



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: April 1, 2022

HCR22-064

SUBJECT: Amendment to San Diego Housing Commission's Agreement with Nan McKay & Associates for Quality Assurance Audit Services for the COVID-19 Housing Stability Assistance Program

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Rental Assistance Division

CONTACT/PHONE NUMBER: Azucena Valladolid (619) 578-7604

#### REQUESTED ACTION:

Authorize an amendment to the San Diego Housing Commission's agreement with Nan McKay & Associates for Quality Assurance Audit services for the COVID-19 Housing Stability Assistance Program (HSAP) to increase the total compensation in order to allow for the continued provision of Quality Assurance Audit services for HSAP.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (Housing Commission) administers and operates the City of San Diego COVID-19 Housing Stability Assistance Program (HSAP), which helps pay rent and utilities for households with low income in the City of San Diego that experience financial hardship due to or during the ongoing COVID-19 pandemic.
- As of March 22, 2022, HSAP has made payments totaling \$188,709,987.91 to help 16,488 qualifying households.
- The Housing Commission contracts with a third party to conduct audits on HSAP applications to support HSAP's compliance with federal and state regulations.
- The audits review whether or not required documentation and verification of eligibility requirements have been submitted, accurate award amounts are calculated, and funding requirements are met before the Housing Commission disburses funds. The audits support program integrity and safeguard against suspected fraud.
- The Housing Commission initially contracted with Nan McKay & Associates for Quality Assurance Audit services in April 2021. A new contract for an amount not to exceed \$250,000 was awarded to Nan McKay & Associates in October 2021 as the need for audit services continued. The contract term ends June 30, 2022, with a one-year renewal option.
- The need to increase and extend the audit contract is primarily due to the Housing Commission receiving ongoing allocations of additional funding, which have expanded HSAP and the anticipated term of the program and increased the number of applicant households to serve.
- The proposed contract amendment increases the maximum amount of the allowed compensation. However, expenses for this contract are based on a fee per completed audit. If fewer audits are needed due to the limited available funding and/or timelines set by funding requirements, the actual contract expenses would reflect only the costs of the completed audits.
- The proposed actions do not increase the Housing Commission's Fiscal Year 2022 Budget.



## REPORT

**DATE ISSUED:** March 24, 2022

**REPORT NO:** HCR22-064

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of April 1, 2022

**SUBJECT:** Amendment to San Diego Housing Commission's Agreement with Nan McKay & Associates for Quality Assurance Audit Services for the COVID-19 Housing Stability Assistance Program

**COUNCIL DISTRICT:** Citywide

### **REQUESTED ACTION**

Authorize an amendment to the San Diego Housing Commission's agreement with Nan McKay & Associates for Quality Assurance Audit services for the COVID-19 Housing Stability Assistance Program (HSAP) to increase the total compensation to allow for the continued provision of Quality Assurance Audit services for HSAP.

### **STAFF RECOMMENDATION**

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

- 1) Authorize an amendment to the Housing Commission's agreement with Nan McKay & Associates for Quality Assurance Audit services for the COVID-19 Housing Stability Assistance Program (HSAP) by increasing the maximum compensation for the current and optional term (if exercised) of the agreement in the amount of \$152,100 for a total maximum compensation amount of \$402,100 for the continued Quality Assurance Audit services, as required due to additional funding sources received to expand HSAP and assist more households.
- 2) Authorize the Interim President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided the total program/project budget amount after substitution does not exceed the approved total budget, and increase compensation by not more than 20 percent of the total agreement amounts, if necessary, should the operational need arise, without further action by the Housing Commission Board.
- 3) Authorize the Interim President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner in advance of approval for the designee to sign..

### **SUMMARY**

The Housing Commission administers and operates the City of San Diego COVID-19 Housing Stability Assistance Program (HSAP), which helps pay rent and utilities for households with low income in the City of San Diego that experience financial hardship due to or during the ongoing COVID-19 pandemic.

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The City Council (Agenda Item No. 603; Resolution No. 313439) and Housing Authority (Report No. HAR21-010; Resolution No. HA-1900) authorized HSAP and initial funding for the program on February 22, 2021. These approvals included budgeting \$83,705,260.75 for assistance payments to qualifying households.

The Housing Commission launched the online application portal for HSAP on March 15, 2021. As of March 17, 2022, more than 44,000 applications have been submitted, which includes more than 13,000 individuals who updated previously submitted information and/or requested additional assistance, and more than 38,000 additional applications have been started and are pending completion. The application remains open at [covidassistance.sdhc.org](https://covidassistance.sdhc.org), and additional applications are submitted daily.

The Housing Commission began disbursing payments in late April 2021 to help qualifying households. As of March 16, 2022, the Housing Commission has disbursed \$185,488,843.30 to help 16,322 qualifying households. Additional payments are disbursed each business day in accordance with the Housing Commission's posted operating hours.

In March 2021, the U.S. Congress enacted the American Rescue Plan Act (ARPA), which President Joe Biden signed into law on March 11, 2021. The City of San Diego received an allocation of \$54,539,063.20 in ARPA funds directly from the U.S. Department of the Treasury. These funds supported the operation of HSAP to help households that need help paying their rent and utilities to avoid being displaced from their homes. In addition, on June 23, 2021, the State transferred an additional \$5,610,840.67 in funding for which the Housing Commission requested Housing Authority and City Council approval on July 27, 2021, to expend on HSAP assistance payments and administrative expenses in accordance with State funding requirements. The \$60,149,903.87 was approved by the City Council (Agenda Item No. 331, Resolution No. R-313667) and Housing Authority (Report No. HAR21-015; Resolution No. HA-1921) for HSAP, of which \$51,484,860.16 was budgeted for assistance payments. The July 27, 2021, Housing Authority and City Council actions also approved a first amendment to the MOU between the Housing Commission and the City for the Housing Commission to continue to oversee and administer HSAP with the additional funds.

In addition, the State of California allocated \$39,712,779.17 of federal ARPA funds to the City of San Diego for HSAP assistance payments and program administration. On October 5, 2021, the City Council (Agenda Item No. 331; Resolution No. R-313732) and Housing Authority (Report No. HAR21-020; Resolution No. HA-1923) authorized the acceptance of these funds from the State and the expenditure of these funds on HSAP assistance payments and administrative expenses in accordance with federal and State funding requirements. The City Council and Housing Authority also approved a second amendment to the MOU between the City and the Housing Commission for the administration and oversight of HSAP to incorporate the \$39,712,779.17 of federal ARPA funds the State allocated to the City of San Diego and reflect the reallocation of CARES Act Community Development Block Grant (CDBG-CV) funds for use on a new eviction prevention and education program, which the Housing Commission would oversee through a separate agreement with the City of San Diego. In addition, the approved MOU amendment included updated program guidelines to allow HSAP to provide relocation assistance to eligible households that have been displaced during the pandemic, as permitted by U.S. Treasury Department guidelines that were revised on August 25, 2021.

At the Housing Commission's request, the State also allocated an additional \$27,000,000 to the City of San Diego for HSAP. On December 6, 2021, the City Council (Agenda Item No. 202; Resolution No. R-

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313800) and the Housing Authority (Report No. HAR21-027; Resolution No. HA-1931) authorized the use of these funds for the HSAP and a third amendment to the MOU between the Housing Commission and the City of San Diego for the administration and oversight of the program to incorporate these funds.

The Housing Commission continued to work with the office of Mayor Todd Gloria on efforts to obtain additional funding to continue to provide assistance to families with low income experiencing financial hardship due to or during the COVID-19 pandemic. The U.S. Department of the Treasury developed a process for the reallocation of federal emergency rental assistance funds. This potential reallocation included making additional funds available to high-performing agencies based on demonstrated need. On October 29, 2021, the Housing Commission submitted a formal request to the U.S. Department of the Treasury for \$115 million in reallocated funds to support HSAP. The Treasury Department on January 7, 2022, announced the reallocation of funds, including the \$8,308,615 allocated directly to the City of San Diego in response to the Housing Commission's request. On March 1, 2022, the City Council (Resolution No. 313945) and the Housing Authority (Resolution No. HA-1937) authorized the use of the \$8,308,615 in reallocated federal funds to support HSAP.

The U.S. Department of the Treasury also published a notice allowing jurisdictions to reapply for an additional reallocation of funds. On January 18, 2022, the Housing Commission submitted a formal request for \$96,291,294.59 in additional funding based on an analysis of the program's projected need through May 2022. On March 14, 2022, the U.S. Department of the Treasury informed the City of San Diego that it awarded \$7,133,772.56 in reallocated funds to the City of San Diego.

On February 7, 2022, California State lawmakers passed Senate Bill (SB) 115, which California Governor Gavin Newsom signed into law February 9, 2022. This legislation authorized eligible local jurisdictions and federally recognized tribal governments to request cash flow loans from the California Department of Housing and Community Development (HCD) for Emergency Rental Assistance Program expenditures. Such expenditures must be for complete, eligible applications by households that were received on or before March 31, 2022 for rent and utilities due during or before March 2022, including administrative costs that are consistent with the provisions of Chapter 17 (commencing with Section 50897) of Division 31 of Part 2 of the Health and Safety Code, as applicable. SB 115 was intended to provide local programs with immediate cash, in the form of temporary cash flow loans, to maximize rental relief to all eligible households as the local programs await additional federal funding from either ERA1 or ERA2. If the anticipated federal funding is not received by June 30, 2023, is insufficient to repay the loan and/or-if such funds cannot be utilized for reimbursements, the California Department of Finance will forgive an amount up to the amount not covered by the federal allocation.

A separate report (HCR22-063) is being presented to the Housing Commission Board of Commissioners for action regarding the authorization to use the \$7,133,772.56 in reallocated federal funds and the State cash flow loan program to support HSAP.

HSAP is subject to federal and state regulations. The Housing Commission contracts with a third party to conduct audits on HSAP applications to support HSAP's compliance with these regulations. The audits review whether or not required documentation and verification of eligibility requirements have been submitted, accurate award amounts are calculated and funding requirements are met before the

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Housing Commission disburses funds. The audits support program integrity and safeguard against suspected fraud.

The initial contract for the provision of Quality Assurance Audit services was awarded to Nan McKay & Associates in April 2021 through a non-competitive process in accordance with the guidelines of the Housing Commission's Statement of Procurement Policy Section 9.4 due to the urgency and time constraints of funding associated with HSAP. The need for Quality Assurance Audit services continued, and in October 2021, a new contract was awarded to Nan McKay & Associates through a non-competitive process in accordance with the guidelines of the Housing Commission's Statement of Procurement Policy Section 9.4 for an amount not to exceed \$250,000 for an eight-month term of October 19, 2021, through June 30, 2022, with a one-year renewal option. Nan McKay & Associates is providing Quality Assurance Audit services for the continuing operations of HSAP. The existing scope of services includes the following:

- Conduct remote reviews adhering to the training provided by the Housing Commission, including focusing on the list of Eligibility and Application Criteria and Documentation requirements
- Complete an electronic auditing form, which will provide specific items for review (auditing criteria is subject to change)
- Conduct reviews and submit results, including audit findings for every file audited, to the Housing Commission within 72 hours of review. The results will include, at minimum, pass/fail outcome, list of eligibility criteria not satisfied/passed, name of staff assigned to file, name or application ID audited. Results shall be provided in a format pre-approved by the Housing Commission
- Conduct a minimum of 20 audits per day
- Provide the Housing Commission with weekly reports (in an approved format) that include data on each HSAP file reviewed. For those files with errors, the report shall clearly and objectively describe the error. The report will also include an analysis of error trends

The need to increase and extend the audit contract is primarily due to the Housing Commission receiving ongoing allocations of additional funding, which have expanded HSAP and the anticipated term of the program and increased the number of applicant households to serve, which has resulted in an increase of applications to audit. Funding regulations expanded and changed over the course of HSAP, resulting in updates to the eligibility and administration of the program, thereby increasing the need to audit files to ensure compliance with program regulations. Additionally, third-party audits ensure program integrity and appropriate disbursements and safeguard against suspected fraud. Finally, staff turnover requires auditing to ensure program compliance.

The proposed contract amendment increases the maximum amount of the allowed compensation. However, expenses for this contract are based on a fee per completed audit. If fewer audits are needed due to the limited available funding and/or timelines set by funding requirements, the actual contract expenses would reflect only the costs of the completed audits.

#### **AFFORDABLE HOUSING IMPACT**

The continued operation and expansion of Quality Assurance Audit services will allow low-income households experiencing financial hardship due to or during the COVID-19 pandemic to continue to access the City of San Diego COVID-19 Housing Stability Assistance Program by supporting program

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integrity. This program helps pay for rent and utilities for eligible households and will continue to help prevent housing displacement among low-income households.

**FISCAL CONSIDERATIONS**

The funding proposed by this action does not increase the Housing Commission's Housing Authority-approved Fiscal Year 2022 Budget, as amended by Housing Authority resolutions HA-1921 and HA-1923. Approving this action will authorize the Housing Commission to expend \$402,100 of federal American Rescue Plan Act (ARPA) funds towards the Agreement for Quality Assurance Audit services with Nan McKay & Associates.

**Funding Sources**

Admin Funds (ARPA)	\$402,100
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**Funding Uses**

Quality Assurance Audit Contract	\$402,100
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**PREVIOUS COUNCIL AND/OR COMMITTEE ACTION**

On February 22, 2021, the San Diego City Council (Agenda Item No. 603; Resolution No. 313439) and Housing Authority (Report No. HAR21-010; Resolution No. HA-1900) authorized the City of San Diego to transfer \$92,211,316.57, which consists of \$42,333,563 in Coronavirus Relief Funds allocated directly to the City, \$44,877,753.57 in federal funds allocated by the State of California to the City, and \$5,000,000 of CDBG-CV funds from the City to the Housing Commission; and authorized the Housing Commission to accept and expend those funds to administer the COVID-19 Housing Stability Assistance Program to provide emergency rental assistance and/or utility assistance to households with low income experiencing financial hardship due to the ongoing COVID-19 pandemic.

On July 27, 2021, the City Council (Agenda Item No. 331, Resolution No. R-313667) and the Housing Authority (Report No. HAR21-015; Resolution No. HA-1921) authorized up to \$60,149,903.87 in additional funds for HSAP, consisting of the direct allocation of ARPA funds (\$54,539,063.20) and the aforementioned additional \$5,610,840.67 from the State.

On October 5, 2021, the City Council (Agenda Item No. 331; Resolution No. R-2022-103) and Housing Authority (Report No. HAR21-020; Resolution No. HA-1923) authorized up to \$39,712,779.17 in additional funds for HSAP, consisting of federal ARPA funds allocated by the State to the City.

On December 6, 2021, the City Council (Agenda Item No. 202; Resolution No. R-313800) and the Housing Authority (Report No. HAR21-027; Resolution No. HA-1931) authorized the use of an additional \$27,000,000 in funds the State allocated to the City of San Diego for HSAP and a third amendment to the MOU between the Housing Commission and the City of San Diego for the administration and oversight of the program to incorporate these funds.

On March 1, 2022, the City Council (Resolution No. 313945) and the Housing Authority (Resolution No. HA-1937) authorized the use of \$8,308,615 in federal funds reallocated to the City of San Diego from other jurisdictions to support HSAP.

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**EQUAL OPPORTUNITY CONTRACTING/EQUITY ASSURANCE**

Nan McKay & Associates is a national company with local branch offices. It will submit the required EOC forms and Workforce Report prior to contract execution.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders for this project include households with low income in the City of San Diego experiencing financial hardship due to the COVID-19 pandemic, landlords and property owners for these households, Nan McKay & Associates and the Housing Commission. This action is expected to have a positive impact on the community by ensuring qualifying households receive assistance to pay past-due or upcoming rent and utilities to assist with preventing housing displacement.

**ENVIRONMENTAL REVIEW**

This activity is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and CEQA Guidelines Section 15378(b)(5), as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

Federal funds constitute the funding for the project. NEPA clearance was received from the City of San Diego on March 9, 2022.

Respectfully submitted,

Approved by,

*Azucena Valladolid*

*Jeff Davis*

Azucena Valladolid  
Executive Vice President, Rental Assistance &  
Workforce Development  
San Diego Housing Commission

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) Draft Contract

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)

**FIRST AMENDMENT TO  
SAN DIEGO HOUSING COMMISSION'S  
AGREEMENT FOR HOUSING STABILITY ASSISTANCE PROGRAM QUALITY  
ASSURANCE AUDITS**

**WITH**

**NAN MCKAY & ASSOCIATES, INC.**

**Contract No. RAD-22-04**

WHEREAS, the San Diego Housing Commission (“Commission”) and Nan McKay & Associates, Inc. (“Contractor”) entered into that certain Agreement for Housing Stability Assistance Program Quality Assurance Audits (the “Agreement”), dated October 14, 2021, and effective October 19, 2021 through June 30, 2022.

WHEREAS, the Commission and Contractor now desire to amend the Agreement in order to increase the maximum compensation by \$152,100 due to the need to audit more files than originally anticipated.

NOW THEREFORE, the Commission and Contractor hereby amend the Agreement and agree as follows:

1. Section 104b “Maximum Compensation.” Section 104b “Maximum Compensation” of the Agreement is hereby amended and restated in its entirety to provide as follows:

The total compensation for all services performed pursuant to this Agreement shall not exceed the sum of Four Hundred Two Thousand One Hundred and No/100 dollars (\$402,100.00). 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 maximum compensation specified above. 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 (Specifications/Scope of Work) may be completed and no charges accrued in excess of the maximum compensation during the term of this Agreement. In the event that the work required cannot be completed within the amount specified, or it appears that the maximum compensation provided may be exceeded before the term of the Agreement expires, Contractor shall promptly notify the Commission.

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 (“Housing Authority”) fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement as set forth in Section 214 of this Agreement.



2. No Novation. The parties hereto acknowledge and agree that except for the changes set forth herein to exercise the First Amendment under the Agreement, all of the terms and provisions of the Agreement are hereby acknowledged by the parties to be valid and are hereby recognized, renewed, extended and continued in full force and effect.

3. Counterparts. This First Amendment may be executed in any number of counterparts and, as so executed the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, the parties have caused this FIRST AMENDMENT to be executed this \_\_\_\_\_ day of April.

**Contractor:**

NAN MCKAY & ASSOCIATES, INC.

By: \_\_\_\_\_  
Dorian Jenkins  
Vice President, Program Management

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

**Commission:**

SAN DIEGO HOUSING COMMISSION

By: \_\_\_\_\_  
Jeff Davis  
Interim Chief Executive Officer

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

By: \_\_\_\_\_  
Azucena Valladolid  
Executive Vice President  
Rental Assistance & Workforce Development

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

By: \_\_\_\_\_  
Debra Fischle-Faulk  
Senior Vice President  
Compliance & Equity Assurance

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

**Approved as to Form:**  
Christensen & Spath LLP

By: \_\_\_\_\_  
Charles B. Christensen  
General Counsel  
San Diego Housing Commission  
Date: \_\_\_\_\_

DRAFT

**SAN DIEGO HOUSING COMMISSION**  
**AGREEMENT FOR**  
**HOUSING STABILITY ASSISTANCE PROGRAM QUALITY ASSURANCE AUDITS**  
**WITH**  
**NAN MCKAY & ASSOCIATES, INC.**

Contract No. RAD-22-04

THIS AGREEMENT, entered into this 14<sup>th</sup> day of October, 2021.

between the Commission:

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

and the Contractor:

NAN MCKAY & ASSOCIATES, INC.  
1810 Gillespie Way, Suite 202  
El Cajon, CA 92020  
800-783-3100

is as follows:

101. DESCRIPTION OF WORK

Contractor shall provide the Commission as generally described in the Specifications/Scope of Work attached hereto.

102. CONTRACT ATTACHMENTS

The above services shall be performed in accordance with the following listed documents which are attached hereto and made a part hereof: Quality Assurance Audits for the Housing Stability Assistance Program, herein after referred to as "QA Audit Program".

1. General Provisions, Contract Attachment No. 1
2. Specifications/Scope of Work, Contract Attachment No. 2
3. Compensation Schedule, Contract Attachment No. 3
4. Certificate of Compliance, Contract Attachment No. 4

103. TIME OF PERFORMANCE

a. Initial Term

All services required pursuant to this Agreement shall commence effective October 19, 2021 through June 30, 2022.

b. Option to Extend Term

The President and Chief Executive Officer of the Commission, or his or her designee, may at his/her election extend the term of the Agreement to the Contractor for one (1) additional one-year term, by giving written notice of the election to extend the Agreement to the Contractor, in accordance with the provisions set forth as set forth in Section 225. Only one (1) option may be exercised at any one time during any term of the Agreement. The option to extend the Agreement may be granted by the Commission in its sole discretion and is depended upon the availability of funds and budget approval by the Housing Authority of the City of San Diego (“Housing Authority”). The compensation to be paid the Contractor during any optional terms shall be the compensation set forth in Contract Attachment No. 3.

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

104. COMPENSATION AND METHOD OF PAYMENT

a. Rates

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

b. Maximum Compensation

The total compensation for all services performed pursuant to this Agreement shall not exceed the sum of Two Hundred Fifty Thousand and No/100 dollars (\$250,000.00). 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 maximum compensation specified above. 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 (Specifications/Scope of Work) may be completed and no charges accrued in excess of the maximum compensation during the term of this Agreement. In the event that the work required cannot be completed within the amount specified, or it appears that the maximum compensation provided may be exceeded before the term of the Agreement expires, Contractor shall promptly notify the Commission.

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 (“Housing Authority”) fails to appropriate funds for the rendition of services set forth in this Agreement. This right to cancel is in addition to the rights of the Commission to terminate the Agreement as set forth in Section 214 of this Agreement.

c. Method of Payment

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

105. NOTICES

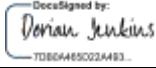
Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the Contractor at the addresses given above.

Signature Page to Agreement for with . (Contract No.

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

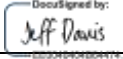
**Contractor:**

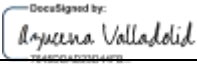
NAN MCKAY & ASSOCIATES, INC.

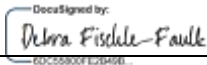
By:  \_\_\_\_\_  
Dorian Jenkins  
Vice President, Program Management  
Date: 10/14/2021

**Commission:**

SAN DIEGO HOUSING COMMISSION

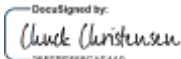
By:  \_\_\_\_\_  
Jeff Davis  
Deputy Chief Executive Officer  
Date: 10/14/2021

By:  \_\_\_\_\_  
Azucena Valladolid  
Executive Vice President  
Rental Assistance & Workforce Development  
Date: 10/14/2021

By:  \_\_\_\_\_  
Debra Fischle-Faulk  
Senior Vice President  
Compliance & Equity Assurance  
Date: 10/14/2021

**Approved as to Form:**

Christensen & Spath LLP

By:  \_\_\_\_\_  
Charles B. Christensen  
General Counsel  
San Diego Housing Commission  
Date: 10/14/2021



10/14/2021

## CONTRACT ATTACHMENT NO. 1

### 200. GENERAL PROVISIONS

#### 201. Status of Contractor

This Agreement calls for the performance of the services of the Contractor as an independent contractor. Contractor will not be considered an employee of the Commission for any purpose.

#### 202. Ownership of Materials and Documents

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

#### 203. Non-Disclosure

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

#### 204. Conflict of Interest

(a) 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, without the written consent of the Commission.

(b) A conflict occurs when circumstances, known to the Contractor, place the Commission and the Contractor's new client in adverse, hostile or incompatible positions wherein the interests of the Commission, the Housing Authority, or the City of San Diego may be jeopardized. Contractor shall promptly notify the Commission in the event that such a conflict occurs.

(c) In the event of such a conflict, Contractor shall meet and confer with the Commission to agree upon modifications of its relationship with said new client or Commission in order to continue to perform services for said client and/or Commission without compromising the interests of either. Should no agreement regarding modification be reached, Commission may terminate this Agreement with Contractor.

(d) When consent has been given, Contractor shall endeavor to avoid involvement on behalf of said new client which would in any manner undermine the effective performance of services by Contractor for Commission. Under no circumstances may Contractor convey, utilize, or permit to be utilized, confidential information gained through its association with Commission for the benefit of any other client.

(e) Contractor agrees to alert every client for whom consent is required, to the existence of this conflict of interest provision and to include language in its agreement with said client which would enable Contractor to comply fully with its terms. This last paragraph shall not apply to existing clients of the Contractor for which Contractor has previously received the Commission's consent.

(f) This Agreement may be unilaterally and immediately terminated by the Commission if Contractor employs an individual who, within twelve (12) months immediately preceding such employment, in their capacity as a Commission employee, participated in negotiations with or otherwise had an influence on the selection of the Contractor.

205. Contractor's Liability

Contractor agrees to and shall indemnify, hold harmless, and defend, with counsel of the Indemnitee's choosing, at Indemnitor's sole cost and expense, the Commission, the Housing Authority, the City of San Diego, and all commissioners, officers, employees, members, council members and agents of each public agency (hereinafter collectively referred to as the "Indemnitees" or individually as an "Indemnitee") from and against any and all damages, liabilities, claims, fines, fees, costs, penalties, judgments, complaints, causes of action, actions, and demands, including, without limitation, demands arising from injuries to or death of persons (Contractor's employees included) and damage to real or personal property, or any other losses, damages or expenses, arising directly or indirectly out of the acts, failure to act or negligence of the Contractor, all obligations of this Agreement, or out of the operations conducted by Contractor including those in part due to the negligence of any of the Indemnitees save and except for liabilities, claims, judgments or demands arising through the sole negligence or sole willful misconduct of such Indemnitee.

206. Insurance

(a) Contractor shall not commence work until Contractor has obtained, at its sole cost and expense, all insurance required under this Section. The insurance obtained must be approved by the Commission. Contractor shall obtain a single limit general liability insurance and automobile liability insurance in the minimum amount checked and initialed below. If nothing is checked or indicated below, the limit shall be One Million Dollars (\$1,000,000.00):



<input checked="" type="checkbox"/>	<b>General Liability</b> \$1,000,000.00	Initials ( <u>  </u> )	<input checked="" type="checkbox"/>	<b>Workers Compensation</b> \$1,000,000.00	Initials ( <u>  </u> )
<input checked="" type="checkbox"/>	<b>Automobile Liability</b> \$500,000.00	( <u>  </u> )	<input type="checkbox"/>	<b>Other:</b> \$	_____

(b) This coverage is in addition to workers compensation insurance and other insurance coverages required by law. The Commission, the Authority, and the City of San Diego (“City”), shall be named as certificate holders on all insurance policies and shall be named as additional insured on all general liability and automobile policies. 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 Commission, the Authority, 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.

(c) If the box shown below, marked “Errors and Omissions” is checked and initialed, then professional errors and omissions liability coverage is also required in the amount stated below:

<input checked="" type="checkbox"/>	<b>Errors and Omissions</b> \$1,000,000.00	Initials ( <u>  </u> )
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(d) 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.

(e) 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.

207. Correction of Work

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

208. Equal Opportunity Programs

During the performance of this Agreement, the Contractor agrees as follows:

(a) Contractor shall comply with all applicable local, state and federal Equal Opportunity Programs, as well as any other applicable local, state and federal law. Each month, the Contractor will report to the project manager, payments made to all vendors by month, contract to date and percentage of overall contract value.

(b) Contractor and each subcontractor, if any, shall fully comply with and shall submit a Report of San Diego County Work Force Report and Certificate of Compliance with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, and any other applicable Federal and State law and regulations hereinafter enacted.

(c) Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, gender, disability or 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 or national origin or any other basis prohibited by law.

(d) If any underrepresentation is found after submission of Contractor's workforce report, the Commission may request an Equal Employment Opportunity Plan (EEOP). An acceptable plan to correct the identified underrepresented categories must be submitted within thirty (30) days. Once the EEOP has been approved by the Commission, the Contractor must adhere to said plan. In the case of multi-year contracts, the Contractor will be required to submit annual workforce reports and EEOP updates as requested.

(e) Contractor understands that failure to comply with the above requirements and/or submitting false information in response to these requirements may result in penalties provided for in State and Federal law. In addition, the Contractor may, at the election of the Commission, be disbarred from participating in Commission projects for not less than one (1) year.

#### 209. Cost Records

In accordance with generally accepted accounting principles, the Contractor shall maintain full and complete records of the cost of services performed under this Agreement. Such records shall be open to the inspection of the Commission or to the appropriate federal agencies after reasonable notice, and at reasonable times.

#### 210. Subcontracting

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

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

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

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

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

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

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

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

#### 211. Assignability

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

(b) Claims for money due or to become due to the Contractor from the Commission

under this Agreement may be assigned to a bank, trust company, or other financial institutions, or to a Trustee in Bankruptcy, without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Commission.

212. Changes

The Commission may, from time to time, request changes in the Specifications/Scope of Work of the Agreement to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon, by and between the Commission and the Contractor, shall be incorporated into this Agreement.

213. Documents and Written Reports

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

- (a) Any document or written report prepared for or under the direction of a state or local agency, which is prepared in whole or in part by non-employees of such agency, shall contain the numbers and dollar amounts of such contracts and subcontracts relating to the preparation of such document or written report; provided, however, if the total cost for work performed by non-employees of the agency exceeds five thousand dollars (\$5,000). The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.
- (b) When multiple documents or written reports are the subject or product of the contract, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written reports.

214. Termination

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

215. Attorneys' Fees and Costs

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

216. 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. 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.

217. Partial Invalidity

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

218. Contract Governed by Laws of State of California

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

219. Interest of Member of Congress

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

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

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

221. Drug-free Workplace

Contractor shall certify to the Commission that it will provide a drug-free workplace and do each of the following:

- (a) Publish a statement notifying its employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance as defined in schedules I-V of Section 202

of the Controlled Substance Act (21 U.S.C. 812) is prohibited in Contractor's workplace and specify the actions that will be taken against employees for violation of the prohibition.

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

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

(c) Post the statement required by subdivision 221(a) in a prominent place at Contractor's main office and at any job site large enough to necessitate an on-site office.

222. Plan of Operation

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

223. 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.

If checked, additional state prevailing wage terms are contained in Attachment No. 6.

If checked, additional federal prevailing wage terms are contained in Attachment No. 6.

224. 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 \$100,000, and uses Federal funds, then Contractor shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq.) as supplemented by Department of Labor regulations (29 CFR Part 5).

225. Extension of Contract Term

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

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

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

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

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

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

#### 226. Statement of Economic Interest Disclosure Form

Contractor shall assure that each principal of the Contractor that is supervising the Contractor's work under this Agreement shall file a completed and executed Statement of Economic Interest Disclosure Form (Form 700) with the City Clerk's Office of the City of San Diego at the following times:

- (a) Within thirty (30) days of execution of the Agreement;
- (b) Annually on or before April 1 of each year;

(c) Within thirty (30) days after completion of the Agreement or departure, reassignment, or termination of principal.

Filing may be submitted electronically, through the City Clerk's Office electronic filing system [eFile San Diego](#). Contractor shall email a copy of the filed Form 700, for each filer, to Maurcell Gresham, Director of Procurement at [maurcell@sdhc.org](mailto:maurcell@sdhc.org) within five (5) business days of filing in accordance with the requirements of General Provision 226 (a), (b) or (c) as applicable.

227. Conflict between Agreement and Attachments

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

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

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

228. Section 3 Contract Clauses

The parties to this Agreement agree to comply and effectuate the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3), implemented at 24 C.F.R. Part 75. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which Federal assistance is spent. Consistent with existing federal, state and local laws and regulations, Contractor shall ensure that training and employment opportunities generated by HUD financial assistance or arising in connection with housing rehabilitation, housing construction, or other public construction projects are provided to Section 3 Workers, and provided in the order of priority set forth at 24 C.F.R. Part 75.9 and Part 75.19.

229. Audit Requirements

Where this Agreement is funded by federal funding, 24 CFR 84.26 requires that nonprofit institutions and institutions of higher education shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996, and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." All entities other than non-profit institutions shall be subject to the audit requirements of HUD or the prime recipient as incorporated into the award document.

Where this Agreement is funded by non-federal funds, Contractor shall be subject to audit requirements as set forth in the award document, if it exists. Otherwise Contractor shall



adhere to those requirements as set forth in the Single Audit Act Amendments of 1996 and revised OMB Circular A-133.

230. 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 agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement;

(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 contract, grant, loan or cooperative agreement, 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 subawards at all tiers, including subcontracts, subgrants, loans, contracts, and cooperative agreements concerning the subject matter of this Agreement; and

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

231. 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).

232. 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, (41 USC 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.

233. Contractor Evaluation Program.

An essential component of public works contract administration is the regular evaluation and documentation of contractor performance. During the course of the Agreement, the Commission shall conduct performance evaluations to document the Contractor's record of meeting the various terms of the Agreement. Commission shall proactively monitor and manage the performance of the Contractor during the term of the Agreement, and shall create an objective record of performance that can and may be utilized when evaluating the Contractor as a responsible bidder for future bid and proposal submissions, contract extension or renewal consideration, or termination of the contract due to unsatisfactory performance. Contractor Evaluation program and appeal procedures are located on the Commission website at [www.sdhc.org](http://www.sdhc.org) and are included by reference as a provision of this Agreement.

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

**HOUSING STABILITY ASSISTANCE PROGRAM  
QUALITY ASSURANCE (HSAP) AUDITS**

Contractor shall conduct remote HSAP file review services. The reviews will be conducted for quality assurance purposes and will provide weekly summary reports that includes data on each HSAP file reviewed.

Contractor shall conduct remote reviews adhering to the training manual (City of San Diego Covid 19 Housing Stability Assistance Program Policy and Procedure Manual Revised: July 28, 2021) provided by the Commission, including focusing on the example list of eligibility and documentation requirements listed below. Commission will provide an electronic auditing form (sample attached as Exhibit 1) to be completed by Contractor which will provide specific items for review. The auditing criteria is subject to change.

Contractor shall conduct reviews and submit results, including audit findings for every file audited to the Commission within 72 hours. The results will include, at minimum, pass/fail outcome, list of eligibility criteria not satisfied/passed, name of staff assigned to file, name or application ID audited. Results shall be provided in a format pre-approved by the Commission. A minimum of 20 audits will be conducted per day.

<b>Eligibility Criteria</b>	<b>Documentation Accepted</b>
Household lives in the City of San Diego and has an obligation to pay rent	<ul style="list-style-type: none"> <li>• Lease agreement</li> <li>• Rent ledger</li> <li>• Letter from landlord</li> <li>• Other</li> </ul>
Household composition verification	<ul style="list-style-type: none"> <li>• Self-certification</li> <li>• Lease agreement</li> </ul>
Household income (previous year annual or current monthly) is at or below 80% of the Area Median Income	<ul style="list-style-type: none"> <li>• Federal Income Tax Return</li> <li>• Employment pay stubs</li> <li>• Award letter from low-income benefit/subsidy program</li> <li>• Benefits/Pension/Retirement statements</li> <li>• Other</li> </ul>
Not currently receiving any rental subsidies	<ul style="list-style-type: none"> <li>• Self-certification</li> </ul>
At least one member of the household has a reduction of income or other financial hardship due to COVID-19	<ul style="list-style-type: none"> <li>• Self-certification</li> </ul>
Household experienced or is at risk of experiencing homelessness or housing instability	<ul style="list-style-type: none"> <li>• Past due utility or rent notice</li> <li>• Eviction notice</li> </ul>

	<ul style="list-style-type: none"> <li>• Documentation of unsafe or unhealthy living conditions</li> <li>• Other</li> </ul>
<b>Application Requirements</b>	<b>Documentation Accepted</b>
Identification	<ul style="list-style-type: none"> <li>• Driver's License or State ID</li> <li>• Passport</li> <li>• Pay stub</li> <li>• School ID</li> <li>• Other self-certification</li> </ul>
If applying for rental arrears assistance	<ul style="list-style-type: none"> <li>• Past-due rent notice</li> <li>• Rent ledger showing late rent payments</li> <li>• Letter from landlord stating past due rent</li> <li>• Other</li> </ul>
If applying for utility arrears assistance	<ul style="list-style-type: none"> <li>• Past-due utility notice/bill</li> <li>• Letter from utility provider stating past-due amount</li> <li>• Other</li> </ul>
If applying for prospective rental assistance	<ul style="list-style-type: none"> <li>• Document to verify rent amount</li> </ul>
<b>Recertification Requirements</b>	<b>Documentation Reviewed</b>
Residency (same or different unit)	<ul style="list-style-type: none"> <li>• Self-Certification or</li> <li>• Lease Agreement Rent ledger</li> <li>• Letter from landlord</li> <li>• Move Out Notice</li> <li>• Other</li> </ul>
Household Composition Changes	<ul style="list-style-type: none"> <li>• Application</li> <li>• Lease Comparison</li> </ul>
Household income (current monthly) is at or below 80% of the Area Median Income	<ul style="list-style-type: none"> <li>• Employment pay stubs</li> <li>• Award letter from low-income benefit/subsidy program</li> <li>• Benefits/Pension/Retirement statements</li> <li>• Other</li> </ul>
18 Months Maximum Assistance	<ul style="list-style-type: none"> <li>• Application</li> <li>• Payment Ledger</li> </ul>

In addition to eligibility criteria audits, the Contractor will conduct audits of the new Relocation Assistance for Displaced Individuals funds, which include moving costs, rental application fees, security deposit assistance, and pre-approval of future rent costs. Commission will provide Contractor with specific audit criteria to follow pertaining this program component upon contract execution.

### ***Program Reporting***

Contractor shall provide the Commission with weekly reports (in an approved format) that includes data on each HSAP file reviewed. For those files with errors, the report shall clearly and objectively describe the error. The report will also include an analysis of error trends.

### ***Invoicing***

Contractor must complete monthly invoices, including all required reporting documents in accordance with Attachment 101A.

If all documentation is submitted properly in the invoice submittal, the Commission will process payment within 30 days from the date of invoice submittal.

### ***Record Retention***

Contractor shall store all project records for a period of not less than five (5) years after the close of the Program. All project records shall be kept at Contractor's regular place of business. At any time during the storage period, Contractor shall permit the Commission, the City, HUD, Comptroller General, or any of their duly authorized representatives, to inspect and photocopy all project records. After the storage period has expired, Contractor shall provide the Commission with thirty (30) calendar days written notice of its intent to dispose of any project records. During this time, Contractor shall provide any and all project records to the Commission upon the request of the Commission.

### ***Media/Communications***

- Contractor shall coordinate with and seek the prior written consent and permission of the Commission's Communications and Government Relations Department before distributing any printed or electronic materials specific to the Program or of the Program experience of participants funded through this Agreement, including but not limited to Media Advisories, News Releases, Newsletters, and Reports. The Commission's permission will not be unreasonably withheld, conditioned or delayed and should the Commission fail to respond to a request for permission within seven (7) days of the date of receipt of such materials, the Commission's approval will be deemed to have been given.
- Contractor further agrees, recognizing the urgency with which media frequently makes requests for information, Contractor will exhibit a good faith effort to immediately consult with the Commission prior to responding to such inquiries.

### ***Close Outs***

Contractor will be responsible for submitting a close-out report to the Commission that provides a total count of the reporting elements pre-approved by Commission for the duration of the Program. At minimum, the report will include:

- Name of Housing Specialist
- Date file received for audit
- Date audit completed
- Application ID number

- Pass/Fail results
- Audit findings by eligibility category
- Summary of audits including number completed, percentage of pass/fail

Contractor's obligation to the Commission will not end until all close-out requirements are completed. Activities during this close-out period will include, but are not limited to:

- a. Making final payments

### **Non-Disclosure**

In compliance with Section 203 of the General Provisions, Contractor shall not disclose to any other public or private person or entity any designs, plans, reports, investigations, materials, and documents (together "Confidential Information") during the term of this Agreement, or at any time thereafter except as authorized the Commission. The Contractor acknowledges that through its performance under this Agreement, Contractor will be in possession of Confidential Information including Personal Information as set forth in Civil Code Section 1798.3. Contractor acknowledges that unlawful disclosure of such Confidential Information would constitute breach of this Agreement, and could constitute a crime under state or federal law. Contractor further agrees to require any employees who have access to Personal Information pursuant to performance under this Agreement, to sign a non-disclosure agreement for the protection of such information.

### **Data Protection**

In an effort to protect unwanted access to the applicant data through Contractor's limited use of the Commission's Program portal, Contractor agrees to, for the term of the Agreement,

#### **EITHER:**

- a) Maintain Cyber Liability Insurance with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this Agreement;

#### **OR**

- b) Ensure the following minimum network security standards:
  1. Ensure networks are secured at the perimeter by a firewall or router that prevents unwanted connections from the internet,
  2. Ensure device operating systems and software are supported by the vendor and regularly patched with current security updates,
  3. Ensure devices are running current anti-virus software, and

Contractor shall immediately notify the Commission upon discovery of breach of Contractor's network or devices.

## **ARPA FUNDS ASSURANCES OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS**

This Agreement is funded in part by ARPA funding provided by the Department of the Treasury. As a condition of receipt of federal financial assistance from the Department of the Treasury, the Contractor shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 2 , and herein incorporated by reference and made a part of this Agreement.

**EXHIBIT 1**  
**HSAP AUDIT FORM**

HS NAME:		DATE:	RESULTS: <input type="checkbox"/> NO FINDING <input type="checkbox"/> FINDING/S			FINDING #
NAME OF APPLICANT:		HSAP #:	ACTION: <input type="checkbox"/> ELIG <input type="checkbox"/> INELIG		APPLICATION DATE:	
	REQUIRED ITEMS	YES	NO	N/A	COMMENTS	
1	Renter's identity verification provided.					
2	Household lives in the City of San Diego.					
3	Unit address is formatted correctly.					
4	Household obligated to pay rent.					
5	Self-certification completed for Financial Hardship directly related to COVID-19.					
6	If experienced or at risk of experiencing homelessness or housing instability, proper verifications received. (60 days from application submittal)					
7	Household composition verified and discrepancy between household members listed on application and lease addressed in memos. Income is accounted for all household members.					
8	Household Total Annual Income meets at or below 80% AMI.					
9	<p>Priority Verification</p> <p>a. Priority 1: Rental arrears and one of the following: 0-50% AMI, unemployed 90 days, eviction notice. Documentation (eviction notice and UIB statement) dated within 60 days</p> <p>b. Priority 2: Rental arrears and 51%-80% AMI</p> <p>c. Priority 3: 80% AMI and has utility arrears</p> <p>d. If designated criteria not met, referral completed, rejection and/or priority change emails sent, memo documented</p>					
10	<p>Accurate income calculation for Total Annual Income</p> <p>a. All household members income used</p> <p>b. Excluded income not included (Food Stamps, GI Bill &amp; General Relief)</p> <p>Appropriate income calculation completed</p>					
11	<p>Income Verification:</p> <p>a. Verifications meet timeliness requirements</p> <p>i. Prior Year: time period not specified</p> <p>ii. Current Income: no older than 60 days from the application submittal date (except SSA/SSI, VA award letters, and UIB award)</p> <p>Verification has members name &amp; necessary/clear information</p>					
12	<p>Recertification:</p> <p>a. Current income: not older than 60 days from the</p>					



	<p>application submittal date (except SSA/SSI, VA award letters and UIB award)</p> <p>b. If household or income changes reported, appropriate verifications obtained and eligibility determination completed, document changes</p> <p>c. If moved from original unit, obtain required verifications (lease, rent ledger, residency, etc.), document changes</p> <p>d. Confirm no duplicate subsidy</p>				
13	<p>Verified duplicate subsidy is not received.</p> <p>a. Tenant rent portion is used for maximum award</p> <p>b. Duplicate Check completed in portal</p> <p>c. Months assisted do not overlap</p>				
14	<p>Verification for Rental Arrears</p> <p>a. Proper verification includes Renter's name and Landlord's name</p> <p>b. Lists itemized arrears amount per month</p> <p>c. If verifications were not provided, proper documentation detailed on system</p> <p>Correct information entered in system</p>				
15	<p>Verification of Arrears for Tenant Move Outs</p> <p>a. Move out verification in file or confirmation in memos</p> <p>b. Only arrears approved (no utilities, prospective rent)</p> <p>c. Correct landlord associated with each amount per month</p> <p>Correct information entered in system</p>				
15	<p>Verification of Other Rental Costs</p> <p>a. Proper verification includes Renter's name and Landlord's name</p> <p>b. Lists itemized costs amount per month</p> <p>c. If verifications were not provided, proper documentation detailed on system</p> <p>Correct information entered in system</p>				
16	<p>Verification for Utility Arrears</p> <p>a. Verification includes utility source name, account number</p> <p>b. Verifications are dated within 60-days</p> <p>c. If verification were not provided, proper documentation detailed in system</p> <p>Correct information entered in system</p>				
17	<p>Prospective Rent</p> <p>a. Contract rent used plus fixed fees included in lease</p> <p>b. 80% AMI Met</p> <p>c. Chart Updated</p> <p>d. Admin Approval</p>				

19	Maximum 18 months total assistance is approved				
21	All application types requested addressed and Rent and Utility status updated correctly				
20	System Memos contain thorough documentation of transaction				
Auditor's Comments:					

**CONTRACT ATTACHMENT NO. 3  
COMPENSATION SCHEDULE**

Contractor shall invoice the Commission no sooner than the last day of the month for each month during the term of the Agreement at the rate indicated below.

<b>Remote Service</b>	<b>Cost</b>
HSAP File Reviews	\$65 per file

**Total compensation paid under this Agreement shall not exceed the maximum compensation set forth in Section 104 of this Agreement.**

**CONTRACT ATTACHMENT NO. 4**  
Certificate of Compliance

The City of San Diego, the San Diego Housing Commission and Housing Authority of the City of San Diego 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 by firms which contract with the San Diego Housing Commission.

**CERTIFICATE OF COMPLIANCE**

\_\_\_\_\_  
(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, as amended, 41 CFR 60-1.4(a); Title VI [Non-Discrimination in Federally Assisted Programs]; Title VII [Equal Employment Opportunity] of the Civil Rights Act of 1964, as amended; the California Fair Employment and Housing Act; the Vietnam Era Veterans' Readjustment Assistance Act, 41 CFR 60-300.5(a); Section 503 of the Rehabilitation Act of 1973, 41 CFR 60-741.5(a); and Age Discrimination in Employment Act of 1967; as applicable, and any other applicable Federal and State laws and regulations currently in existence, or hereinafter enacted.

Further, I am submitting a current Work Force Report, and if requested, an acceptable Equal Employment Opportunity Policy 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