



SAN DIEGO  
HOUSING  
COMMISSION

## REPORT TO THE CITY COUNCIL & HOUSING AUTHORITY

**DATE ISSUED:** September 10, 2012

**REPORT NO:** HAR12-041

**ATTENTION:** Members of the City Council and Housing Authority of the City of San Diego  
For the Agenda of September 25, 2012

**SUBJECT:** Third Amendment to the Memorandum of Understanding between the City of San Diego and San Diego Housing Commission for the Provision of the City's Homeless Shelter and Services

**COUNCIL DISTRICT:** Citywide

**REQUESTED ACTION:**

Approval by the Housing Authority of the City of San Diego and San Diego City Council for the execution of the Third Amendment to the City's Homeless Shelter Services Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission.

**STAFF RECOMMENDATION:**

The Housing Authority of the City of San Diego ("Housing Authority") and San Diego City Council ("City Council") approve the Third Amendment of the Memorandum of Understanding ("MOU") between the City of San Diego ("City") and San Diego Housing Commission ("Commission") regarding the provision of homeless shelter services, and for the following actions to be taken to ensure ongoing funding for the City's homeless shelter and service programs:

**Recommended City Council Actions**

- 1) Waive paragraph 16 of Council Policy 700-02 so that future allocations of Community Development Block Grant ("CDBG") funding from HUD related to public services shall be set aside in a total amount not to exceed \$1,318,078 to assist in covering the expense of operating the Neil Good Day Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Connections Housing Interim Bed Program, without any requirement of matching funds to the extent such funds are available each fiscal year and approved for such use by the City Council.
- 2) Approve the Third Amendment to the MOU between the City and the Commission in the form attached to the City Council Report.
- 3) Authorize the Mayor or a designee to execute the Third Amendment to the MOU, a copy of which is attached hereto as Document No. \_\_\_\_\_.
- 4) Authorize the Mayor or a designee to execute future amendments to the MOU so long as the only change to the MOU is an amendment renewing its term. Should either party propose additional changes, those changes shall be subject to approval of the San Diego City Council.

Recommended Housing Authority Actions

- 1) Approve the Third Amendment to the MOU between the City and the Commission in substantially the form attached hereto.
- 2) Authorize the President & Chief Executive Officer (“President & CEO”) of the Housing Commission, or designee, to execute the Third Amendment to the MOU, a copy of which is attached hereto, in a form approved by General Counsel.
- 3) Authorize the President & CEO of the Housing Commission, or designee, to execute future amendments of the MOU so long as the only change to the MOU is an amendment renewing its term. Should either party propose additional changes, those changes shall be subject to approval of the Housing Authority of the City of San Diego.

**SUMMARY:**

The City Council has leveraged CDBG as a primary funding source for the City’s homeless program since the early 1990’s. Since Fiscal Year (FY) 2003, the City has allocated between \$148,473 and \$768,078 in total CDBG funding for the operation of the Neil Good Day Center, the Winter Shelter Program, and the Cortez Hill Family Shelter. For FY 2013, the Commission requested CDBG funding in a total amount of \$1,318,078 for these homeless programs, but the City only allocated such funding to the Commission in the amount of \$768,078. The City did not allocate the \$550,000 of FY 2013 CDBG funds requested by the Commission to fund the operation of the Neil Good Day Center. In fact, since the Commission took over the administration of these programs on behalf of the City in 2010, the Neil Good Day Center has not received CDBG funding in FY 2012 and FY 2013. To avoid this funding uncertainty in the future, this action seeks to ensure that homeless programs administered by the Commission on behalf of the City (Neil Good Day Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Connections Housing Interim Bed Program) will be funded at their prior and/or necessary levels so the Commission can continue providing San Diego’s homeless population with these essential services. The Interim Bed Program at Connections Housing will provide year-round housing to 150 single adult homeless individuals, while delivering supportive services and access to the rest of the PATH facility. The goal of the program is to improve individuals’ ability to access resources that will result in achieving long-term housing stability.

On June 29, 2010, the Housing Authority and City Council approved an MOU between the City and Housing Commission transferring responsibility for administering the City’s homeless shelter programs from the City to the Housing Commission. On May 27, 2011, the Housing Authority and City Council approved the First Amendment to the MOU. A Second Amendment was approved as amended by the Housing Authority and City Council on July 31, 2012. The original MOU with its executed First and Second Amendments are contained in Attachment 1.

This proposed Third Amendment (Attachment 2) to the MOU would accomplish the following:

- 1) Waives the matching funds requirement in paragraph 16 of City Council Policy 700-02 to allow for the appropriation and expenditure of CDBG public services funds to assist in covering the cost of operating the Neil Good Day Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Connections Housing Interim Bed Program;
- 2) To the extent that CDBG funds for public services are made available to the City by HUD each year, City staff shall set aside a portion of such funds in a total amount not to exceed \$1,318,078 to assist in covering the costs of the operation of the Neil Good Day Center, Cortez Hill Family

Shelter, Veterans Winter Shelter and Connections Housing Interim Bed Program, contingent upon the approval of the City Council each year.

This action would codify in the MOU the City's commitment to fund these homeless shelter programs with HUD CDBG funding. Although City Council would still be required each year to authorize the appropriation and expenditure of CDBG funds for such purposes, the renewal of the MOU itself would not require future Council action so long as the MOU was only being extended for another annual term under the same terms and conditions.

For Fiscal Year (FY) 2012, the total amount of public services CDBG funds available for allocation was \$2,630,508, which consisted of the City's annual allocation from HUD in the amount of \$2,040,414, an additional amount of \$494,175 from the Redevelopment Agency of the City of San Diego (RDA) annual installment payment made pursuant to the Repayment Agreement between the Redevelopment Agency of the City of San Diego and the City of San Diego for CDBG Debt, as well as \$95,919 of CDBG program income from a one-time property sale.

For FY 2013, the total amount of public services CDBG funds available for allocation was \$2,181,783, which consisted of \$1,605,453 from the City's annual allocation from HUD and \$576,330 from the RDA repayment.

As described earlier, the amount of public services CDBG funding required to partially fund the Neil Good Day Center, the Veterans Winter Shelter Program, the Cortez Hill Family Shelter and the Connections Housing Interim Bed Program on an annual basis is \$1,318,078. In addition to these CDBG funds, the Housing Commission intends to continue to seek and obtain Emergency Solutions Grant (ESG) funds as well as to contribute its own local funds as referenced in the MOU.

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

On July 31, 2012, the City Council and Housing Authority voted to approve the renewal of the MOU pursuant to the Second Amendment without the language authorizing CDBG funds to be set aside in future allocations for the City's homeless shelter programs and the waiver of the matching funds requirement of City Council Policy 700-02. An initial Council motion to approve the full action with the stricken language failed pursuant to a four to three vote in favor, because it did not obtain the required five votes for adoption. Because the full Council was not in attendance at the hearing, it was requested that this stricken language be returned in September 2012 as a Third Amendment to the MOU for consideration by the full City Council.

The renewal of the MOU and its entire proposed Second Amendment were approved at the regular Housing Commission meeting of July 20, 2012.

On July 11, 2012 the Consolidated Plan Advisory Board voted 4-2 against recommending automatic set-asides of future allocations of CDBG funding as referenced in the MOU's Second Amendment. The Housing Commission and City staff disagree with this recommendation.

On May 27, 2011, the Housing Authority and City Council approved the First Amendment to the MOU.

September 10, 2012

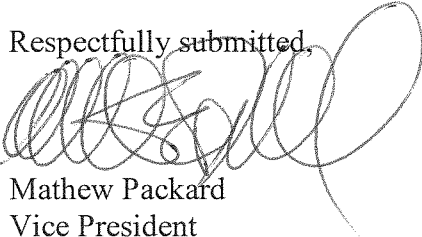
Third Amendment of City/SDHC MOU for Provision of Homeless Shelter Services

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**ENVIRONMENTAL REVIEW:**

This activity including the amendment of the MOU and waiver of Council Policy 700-02 is not a project pursuant to Section 15060(c)(3) of the State of California Environmental Quality Act Guidelines and section 15378. In addition, this activity is categorically exempt pursuant to Sections 58.34(a)(1) and (a)(3) of the National Environmental Policy Act.

Respectfully submitted,



Mathew Packard  
Vice President  
Housing Innovations Department

Approved by,



Richard C. Gentry  
President & Chief Executive Officer  
San Diego Housing Commission

Attachment 1: MOU, First and Second Amendments

Attachment 2: Draft Third Amendment [subject to modification]

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).

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF SAN DIEGO  
AND  
SAN DIEGO HOUSING COMMISSION  
FOR THE PROVISION OF HOMELESS SHELTER AND SERVICES**

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This Memorandum of Understanding (MOU) between the SAN DIEGO HOUSING COMMISSION, a public agency (Commission) and the CITY OF SAN DIEGO, a municipal corporation (City), shall become effective upon signature of both parties.

The term of this MOU is two fiscal years, beginning July 1, 2010 and ending June 30, 2012; the MOU must be renewed one year prior to the end of each fiscal year to ensure availability and allocation of funding. This MOU shall terminate on June 30, 2012 unless extended by the Commission and the City no later than June 30, 2011.

**RECITALS**

**WHEREAS**, The City's Consolidated Plan estimates there are 6,500 homeless persons located within the City's jurisdictional limits; and

**WHEREAS**, The City's Homeless Programs included in the Consolidated Plan, seek to continue to expand the involvement of nonprofit entities in the provision of shelter and services to the homeless and further recognizes the need to increase the availability of shelter beds to effectively serve homeless persons with special needs in an efficient and effective manner; and

**WHEREAS**, pursuant to the City's Consolidated Plan, the City has provided temporary shelter and services for homeless persons (e.g., Emergency Winter Shelter, Cortez Hill Family Shelter, Neil Good Day Center, Homeless Data Management referred to as "Shelter and Service Programs") through a series of contractual arrangements with shelter and service providers; and

**WHEREAS**, the City desires to transfer the management of the contracts for operation of the Shelter and Service Programs;

**NOW, THEREFORE**, the Commission and the City agree as follows:

1. On July 1, 2010, the Commission will take responsibility for the management and oversight of the City's contracts for provision of shelter and services for homeless persons as awarded by the City prior to July 1, 2010 and as awarded by the Housing Commission and/or Housing Authority for the remaining term of this MOU.
2. To provide temporary shelter, services and assistance to alleviate homelessness:
  - The Housing Commission will use City appropriated funds (and other sources as available) to support the shelter program.

- The Housing Commission will manage the contracts to operate the Neil Good Day Center as awarded by the City to provide walk-in and referral services for homeless.
  - The Housing Commission will continue to fund data management services through the Regional Task Force on the Homeless at current level (\$45,000/year) if services and funding are deemed necessary.
  - To assist families with access to transitional housing, case management, and support services: the Housing Commission will use Emergency Shelter Grant (ESG), Community Development Block Grant (CDBG) and any other funds available to support assistance to a minimum of 100 families through the Cortez Hill Family Center.
  - The City staff will facilitate utility hook ups for shelter tent operations (Facilities Maintenance, Water, Streets). Commission will be responsible for payment of service hook ups, utility payments, and costs associated with set-up/tear down of shelter program(s).
3. Sources of Funds: the City will dedicate 100% of funds received from the HUD ESG and will dedicate CDBG funding in accordance with Council Policy 700-02 to shelter and service programs during the term of the MOU. City and Housing Commission acknowledge that the current rate of City funding does not cover the entire cost of the shelter program and is contingent upon the ESG entitlement amount, other funding sources confirmed, and Council approval during the CDBG Application process. It is expressly understood that the Commission may terminate this MOU, upon ninety (90) days written notice to the City, if regular funding sources adequate to cover the provision of a tent and social services at a level of service equal or greater than that provided by the City's winter shelter program in FY2010 are not made available.
  4. To ensure the Commission's ability to manage the operational contracts, the City agrees to work with the Commission and HUD to facilitate the Commission's ability to directly access the ESG funds through the Integrated Disbursement and Information System (IDIS). It is understood that this MOU will not be effective until arrangements have been completed to ensure the Commission can directly access ESG funds.
  5. The Commission shall ensure compliance with CDBG, ESG, and/or other federal regulations and requirements with regard to administration and utilization of the CDBG and ESG funds and ensure all subcontract compliance through monitoring reviews are conducted by Commission staff and documented.
  6. Funding available through CDBG will be subject to the City's reimbursement process. Prior to July 1, 2010 the City will provide a detailed description of the documentation that will be required from the Commission for the reimbursement of funds provided through CDBG. The City agrees reimbursement requests from the Commission will be paid within 30 days of receipt, provided said documentation is included with the reimbursement request.

7. Commission shall, in a timely manner, provide City with all ESG and CDBG data and narrative as requested to complete the Annual Action Plan , Consolidated Annual Performance Evaluation Report, and monitoring reports, and any other reports and documents required by the CDBG Program office
8. The City agrees to store, at no cost, up to two sprung tent structures used for the purpose of the Winter Shelter Program at the City's General Services storage facility located at 1950 B Street, San Diego, CA 92102 or alternative location if deemed necessary by the City. The Housing Commission and City will enter into an agreement with the San Diego Unified Port District for storage and use of the sprung tent structures.
9. In no event shall the Housing Commission's financial contribution for the programs and services covered by the MOU exceed a total of \$400,000 in any fiscal year during the term of this MOU.

Either the Commission or the City may terminate this MOU for any reason by providing 90 days written notice to the other.

SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO

BY: 

BY: 

DATE: 11/29/10

DATE: 12-6-10

APPROVED:

OFFICE OF THE CITY ATTORNEY

CHRISTENSEN & SPATH LLP

Andrea Dixon Contreras <sup>pro</sup>

A California Limited Liability Partnership

BY: 

BY: 

General Counsel

City Attorney

San Diego Housing Commission

City of San Diego

12-7-10

**FIRST AMENDMENT**  
**TO**  
**MEMORANDUM OF UNDERSTANDING BETWEEN**  
**THE CITY OF SAN DIEGO**  
**AND**  
**SAN DIEGO HOUSING COMMISSION**

**FOR THE PROVISION OF HOMELESS SHELTER AND SERVICES**

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This First Amendment to the Memorandum of Understanding (MOU) between the SAN DIEGO HOUSING COMMISSION, a public agency (Commission) and the CITY OF SAN DIEGO, a municipal corporation (City), shall become effective upon signature of both parties.

**RECITALS**

**WHEREAS**, on June 29, 2010, by Resolution No. R-305962, the San Diego City Council authorized the execution of an MOU transferring responsibility for operation of the City's Shelter and Services Programs for Homeless Persons from the City to the Commission, effective July 1, 2010 through June 30, 2012 (Original MOU); and

**WHEREAS**, the Original MOU requires renewal of its term annually, starting no less than one fiscal year prior to the end of the then-current expiration date; and

**WHEREAS**, a mutual indemnification clause was unintentionally omitted from the Original MOU; and

**WHEREAS**, the Commission and City agree to clarify certain other provisions of the Original MOU;

**NOW, THEREFORE**, the Commission and the City agree as follows:

1. This First Amendment to the MOU shall extend the term of the Original MOU one fiscal year, beginning July 1, 2012 (the expiration date of the Original MOU) and ending June 30, 2013. In order to ensure availability and allocation of funding, all future amendments renewing the Original MOU must be approved no less than one fiscal year prior to the expiration of the then-current term or extension.



2. Section 2 of the MOU is deleted in its entirety and replaced with the following language:

“The Commission shall oversee and manage those City programs which provide temporary shelter, services and assistance to alleviate homelessness including, but not limited to, the following elements of the City’s Shelter and Service Program:

- A winter shelter and ancillary services for 200 homeless adults, operating at least from December 1 of each year through March 31 of the following year;
- A winter shelter and ancillary services for 150 veterans, operating during the same time period as above;
- Set-up and tear-down of the above shelters when sprung structures are used;
- City-facilitated utility hook-ups for shelter operations;
- Assistance for a minimum of 100 families through the Cortez Hill Family Center;
- Operation of the Neil Good Day Center, providing walk-in and referral services for homeless families;
- Funding for County’s hotel/motel voucher program for homeless families; and
- Commission funding of \$45,000 per year to the Regional Task Force on the Homeless for data management services, if such services and funding are deemed necessary.

3. Section 3 of the MOU, “Sources of Funds”, is hereby amended to read in its entirety as follows:

“The City will dedicate 100% of funds received from the HUD ESG program and will dedicate CDBG funds in accordance with Council Policy 700-02 to the shelter and service programs itemized herein during the term of this MOU. City and Housing Commission acknowledge that the current rate of City funding does not cover the entire cost of the shelter and service program as currently constituted and is contingent upon the ESG entitlement amount, confirmation of other funding sources, and City Council approval during the CDBG application process. It is expressly understood the Commission may terminate this MOU upon ninety (90) days written notice to the City, if regular funding sources adequate to cover the provision of a sprung structure and social services at a level of service equal or greater than that provided by the City’s winter shelter program in FY2010 are not made available. It is expressly understood that the City will endeavor

to make funds available for each Fiscal Year that this MOU is in place at a level no less than that of the previous Fiscal Year. However, if the specified level of funding is not available and/or if program elements are changed, Commission's responsibilities under the MOU will be changed accordingly as mutually agreed to by the parties in writing.

Commission's financial contribution for the programs and services covered by the MOU shall not exceed \$400,000, in addition to the \$45,000 previously referenced in Section 2, during any fiscal year during the term of this MOU. This financial contribution is intended to be separate and apart from the one-time \$500,000 contribution the Commission has agreed to make to the City for the operation of the Neil Good Day Center for Fiscal Year 2012."

4. Section 10 is added to read as follows:

Indemnification To the fullest extent provided by law, City and Commission agree to indemnify, protect, and hold harmless one another, including their elected officials, departments, representatives, agents, officers or employees, from and against any and all claims, demands, actions, proceedings, suits, liabilities, damages, costs (including reasonable attorneys' fees) or expenses for, including damage to property, the loss or use thereof, or injury or death to any person, caused by, arising out of, or related to the performance of services under this MOU by City and/or Commission, their elected officials, officers, agents, representatives, departments, subcontractors and employees. The City's and Commission's duty to indemnify and hold harmless one another shall not include any claim or liability arising from the established sole negligence or willful misconduct of the other, or its elected officials, officers agents, representatives, departments, subcontractors, and employees.

SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO

By: 

Carrol Vaughan  
Executive Vice President and Chief  
Operating Officer

By: 


Jay Goldstone  
Chief Operating Officer

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

Date: 8/4/11

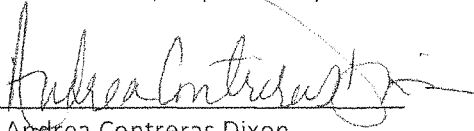
APPROVED AS TO FORM AND LEGALITY:

CHRISTENSEN & SPATH LLP  
A California Limited Liability Partnership

By:   
Charles Christensen  
General Counsel

Date: 7/25/11

OFFICE OF THE CITY ATTORNEY  
Jan I. Goldsmith, City Attorney

By:   
Andrea Contreras Dixon  
Deputy City Attorney

Date: 8.3.11

**SECOND AMENDMENT  
TO THE MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF SAN DIEGO  
AND  
SAN DIEGO HOUSING COMMISSION  
FOR THE PROVISION OF HOMELESS SHELTER AND SERVICES**

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This Second Amendment to the Memorandum of Understanding between the City of San Diego, a municipal corporation (City) and the San Diego Housing Commission, a public agency (Commission), shall become effective upon signature of both parties.

**RECITALS**

WHEREAS, on June 29, 2010, by Resolution No. R-305962, the Council of the City of San Diego authorized the execution of that certain Memorandum of Understanding transferring responsibility for operation of the City's shelter and services for homeless persons from the City to the Commission effective July 1, 2010 through June 30, 2012 (Original MOU); and

WHEREAS, on June 27, 2011, the Council of the City of San Diego adopted Resolution No. R-306884 and the Housing Authority of the City of San Diego adopted Housing Authority Resolution (HAR) No. 1527, approving the First Amendment to the MOU between the City and the Commission extending the term of the Original MOU until June 30, 2013; and

WHEREAS, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH) consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and replaces the Emergency Shelter Grants program with the Emergency Solutions Grant program; and

WHEREAS, previously 100 percent of the Emergency Shelter Grant funds could be used towards shelter and services for the homeless, HEARTH only allows 60 percent of the Emergency Solutions Grant to be used for such activities with the other 40 percent to be used for homeless prevention and re-housing activities; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has determined that only grantees such as the City, not the Commission, may draw down Emergency Shelter Grant and Emergency Solutions Grant funds from HUD's Integrated Disbursement and Information System (IDIS); and

WHEREAS, the City has budgeted and intends to appropriate \$550,000 in revenue from the General Fund for the operation of the Center in the Fiscal Year 2013 Appropriations Ordinance;

WHEREAS, with regard to the \$550,000 in revenue from the General Fund budgeted for the operation of the Center, the Commission will execute a month-to-month agreement with Alpha Project for the Homeless (Alpha Project), the current operator of the Center, pursuant to a sole source justification in an amount not to

exceed \$500,000 with the remaining balance of \$50,000 to be used for the Commission's staffing and administrative expenses related to its oversight of the Center; and

WHEREAS, in light of the Commission's commitment to utilize its own funds in the amount of \$402,000 to exclusively fund the Single Adult Winter Shelter and the need also for the Commission to provide upfront payment for the operation of the Veterans Winter Shelter, Cortez Hill Family Shelter, and Connections Housing for Fiscal Year 2013, the Commission is seeking an advance of the General Fund monies for Fiscal Year 2013 for the oversight and operation of the Center in the total amount of \$550,000 to be advanced on a quarterly basis as set forth in paragraph 7 below, in order to administer these programs efficiently and to ensure the ability to pay for the operation of these various programs and services in a timely manner; and

WHEREAS, such a month-to-month agreement for the operation of the Center will allow the Commission to procure an operator for the Center pursuant to a competitive bid process at the earliest possible opportunity; and

WHEREAS, upon the receipt of responses to the RFP the Commission intends to enter into a contract for the operation of the Center for the balance of FY 2013 with the selected operator using the balance of the funds appropriated for FY 2013. In addition, the contract shall have four (4) one year options, in favor of the Commission, exercisable only by the Commission, to extend the services in subsequent fiscal years, dependent upon funding availability; and

WHEREAS, to ensure future funding for the operation of the Center, City staff is seeking a waiver of paragraph 16 of Council Policy 700-02 in order to have future Community Development Block Grant (CDBG) funding set aside off the top from each of the City's fiscal year allocations from HUD to cover the expense of operating and overseeing the operation of the Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Connections Housing without requiring any matching funds; and

WHEREAS, the City and the Commission wish to extend the term of the MOU and clarify other provisions of the Original MOU and the First Amendment related to the foregoing recitals; and

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

1. The Second Amendment to the MOU shall extend the term of the Original MOU as amended an additional fiscal year, beginning July 1, 2013 (the expiration of the date of the Original MOU as amended) and ending June 30, 2014. In order to ensure the availability and allocation of funding, all future amendments renewing the Original MOU must be approved no less than one fiscal year prior to the expiration of the then-current term or extension.
2. Notwithstanding anything to the contrary in the Original MOU and the First Amendment, any and all references therein to the term "ESG" shall mean "Emergency Solutions Grant".
3. Section 3 of the Original MOU as amended by the First Amendment shall be replaced in its entirety and shall read in its entirety as follows:

"The City will appropriate and expend 60 percent of funds received from the HUD ESG program for shelter and service programs and 40 percent of such funds for homeless prevention and re-housing activities as required under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). The City will appropriate and expend CDBG funds in accordance with Council Policy 700-02 to the shelter and service programs itemized herein during the term of this MOU, contingent upon the City's Chief Financial Officer certifying availability of such funds. City and Commission acknowledge that the current rate of City funding does not cover the entire cost of the shelter and service program as currently constituted and is contingent upon the ESG entitlement amount, confirmation of other funding sources, and City Council approval during the CDBG application process. In addition, the City shall dedicate and expend revenue from the General Fund appropriated by the City Council for the purposes set forth in Section 2 of the MOU, contingent upon the City's Chief Financial Officer certifying availability of such funds. It is expressly understood the Commission may terminate this MOU upon ninety (90) days written notice to the City, if regular funding sources adequate to cover the provision of a sprung structure and social services at a level of service equal or greater than that provided by the City's winter shelter program in FY 2010 are not made available. It is expressly understood that the City will endeavor to make funds available for each Fiscal Year that this MOU is in place at a level no less than that of the previous Fiscal Year. However, if the specified level of funding is not available and/or if program elements are changed, Commission's responsibilities under the MOU will be changed accordingly as mutually agreed to by the parties in writing.

Commission's financial contribution for the programs and services covered by the MOU shall not exceed \$400,000, in addition to the \$45,000 previously referenced in Section 2, during any fiscal year during the term of this MOU. This financial contribution is intended to be separate and apart from the one-time not to exceed \$402,000 contribution the Commission has agreed to make to administer the Single Adult Downtown Winter Shelter Program for Fiscal Year 2013."

4. Section 4 of the Original MOU shall be replaced in its entirety and shall read in its entirety as follows:

"Per HUD's direction, administration of the ESG funds must remain with the City, as HUD's grantee, and the City will retain access to the Integrated Disbursement and Information System (IDIS). The City will reimburse the Commission for all approved and eligible ESG contracted activities."

5. Section 11 is added to read as follows:

"11. The Commission will adhere to an appropriate procurement process for selecting the operator of the Neil Good Day Center (Center). The City and the Commission agree that the Commission will enter into a month-to-month agreement in an amount not to exceed \$500,000 with a selected operator for FY 2013 for the operation of the Center utilizing revenue from the General Fund appropriated by the City for Fiscal Year (FY) 2013, until such time as an operator for the Center is procured using a competitive bid process which shall be done at the Commission's earliest opportunity. After issuance of the RFP the Commission, through the President and Chief Executive

Officer of the Commission, shall be authorized to enter into a contract for the operation of the Center for the balance of FY 2013 with the selected operator using the balance of the funds appropriated for FY 2013. In addition, the contract shall have four (4) one year options, in favor of the Commission, exercisable only by the Commission, to extend the services in subsequent fiscal years, dependent upon funding availability. The remaining balance of up to \$50,000 of revenue from the General Fund appropriated by the City for FY 2013 for the operation of the Center shall be expended for the Commission's staffing and administrative expenses related to such purpose. The Commission shall seek approval of the contracts with the selected operator from both the San Diego Housing Commission Board and the Housing Authority of the City of San Diego, at a Joint City Council/Housing Authority meeting at the earliest possible time, currently anticipated to be in late July of 2012. In addition, the Commission will seek the approval of the San Diego Housing Commission Board and the Housing Authority of the City of San Diego and the City Council of the City of San Diego to enter into a contract with the selected operator for the balance of FY 2013 with the contract having four (4) one year options, exercisable by the Commission, to extend services for subsequent fiscal years, dependent upon funding availability."

6. Section 12 is added to read as follows:

"12. For Fiscal Year 2013, the City shall provide an advance to the Commission of \$137,500 (\$125,000 for the operation of the Neil Good Day Center and \$12,500 for the Commission's costs in overseeing and managing such operation) and reimbursements on a quarterly basis up to the amount of \$137,500 for a total amount of up to \$550,000 to be paid to the Commission by the end of Fiscal Year 2013. The advance of \$137,500 shall be processed within thirty (30) calendar days of the execution of this Second Amendment to the MOU. Within thirty (30) calendar days of the end of each quarter, the Commission shall submit request for reimbursement (RFR) forms with supporting documentation including a request for reimbursement of the Commission's administrative expenses to the City's CDBG fiscal unit. The end of the first quarter shall be September 30, 2012; the end of the second quarter shall be December 31, 2012; the end of the third quarter shall be March 31, 2013; and, the end of the fourth quarter shall be June 30, 2013. Prior to the Commission receiving any reimbursement to the advance, the Commission must submit RFR forms with all supporting documentation to the City's satisfaction to substantiate the Commission's expenditures for the prior quarter. Within thirty (30) calendar days of receipt of the RFR forms and all supporting documentation from the Commission, CDBG staff shall review and ensure any and all expenditures are eligible based on the San Diego Housing Commission Agreement for Shelter and Services for Homeless Persons- Neil Good Day Center with Alpha Project for the Homeless or any subsequent agreement executed for Fiscal Year 2013 pursuant to the award of a competitive bid (collectively, "Neil Good Day Center Operating Agreement"). If any expenditure is deemed ineligible by CDBG staff, a disallowance form will be submitted by CDBG staff reducing the Commission's RFR payment for the subsequent quarter. The reimbursement amount of payment shall be determined by CDBG staff and will be processed by the City Comptroller's Department. CDBG staff shall notify the Commission of any disallowances by email before the Commission's receipt of the reimbursement payment. The Commission shall submit to CDBG staff any and all final documents supporting expenditures related to the operation and management of the Neil Good Day Center no later than July 31, 2013. If any disallowance is found in the last quarter's submission or if any advanced funds are remaining at year end, the Commission shall reimburse such funds to the City within fifteen (15) calendar days after the Commission is notified by CDBG staff. CDBG staff reserves the right to review, and the Commission must promptly provide at the City's request, original documents at any time during the term of the Neil Good Day Center Operating Agreement for Fiscal Year 2013."

This Second Amendment shall affect only the pages and sections and terms and conditions referred to herein. All other terms and conditions of the Original MOU as amended shall remain in full force and effect.

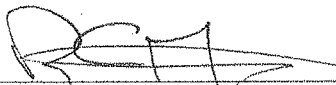
IN WITNESS WHEREOF, this Second Amendment is executed by the City of San Diego, acting by and through its Mayor or his designee, pursuant to San Diego City Charter Section 265 authorizing such execution, and by the Commission.

I HEREBY CERTIFY that I can legally bind the San Diego Housing Commission and that I have read all of this Amendment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

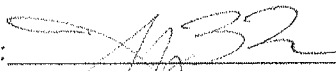
SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO

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

  
Richard C. Gentry  
President & Chief Executive Officer

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

  
Jeffrey Baer  
Director of Purchasing & Contracting

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

8.27.12


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

9/13/12

I HEREBY APPROVE the form and legality of the foregoing Amendment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SAN DIEGO HOUSING COMMISSION


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

  
Charles B. Christensen  
Christensen & Spath LLP  
General Counsel

I HEREBY APPROVE the form and legality of the foregoing Amendment this 30<sup>th</sup> day of August, 2012

JAN I. GOLDSMITH, City Attorney

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

  
Kenneth R. So  
Deputy City Attorney



**THIRD AMENDMENT  
TO THE MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF SAN DIEGO  
AND  
SAN DIEGO HOUSING COMMISSION  
FOR THE PROVISION OF HOMELESS SHELTER AND SERVICES**

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This Third Amendment to the Memorandum of Understanding between the City of San Diego, a municipal corporation (City) and the San Diego Housing Commission, a public agency (Commission), shall become effective upon signature of both parties.

**RECITALS**

WHEREAS, on June 29, 2010, by Resolution No. R-305962, the Council of the City of San Diego (City Council) authorized the execution of that certain Memorandum of Understanding transferring responsibility for operation of the City's shelter and services for homeless persons from the City to the Commission effective July 1, 2010 through June 30, 2012 (Original MOU); and

WHEREAS, on June 27, 2011, the City Council adopted Resolution No. R-306884 and the Housing Authority of the City of San Diego (Housing Authority) adopted Housing Authority Resolution (HAR) No. 1527, approving the First Amendment to the MOU between the City and the Commission extending the term of the Original MOU until June 30, 2013; and

WHEREAS, the City appropriated \$550,000 in revenue from the General Fund for the operation of the Neil Good Day Center in the Fiscal Year 2013 Appropriations Ordinance; and

WHEREAS, by Resolution No. R-307656 and HAR No. HA-1564, the City Council and Housing Authority voted on July 31, 2012 to approve the Second Amendment to the MOU which, among other things, authorized the funding of the Neil Good Day Center for FY 2013 and extended the term of the Original MOU until June 30, 2014; and

WHEREAS, to ensure future funding for the operation of the Center, Commission and City staff are seeking a waiver of paragraph 16 of Council Policy 700-02 in order to have future Community Development Block Grant (CDBG) funding set aside off the top from each of the City's fiscal year allocations from HUD to assist in covering the expense of operating and overseeing the operation of the Neil Good Day Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Connections Housing Interim Bed Program without requiring any matching funds; and

WHEREAS, the Commission's CDBG funding request to the City in FY 2013 for the above-referenced homeless services and programs that the Commission administers on behalf of the City was in the amount of \$1,318,078; and

WHEREAS, pursuant to the approval of this Third Amendment to the MOU, the Commission and the City wish to amend the Original MOU to allow City staff to automatically set aside CDBG funding made available by HUD for public services each fiscal year in a total amount not to exceed \$1,318,078 to assist in covering the expense of operating and overseeing the operation of the Neil Good Day Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Connections Housing Interim Bed Program without any requirement of matching funds; and

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

1. Section 13 is added to read as follows:

“13. To the extent that Community Development Block Grant (CDBG) funds are made available to the City by HUD each year, City staff shall set aside a portion of such funds related to public services in a total amount not to exceed \$1,318,078 to assist in covering the cost of the operation of the Neil Good Day Center, Cortez Hill Family Shelter, Veterans Winter Shelter, and Housing Connections Interim Bed Program, which funding shall be contingent upon and at the discretion of the City Council each fiscal year.”

2. This Third Amendment shall affect only the pages and sections and terms and conditions referred to herein. All other terms and conditions of the Original MOU as amended shall remain in full force and effect.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, this Third Amendment is executed by the City of San Diego, acting by and through its Mayor or his designee, pursuant to San Diego City Charter Section 265 authorizing such execution, and by the Commission.

I HEREBY CERTIFY that I can legally bind the San Diego Housing Commission and that I have read all of this Third Amendment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SAN DIEGO HOUSING COMMISSION

CITY OF SAN DIEGO

By: \_\_\_\_\_  
Richard C. Gentry  
President & Chief Executive Officer

By: \_\_\_\_\_  
Jeffrey Baer  
Director of Purchasing & Contracting

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

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

I HEREBY APPROVE the form and legality of the foregoing Amendment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SAN DIEGO HOUSING COMMISSION

By \_\_\_\_\_  
Charles B. Christensen  
Christensen & Spath LLP

I HEREBY APPROVE the form and legality of the foregoing Amendment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

JAN I. GOLDSMITH, City Attorney

By \_\_\_\_\_  
Kenneth R. So  
Deputy City Attorney