eliminate any discriminatory outreach or hiring practices, if they exist, and to introduce outreach and hiring practices to maximize employment opportunities for all qualified individuals.

\_\_\_\_\_  
Name of Authorized Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

**SAN DIEGO HOUSING COMMISSION**  
**AGREEMENT FOR SPONSOR BASED VOUCHERS**  
**WITH ST. VINCENT DE PAUL VILLAGE, INC.**

THIS AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_ 2011, between the

Commission:

SAN DIEGO HOUSING COMMISSION  
1122 Broadway, Ste 300  
San Diego, California 92101  
619-578-7473

and the Contractor:

St. Vincent de Paul Village, Inc.  
72 17<sup>th</sup> Street  
San Diego, CA 92101

**101. DESCRIPTION OF WORK**

Sponsor Based Vouchers (SBV) is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, primarily those with serious mental illness and chronic problems with alcohol or drugs. It is funded by a Moving Forward Initiative within the Rental Assistance Program (RAP) Department and is authorized pursuant to the Moving to Work Agreement between the Commission and the United States Department of Housing and Urban Development ("HUD") and the Commission's allocation of Sponsor Based Vouchers to the United Way of San Diego in October 2010. This Agreement is being entered into between Commission and Contractor pursuant to Project 25 and the Request for Proposals issued by the United Way of San Diego on October 4, 2010. The SBV Program is designed to link rental assistance with supportive services funded by other sources. Rental assistance funding must be matched in the aggregate by supportive services that are equal in value and appropriate for the needs of the program participants. Contractor shall provide housing and supportive services as described in Contract Attachment No. 2, and as outlined in their Commission-approved SBV Administrative Plan (on file at the Commission and Contractor offices).

**102. CONTRACT ATTACHMENTS**

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

1. General Provisions, Contract Attachment No. 1
2. Specifications/Scope of Service, Contract Attachment No. 2
3. HUD Definitions, Contract Attachment No. 3
4. Certificate of Compliance, Contract Attachment No. 4

**103. TIME OF PERFORMANCE**

All services required pursuant to this Agreement shall commence effective July 1, 2011 through June 30, 2012 or such earlier date that the program funds have been expended.

#### 104. COMPENSATION AND METHOD OF PAYMENT

##### a. Initial Housing Assistance Payments

For services performed under this Agreement, the Commission shall provide the Contractor with twenty five (25) sponsor based vouchers for Contractor's use to subsidize any unit under the Contractor's control, as set forth in this Agreement. The Sponsor Based Vouchers provided to Contractor shall be for zero bedroom units.

At the beginning of the term of this Agreement, the amount of the housing assistance payment (HAP) by Commission to Contractor shall be \$942 per month. The amount of housing assistance payment by the Commission is subject to change during the term of this Agreement in accordance with HUD requirements.

In no event shall the Commission be obligated to provide Contractor with housing assistance payments pursuant to this Agreement in excess of \$250,000.00, unless and until approval of this Agreement is obtained from the Housing Authority of the City of San Diego. If approval of this Agreement by the Housing Authority is not obtained, this Agreement shall terminate at such time as the total \$250,000.00 has been expended for housing assistance payments under this Agreement. Upon approval of this Agreement by the Housing Authority of the City of San Diego, the limit on payments in excess of \$250,000 shall be removed from this Agreement.

The amount of the monthly housing assistance payment for each Sponsor Based Voucher shall be calculated by Contractor, and verified by Commission, using HUD's Housing Choice Voucher rent calculation methods for a Zero Bedroom Voucher.

Contractor acknowledges that the Commission is under no obligation to compensate Contractor for services rendered or expenses accrued under this Agreement in excess of the housing assistance payments required for the twenty five (25) Sponsor Based Vouchers. It shall be the responsibility of the Contractor to monitor its activities to ensure that the scope of services specified in Contract Attachment No. 2 (Scope of Services) may be completed with no charges accrued in excess of the maximum compensation during the term of this Agreement.

Further, the Commission may cancel the Agreement, without cause, by written notice to the Contractor at any time during the term of the Agreement, or any extension thereto, in the event that the Commission and/or the Housing Authority of the City of San Diego fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement as set forth in Section 9 of Contract Attachment No. 1 (General Provisions).

##### b. Method of Payment

Until otherwise notified, Contractor shall submit a requisition to the Commission by the fifteenth day of each month to request housing assistance payments pursuant to the Sponsor Based Vouchers for the following month. The requisition shall include: (1) the SBV Program and Contractor's name; (2) the participant name and address of each unit receiving subsidy; (3) the total rent, tenant portion, and housing assistance payment amount as previously determined by Contractor; and (4) a certification by the Contractor specifying that payment requested is solely for housing assistance payments in accordance with this Agreement. Upon approval of the requisition and verification of the housing assistance payment amount, the Commission shall make payment to Contractor by approximately the first day of the following month.

Payments will be made to Contractor at the address given above, unless otherwise specified. The amount of the Commission housing assistance payment shall be credited against the monthly rent for the subsidized unit.

#### 105. SBV PROGRAM REQUIREMENTS

##### a. Default.

Contractor shall be in default of this Agreement if any of the following conditions occur during the term of this Agreement. Contractor:

1. Uses any of the funds for a purpose other than a housing assistance payment;
2. Fails to provide permanent supportive housing services for the minimum term of this Agreement;
3. Fails to strictly comply with the requirements of the Agreement and/or the Commission-approved SBV Administrative Plan;
4. Materially breaches any of the covenants on its part to be performed under the terms of this Agreement and/or the Commission-approved SBV Administrative Plan; and
5. Any other breach of the terms of this Agreement and/or the Commission-approved SBV Administrative Plan.

##### b. Actions upon breach.

Upon the Commission's determination that there has been a default as referenced in Paragraph 105.a. hereof, the Commission may, at its option, after five (5) days written notice to the Contractor, take any or all of the following actions:

1. Direct the Contractor to submit progress schedules, as dictated by the Commission and/or HUD, for completing the approved activities;
2. Issue a letter of warning to the Contractor of the default, establishing a date by which corrective actions must be completed and putting the Contractor on notice that more serious actions will be taken if the default is not timely cured or is repeated;
3. Direct the Contractor to establish and maintain a management plan that assigns responsibilities for carrying out the remedial actions by the Contractor;
4. Direct the Contractor to suspend, discontinue or not incur costs for the affected activity;
5. Reduce or recapture the funds from the Contractor;
6. Direct the Contractor to reimburse the program accounts for costs inappropriately charged;
7. Replace Contractor with another service provider;

8. Any other appropriate action, including but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory relief and/or judgment, specific performance, damages, temporary or permanent injunctions and any and all other available remedies; or
9. Any other action directed and/or approved by HUD.

106. MODIFICATION OF AGREEMENT

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both the Commission and Contractor. Furthermore, Contractor may not change the location of units assisted with the Sponsor Based Vouchers, scope of services provided, or population to be served under this Agreement without the express written approval of the Commission.

107. NOTICES

Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the Contractor at the addresses given above.

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

COMMISSION:

SAN DIEGO HOUSING COMMISSION

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONTRACTOR:

SAINT VINCENT DE PAUL VILLAGE, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

Christensen & Spath LLP

By: \_\_\_\_\_

General Counsel  
San Diego Housing Commission

Date: \_\_\_\_\_

**CONTRACT ATTACHMENT NO. 1**  
**General Provisions**

1. **Preference for Domestic Materials.** Wherever possible in the performance of this Agreement, only unmanufactured materials produced in the United States, and only manufactured materials manufactured in the United States, manufactured substantially from materials produced in the United States shall be used in the performance of the Agreement. Any person who fails to comply with such provision shall not be awarded any contract to which this article applies for a period of three (3) years from the date of the violation. (GOVT CODE - 4304).

2. **Preparation of Written Reports or Documents.** Provided that the total cost for work performed by Contractor exceeds five thousand dollars (\$5,000) and requires preparation of any document or written report prepared for or under the direction of the Commission, which is prepared in whole or in part by Contractor or its agents, the document or written report shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such document or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report. (GOVT CODE -7550).

3. **Equal Opportunity.** During the performance of this Agreement, Contractor shall comply with all applicable local, state and federal Equal Opportunity Programs, as well as any other applicable local, state and federal laws. Contractor shall not discriminate against any person, employee or applicant for employment, or otherwise, because of race, color, religion, ancestry, gender, disability, national origin, or any other basis prohibited by law. Contractor shall ensure that applicants for employment and employees are treated equally without regard to their race, color, religion, ancestry, gender, disability, national origin, or any other illegal classification.

4. **Notice of Regulations and Requirements Pertaining to Reporting.** Contractor's performance under this Agreement is subject to State and Federal regulations. Contractor hereby agrees to comply with all applicable requirements pertaining to reports or documentation required under the terms of this Agreement, if any.

5. **Contract Work Hours and Safety Standards Act.** In the event Contractor's performance of this Agreement entails the use of laborers or mechanics, and the Agreement is for more than the sum of \$2,500, and uses Federal funds, then Contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-339) as supplemented by Department of Labor regulations (29 CFR Part 5).

6. **Patents and Copyrights.** The Commission hereby reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for government purposes any patents and/or copyrights in any work developed under this Agreement.

7. **Access to and Retention of Records.** Contractor hereby grants access to HUD, the Comptroller General of the United States, the City of San Diego, the Housing Authority of the City of San Diego, Commission, or their duly authorized representatives, to any books, documents, papers and records of the Contractor which are directly pertinent to this specific Agreement for the purposes of audits, examinations, excerpts and transcriptions. Contractor agrees to retain any such records and documents for three (3) years from the date of final payment under this Agreement.

8. **Energy Conservation.** Provided this Agreement uses Federal funds, Contractor hereby certifies compliance with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).



9. **Termination.** The Commission, thirty (30) days after mailing written notice to Contractor, may terminate this Agreement, in whole or in part, when it is in the Commission's interest. If this Agreement is terminated, the Commission shall be liable only for payment under the payment provisions of this Agreement for services, work and/or supplies, rendered and/or supplied before the effective date of termination. This Agreement may be terminated without notice, by the Commission, upon the cessation of funding of the state, local or federal program, which funds this Agreement.

10. **Status of Contractor.** This Agreement calls for the performance of the services, work and/or supplying goods and/or materials by the Contractor as an independent contractor. Contractor will not be considered an employee of the Commission for any purpose.

11. **Conflict of Interest.** For the duration of this Agreement, the Contractor will not act as a consultant or perform services of any kind for any person or entity, which would conflict with the services to be provided herein, or place the Contractor in positions adverse, hostile or incompatible with the interests of the Commission, the Housing Authority, or the City of San Diego.

12. **Contractor's Liability.** Contractor shall be responsible for all injuries to persons and for all damages to real or personal property of the Commission or others, caused by, resulting from the negligence of itself, its employees, or its agents during the progress of, or connected with the rendition of services hereunder. Contractor shall indemnify, hold harmless and defend the Commission, the Housing Authority of the City of San Diego, the City of San Diego, and all officers and employees of each agency from and against any and all liability, claims, costs (including reasonable attorney's fees), damages, expenses and causes of action for damages to real or personal property, or personal injury to any person(s) resulting, in whole or in part, from the negligence of Contractor, its employees or its agents; or for any breach of any obligations, duties or covenants of Contractor under this Agreement or transactions related to it.

13. **Subcontracting/Assignability.** No services or work covered by this Agreement may be subcontracted, nor may any interest in this Agreement be assigned or transferred (whether by assignment or novation) without the prior written approval of the Commission.

14. **Insurance.** Contractor shall maintain, at its sole cost and expense, all insurance required under this Section. The insurance obtained must be approved by the Commission. Contractor agrees to the following:

(a) Contractor shall provide public liability and property damage insurance in the minimum amount of \$1,000,000 for injury to or death of one or more persons and/or property damage arising out of a single accident or occurrence, insuring against all liability of the Commission, Contractor, its Subcontractors and its authorized representatives, arising out of or in connection with the Contractor's performance of work under this Agreement.

(b) Contractor shall purchase and maintain in full force and effect worker's compensation insurance for contractors, subcontractors, employees and agents in form and amount acceptable to the Commission during the full term of this Agreement.

(c) Contractor shall provide automobile liability insurance on owned and non-owned motor vehicles used in the performance of services as detailed in the Scope of Services, both on site or in connection therewith for a combined single limit for bodily injury and property damage of no less than \$500,000 per occurrence.

(d) All insurance required to be purchased and maintained by the Contractor shall name the Commission, the Housing Authority of the City of San Diego and the City of San Diego as additional insureds and shall contain cross-liability endorsements.

(e) The Contractor shall furnish to the Commission Certificates of Insurance evidencing the insurance carried in compliance with this Section. This Certificate shall contain a provision that at least 30 days prior written notice will be given to the Commission in the event of cancellation, reduction or nonrenewal of the insurance.

(f) The policies shall provide that coverage on all policies may not be canceled, amended, terminated or otherwise modified without thirty (30) days advance written notice to the Authority, the Commission and the City. Coverage shall remain in full force and effect during the entire term of the policy and for such term thereafter as the Commission shall determine.

(g) For any claims arising out of or in connection with Contractor's performance under this Agreement, the insurance required to be purchased and maintained by the Contractor shall be primary and non-contributory to any insurance carried by the Commission, the Housing Authority and/or the City of San Diego.

(h) All insurance required to be purchased and maintained by the Contractor shall be endorsed with a waiver of subrogation. Contractor's insurers, in their endorsements, agree to waive all rights of subrogation against the Commission, the Housing Authority, the City of San Diego, and their employees and agents for losses paid by Contractor's insurers that arise out of or in connection with Contractor's performance under this Agreement.

**15. Agreement Governed by Law of State of California.** This Agreement and its performance and all suits and special proceedings under this Agreement shall be construed in accordance with the laws of the State of California and the United States of America.

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

**17. Interest of Current or Former Members, Officers, Employees.** No member, officer or employee of the Commission, no member of the governing body of the locality in which the work is situated, no member of the governing body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, shall, during his or her tenure, or for one (1) year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section shall result in unilateral and immediate termination of this Agreement by the Commission.

**18. Drug-free Workplace.** Contractor shall certify to the Commission that it will provide a drug-free workplace and will comply with all State and Federal requirements pertaining to maintenance of a drug-free workplace.

**19. Section 3 Agreement Clauses (if Agreement funded with Federal funds and as applicable).**

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

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

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

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

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

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

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

**20. Lobbying Provisions.** Contractor hereby certifies to the Commission, under penalty of perjury, under the terms of applicable federal law, that at all applicable times before, during and after the term of the Agreement, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative contract, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative contract;

(b) If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal agreement, grant, loan or cooperative contract, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) Contractor will require that the above stated language be included in the award documents for all sub awards at all tiers, including subcontracts, sub grants, loans, contracts, and cooperative Contracts concerning the subject matter of this Agreement; and

(d) Further, Contractor and all sub recipients, at all times, shall certify compliance with the provisions of 31 USC 1352 and any and all terms and conditions of the Byrd Anti-Lobbying Amendment, as amended from time to time.

**21. Entire Agreement.** This Agreement represents the sole and entire agreement between the Commission and Contractor and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein.

**22. Attorneys' Fees and Costs.** The prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and reasonable attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("C.C.P.") Sections 1717, 1032, 1033, 1033.5, and any other applicable provisions of California law, including, without limitation, the provisions of C.C.P. Section 998.

**23. Disputes.** Provided that any source of funds for this Agreement is obtained from Federal sources, then this Agreement shall be subject to the Contract Disputes Act of 1978, as amended, (41U.S.C. 601-613), and except as expressly otherwise provided in the Act, all disputes arising under or relating to this Agreement shall be resolved under the terms of this clause by litigation in State Court. If this Agreement is solely funded from Non-Federal funds, then all disputes shall be resolved by litigation in San Diego County Superior Court, Downtown Branch, after first attempting resolution of the dispute through non-binding mediation.

**24. Labor Provisions.** It is the responsibility of the Contractor and the Contractor shall be fully aware of and shall comply with each and every requirement of State, Federal and Local law concerning the provision of labor concerning this Agreement, including but not limited to, the payment of applicable wage rates, if any.

## **CONTRACT ATTACHMENT NO. 2 SPECIFICATIONS/SCOPE OF SERVICES**

### **(a) Program Term, Supportive Services and Property Management**

Contractor shall:

1. Provide housing and services under this Agreement for a term of one (1) year in accordance with the SBV Program regulations and SBV Administrative Plan.
2. Utilize 25 Sponsor Based Vouchers to provide housing to "Participants" (defined in (b) below). The Sponsor Based Vouchers must be used within the City of San Diego and at units in which Contractor has control, either through ownership or lease.
3. Create an SBV Administrative Plan to govern the administration of the SBV Program between Contractor, Commission and Participants. The SBV Administrative Plan shall be subject to approval by Commission.

### **(b) Persons Served**

"Participants" for purposes of this Agreement are individuals who meet the definition of homeless, on Attachment No. 3, and who were identified during Registry Week in September 2010, as homeless with a chronic or disabling medical condition or scoring high on the Vulnerability Index and a diagnosis of severe mental illness.

1. Contractor shall provide housing and supportive services to 25 Participants throughout the one (1) year program term.
2. Contractor shall determine eligibility of all Participants prior to participation according to the Contractor's SBV Administrative Plan and Contractor's service delivery design.

### **(c) Supportive Services**

Contractor shall:

1. Provide supportive services in a manner that is easily accessible and available to Participants. Examples of services provided could include, but are not limited to the following: Substance Abuse Counseling (Group & Individual); Mental Health Therapy (Group & Individual); Information & Referral; Case Management; Senior Services; Job Skills Training/Education; Childcare or Daycare; Domestic Violence Services; Personal Financial management & budgeting; Personal Hygiene training & services; Health & Wellness Education; Health Aide Services (Visiting nurse care).
2. Contractor agrees to provide supportive services to all Participants in accordance with the SBV Administrative Plan, approved by Commission. Contractor shall notify and obtain approval from the Commission SBV Administrator, for any changes in the scope of services or provider(s) designated to provide such services by the Contractor.

3. Contractor agrees to coordinate and provide Participant access to evaluation of the SBV Program services through participation in a program advisory group or as a participant member of Contractor's board of directors.
4. Maintain Participant files, including but not limited to: documentation of supportive services match; education/training and services plan; progress towards goals, back-up documentation for reporting, etc.

(d) Waiting List

Contractor shall create and maintain site-based waiting lists. In creating these waiting lists, Contractor shall receive input from Commission on rating and ranking applicants to ensure compliance with Fair Housing laws. Participants will also be required to apply for and remain on Commission's tenant based waiting list in order to transfer to the tenant based voucher program in the future.

(e) Housing Assistance Payments (HAP)

Contractor shall:

1. Submit monthly HAP requests to Commission prior to the 15<sup>th</sup> day of the preceding month. The HAP requests shall include initial or interim rent calculations, occupancy agreement, and eligibility documentation including certification of homelessness and disability for all Participants. Contractor shall prepare documentation pursuant to the Commission-approved SBV Administrative Plan.
2. Perform annual tenant recertification of income and adjust rent accordingly.
3. Develop and monitor Participant program occupancy agreement.
4. Coordinate initial and annual inspections with the Commission SBV Administrator, and provide move-in and move out inspections (if required).
5. Commission shall conduct an initial rent reasonableness determination for each Participant utilizing a Sponsor Based Voucher. Commission shall also conduct subsequent rent reasonableness determinations every time total rent increases.

(f) Program Reporting

The Commission will utilize Contractor's reports to measure the success of the SBV Program and for purposes of reporting to HUD. The Contractor will submit the following reports:

1. Quarterly Reports shall include:
  - a. Participants' length of stay in housing
  - b. Residential Stability of Participants
  - c. Increased skills or income of Participants
  - d. Greater self-determination
  - e. Waiting Lists directly
2. Annual Reports shall include:
  - a. Submission of annual report data including client level data from Housing Management Information System (HMIS), length of stay, reason for loss of housing (i.e. eviction) and a narrative on program highlights
  - b. Input of client data in the local Housing Management Information System

(HMIS)

- c. Measurable performance goals and objectives.

Contractor shall provide additional information to Commission within five (5) days of a written request from the Commission.

(g) Housing Quality Standards (HQS)

1. Contractor shall maintain the units to which the Sponsor Based Vouchers are applied in accordance with the Housing Quality Standards (HQS) promulgated by HUD under its Section 8 Program, as such standards are interpreted and enforced by the Commission under its normal policies and procedures. The Contractor shall apply all local and state laws regarding occupancy and tenancy.
2. The units leased pursuant to the SBV Program shall be subject to HQS inspections by Commission.
3. Commission shall conduct an initial and annual HQS inspection for each unit subsidized with a Sponsor Based Voucher pursuant to this Agreement.
  - a. Contractor must maintain, or cause to be maintained, the assisted unit and the premises in accordance with the Housing Quality Standards (HQS) promulgated by HUD under its Section 8 Program, as such standards are interpreted and enforced by the Commission under its normal policies and procedures
  - b. If the Contractor does not maintain, or cause to be maintained, the assisted unit in accordance with the HQS, the Commission may exercise any available remedies. The Commission's remedies for such breach include recovery of overpayments, suspension of housing assistance payments, abatement or other reduction of rental payments, termination of rental payments. The Commission shall not exercise such remedies against the Contractor and/or owner of a unit because of an HQS breach for which the Participant is responsible, and that is not caused by the Contractor and/or owner.
  - c. The Commission shall not make any rental subsidy payments if the assisted unit does not meet the HQS, unless the Contractor and/or owner corrects the defect within the period specified by the Commission and the Commission verifies the correction. If a defect is life threatening, the Contractor must correct, or cause to have corrected, the defect within no more than 24 hours. For other defects, the Contractor must correct, or cause to have corrected, the defect within the period specified by the Commission.
  - d. The Commission may inspect the assisted unit and premises at such times as the Commission determines necessary, to ensure that the assisted unit is in accordance with the HQS.
  - e. The Commission must notify the Contractor of any HQS defects shown by the inspection. If the assisted unit is not under the control or ownership of the Contractor, it is the Contractor's responsibility to notify the owner of the assisted unit and to diligently pursue the correction of the defects identified by Commission.

(h) Training

1. Contractor's staff performed services pursuant to this Agreement shall attend training provided by Commission concerning administration of the SBV Program, including tenant rent calculation and maintaining Housing Quality Standards.
2. Commission shall provide additional training or consultation as Commission deems necessary to assist Contractor with carrying out the terms of this Agreement.

(i) SBV Program Requirements, Evaluation and Reports

1. Contractor and Commission shall coordinate on annual evaluation of the SBV Program and any other reporting required by Commission or HUD.
2. Commission shall audit and monitor Contractor's SBV Program files for required documentation for new Participants (including proof of homelessness, proof of disability, rent calculation). Commission shall monitor Contractor's on site programmatic review; HMIS participation and data entry.
3. Commission shall monitor and be entitled to information concerning the use of any payment made on any Sponsor Based Voucher, to ensure payment is made to the appropriate owners and in compliance with this Agreement.



**CONTRACT ATTACHMENT NO. 3**  
**HUD Definitions**

**DEFINITIONS**

Definition of "Homeless": The target population is defined as an individual who lacks a fixed, regular and adequate nighttime residence; or, who has a primary nighttime residence that is:

1. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
2. an institution that provides a temporary residence for individuals intended to be institutionalized; or
3. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Individuals who come from transitional housing, must have previously come from the streets or emergency shelters.

Persons living in the following situations do not qualify as "homeless" under the definition used by HUD: (1) "doubled up" ("couch surfing") or living in a temporary living situation; (2) about to be evicted from their housing; (3) or being discharged from jails/prisons, mental institutions, or foster care after being in the system for more than 30 days.

Chronic Homeless: Disabled individual who has lived on the streets or in emergency shelter for one continuous year, or four times in three years. Families or persons coming from transitional shelters are not considered chronic homeless.

**CONTRACT ATTACHMENT NO 4  
CERTIFICATE OF COMPLIANCE**

The City of San Diego, The San Diego Housing Commission and Housing Authority are committed to an Equal Opportunity Program pursuant to applicable Federal and State laws and regulations, which provides Equal Opportunity in all activities of the State and its agencies, including the employment of individuals and firms that contract with the San Diego Housing Commission.

\_\_\_\_\_  
St. Vincent de Paul Village, Inc.  
(Name of Firm)

As an authorized official for the above named firm, I hereby certify by the signature affixed to this document that said firm will comply with Executive Order 11246, Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act and any other applicable Federal and State laws and regulations hereinafter enacted.

Further, I am submitting a current Report of San Diego County Workforce and if requested, an acceptable Equal Employment Opportunity Plan which addresses the corrective actions that will be taken by this firm to eliminate any discriminatory outreach or hiring practices, if they exist, and to introduce outreach and hiring practices to maximize employment opportunities for all qualified individuals.

\_\_\_\_\_  
Name of Authorized Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date