ITEM NO. 15

STAFF REPORT

CITY OF OCEANSIDE

DATE: April 6, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **ACCEPTANCE OF SUPPORTIVE HOUSING PROGRAM GRANT FUNDS IN THE AMOUNT OF $146,702 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND AGREEMENT WITH THE WOMEN'S RESOURCE CENTER FOR USE OF THESE PROGRAM FUNDS FOR OPERATION OF A 21-UNIT TRANSITIONAL HOUSING PROGRAM**

SYNOPSIS

Staff recommends that the City Council accept a one-year Supportive Housing Program renewal grant in the amount of $146,702 from the U.S. Department of Housing and Urban Development; approve the appropriation of these funds to the Neighborhood Services Department – Housing and Code Enforcement Division; approve an agreement with the Women's Resource Center to use the funds for operation of the 21-unit Transition House; and authorize the City Manager to execute the agreement.

BACKGROUND

The Women's Resource Center opened Transition House at 1963 Apple Street in Oceanside in 1994. The City purchased the 20,000-square-foot building, formerly an abandoned racquetball center, and remodeled the building into 21 transitional housing units for homeless women, including women with children, and 5,000 square feet of office space. The initial source of funding for this project was a $1.6 million Supportive Housing Program grant from the U.S. Department of Housing and Urban Development (HUD); this grant included operating funds for a five-year period that ended September 30, 1999. The City has applied for and received renewal funding since the end of the first grant. Grant applications are reviewed by the Regional Continuum of Care Committee (RCCC), of which the City is an active participant. HUD revised the grant program in 2007 to require annual renewal of funding beginning with the 2008-09 program year. The HUD Los Angeles Field Office has notified the City that the grant has been renewed through the Homeless Assistance Grants competition for the period February 1, 2011, through January 31, 2012.

ANALYSIS

The U.S. Department of Housing and Urban Development has awarded a Supportive Housing Program (SHP) grant in the amount of $146,702 to the City for the period February 1, 2011, through January 31, 2012. The Supportive Housing Program is authorized by Title IV, Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987, as amended. It is designed to promote, as part of a local Continuum of Care strategy, the development of housing and supportive services to assist homeless persons and households in the transition from homelessness to independent, self-sufficient living. Assistance through the Supportive Housing Program is provided to help homeless persons meet three overall goals:

- achieve residential stability,
- increase their skill levels and/or incomes, and
- become independent and self-sufficient.

The City will contract with the Women's Resource Center to use the SHP funds to operate Transition House, which provides 21 units of transitional housing for homeless women and female-headed households. Residents may stay up to twenty-four months conditional upon participation in program services and progress toward becoming independent and self-sufficient. The Women's Resource Center is responsible for program management and for obtaining the 25 percent non-federal cash match for supportive services. The City is responsible for grant administration, including reporting and financial management. The Neighborhood Services Department makes an annual monitoring visit to Transition House to ensure compliance with SHP regulations.

FISCAL IMPACT

Staff recommends that the City Council accept a grant award in the amount of $146,702 and appropriate these funds to the HUD Supportive Housing Program Grant account (922120000274.4382). Funds will be transferred to the Women's Resource Center in the amount of $89,827 for shelter operations (922120000274.5395.0009) and $49,890 for supportive services (922120000274.5395.0010). The remaining balance of $6,985 will be used for administration of the HUD grant (922120000274.5355). There is no impact on the General Fund and the City has no obligation to provide local funding to the Women's Resource Center if HUD does not renew the Supportive Housing Program grant funding. The grant requires matching funds; the match is provided by community donations to the Women's Resource Center and by the value of the buildings used for Transition House, which the City owns and leases to the Women's Resource Center for transitional housing at $1.00 per year.

COMMISSION OR COMMITTEE REPORT

The Housing Commission has reviewed the SHP grant in previous years and considers the action to renew grant funding each year to be a routine matter. Announcement of the renewal grant funding was reported to the Housing Commission on March 24, 2011.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council accept a one-year Supportive Housing Program renewal grant in the amount of $146,702 from the U.S. Department of Housing and Urban Development; approve the appropriation of these funds to the Neighborhood Services Department – Housing and Code Enforcement Division; approve an agreement with the Women's Resource Center to use the funds for operation of the 21-unit Transition House; and authorize the City Manager to execute the agreement.

PREPARED BY:

John A. Lundblad
Management Analyst

SUBMITTED BY:

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Margery Pierce, Director, Neighborhood Services

Teri Ferro, Director, Financial Services

Exhibit A: Renewal Grant Agreement

Exhibit B: Agreement with Women's Resource Center

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
611 W. 6th Street
Suite 800
Los Angeles, CA 90017

Grant Number: CA0714B9D101003
Project Name: CA-610 - REN - Women's Resource Center Transitional Housing
Total Award Amount: $146,702
Component: TH
Recipient: City of Oceanside
Official Contact Person and Title: Margery Pierce, Director
Telephone Number: (760) 435-3360
Fax Number: (760) 435-3365
E-mail Address: MPierce@ci.oceanside.ca.us
EIN/Tax ID Number: 95-1688570
DUNS Number: 073370678
Effective Date: _____
Project Location(s): 1963 Apple street, Oceanside CA 92054

2010 SUPPORTIVE HOUSING PROGRAM
RENEWAL GRANT AGREEMENT

This Grant Agreement is made by and between the United States Department of Housing and Urban Development (HUD) and the Recipient, which is described in section 1 of Attachment A, attached hereto and made a part hereof.

The assistance which is the subject of this Grant Agreement is authorized by the McKinney-Vento Homeless Assistance Act 42 U.S.C. 11381 (hereafter "the Act"). The term "grant" or "grant funds" means the assistance provided under this Agreement. This grant agreement will be governed by the Act, the Supportive Housing rule codified at 24 CFR 583, which is attached hereto and made a part hereof as Attachment B, and the Notice of Funding Availability (NOFA), that was published in two parts. The first part was the Policy Requirements and General Section of the NOFA, which was published June 11, 2010, at 75 FR 33323, and the second part was the Continuum of Care Homeless Assistance Programs section of the NOFA, which is located at http://www.hud.gov/offices/adm/grants/nofa10/grpcoc.cfm. The term "Application" means the application submission on the basis of which HUD, including the certifications and assurances and any information or documentation required to meet any grant award conditions, on the basis of which HUD approved a grant. The Application is incorporated herein as part of this Agreement, however, in the event of a conflict between any part of the Application and any part of the Grant Agreement, the latter shall control. The Secretary agrees, subject to the terms of the Grant Agreement, to provide the grant funds in the amount specified at section 2 of Attachment A for the approved project described in the application. The Recipient agrees, subject to the terms of the Grant Agreement, to use the grant funds for eligible activities during the term specified at section 3 of Attachment A.

The Recipient must provide a 25 percent cash match for supportive services.

The Recipient agrees to comply with all requirements of this Grant Agreement and to accept responsibility for such compliance by any entities to which it makes grant funds available.

The Recipient agrees to participate in a local Homeless Management Information System (HMIS) when implemented.

The Recipient and project sponsor, if any, will not knowingly allow illegal activities in any unit assisted with grant funds.

The Recipient agrees to draw grant funds at least quarterly.

For any project funded by this grant, which is also financed through the use of the Low Income Housing Tax Credit, the following applies:

> HUD recognizes that the Recipient or the project sponsor will or has financed this project through the use of the Low-Income Housing Tax Credit. The Recipient or project sponsor shall be the general partner of a limited partnership formed for that purpose. If grant funds were used for acquisition, rehabilitation or construction, then, throughout a period of twenty years from the date of initial occupancy or the initial service provision, the Recipient or project sponsor shall continue as general partner and shall ensure that the project is operated in accordance with the requirements of this Grant Agreement, the applicable regulations and statutes. Further, the said limited partnership shall own the project site throughout that twenty-year period. If grant funds were not used for acquisition, rehabilitation or new construction, then the period shall not be twenty years, but shall be for the term of the grant agreement and any renewal thereof. Failure to comply with the terms of this paragraph shall constitute a default under the Grant Agreement.

A default shall consist of any use of grant funds for a purpose other than as authorized by this Grant Agreement, failure in the Recipient's duty to provide the supportive housing for the minimum term in accordance with the requirements of the Attachment A provisions, noncompliance with the Act or Attachment B provisions, any other material breach of the Grant Agreement, or misrepresentations in the application submissions which, if known by HUD, would have resulted in this grant not being provided. Upon due notice to the Recipient of the occurrence of any such default and the provision of a reasonable opportunity to respond, HUD may take one or more of the following actions:

(a) direct the Recipient to submit progress schedules for completing approved activities; or

(b) issue a letter of warning advising the Recipient of the default, establishing a date by which corrective actions must be completed and putting the Recipient on notice that more serious actions will be taken if the default is not corrected or is repeated; or

(c) direct the Recipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions; or

(d) direct the Recipient to suspend, discontinue or not incur costs for the affected activity; or

(e) reduce or recapture the grant; or

(f) direct the Recipient to reimburse the program accounts for costs inappropriately charged to the program; or

(g) continue the grant with a substitute Recipient of HUD's choosing; or

(h) other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

No delay or omission by HUD in exercising any right or remedy available to it under this Grant Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Recipient default.

The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS), the Central Contractor Registration (CCR) database, and the Federal Funding Accountability and Transparency Act, including Appendix A to Part 25 of the *Financial Assistance Use of Universal Identifier and Central Contractor Registration,* 75 Fed. Reg. 55671 (Sept. 14, 2010)(to be codified at 2 CFR part 25) and Appendix A to Part 170 of the *Requirements for Federal Funding Accountability and Transparency Act Implementation,* 75 Fed. Reg. 55663 (Sept. 14, 2010) (to be codified at 2 CFR part 170).

This Grant Agreement constitutes the entire agreement between the parties hereto, and may be amended only in writing executed by HUD and the Recipient. More specifically, the Recipient shall not change recipients, location, services, or population to be served nor shift more than 10 percent of funds from one approved type of eligible activity to another without the prior written approval of HUD. The effective date of this Grant Agreement shall be the date of execution by HUD, except with prior written approval by HUD.

SIGNATURES

This Grant Agreement is hereby executed as follows:

UNITED STATES OF AMERICA
Secretary of Housing and Urban Development

By:

_____
Signature and Date

_____
Print name of signatory

_____
Title

RECIPIENT

CITY OF OCEANSIDE
Name of Organization

By:

_____
Authorized Signature and Date

PETER WEISS
Print name of signatory

CITY MANAGER, CITY OF OCEANSIDE
Title

APPROVED AS TO FORM
OCEANSIDE CITY ATTORNEY
BARBARA L. HAMILTON
Assistant City Attorney

ATTACHMENT A

1. The Recipient is City of Oceanside.

2. HUD's total fund obligation for this project is $146,702, which shall be allocated as follows:

a. Leasing	$0
b. Supportive services	$49,890
c. Operating costs	$89,827
d. HMIS	$0
e. Administration	$6,985

3. Although this agreement will become effective only upon the execution hereof by both parties, upon execution, the term of this agreement shall run from the end of the Recipient's final operating year under the original Grant Agreement or, if the original Grant Agreement was amended to extend its term, the term of this agreement shall run from the end of the extension of the original Grant Agreement term for a period of twelve (12) months. Eligible costs, as defined by the Act and Attachment B, incurred between the end of Recipient's final operating year under the original Grant Agreement, or extension thereof, and the execution of this Renewal Grant Agreement may be paid with funds from the first operating year of this Renewal Grant.

PART 583¿SUPPORTIVE HOUSING PROGRAM

Subpart A¿General

Sec.
583.1 Purpose and scope.
583.5 Definitions.

Subpart B¿Assistance Provided

583.100 Types and uses of assistance.
583.105 Grants for acquisition and rehabilitation.
583.110 Grants for new construction.
583.115 Grants for leasing.
583.120 Grants for supportive service costs.
583.125 Grants for operating costs.
583.130 Commitment of grant amounts for leasing, supportive services, and operating costs.
583.135 Administrative costs.
583.140 Technical assistance.
583.145 Matching requirements.
583.150 Limitations on use of assistance.
583.155 Consolidated plan.

Subpart C¿Application and Grant Award Process

583.200 Application and grant award.
583.230 Environmental review.
583.235 Renewal grants.

Subpart D¿Program Requirements

583.300 General operation.
583.305 Term of commitment; repayment of grants; prevention of undue benefits.
583.310 Displacement, relocation, and acquisition.
583.315 Resident rent.
583.320 Site control.
583.325 Nondiscrimination and equal opportunity requirements.
583.330 Applicability of other Federal requirements.

Subpart E¿Administration

583.400 Grant agreement.
583.405 Program changes.
583.410 Obligation and deobligation of funds.

AUTHORITY: 42 U.S.C. 11389 and 3535(d).

SOURCE: 58 FR 13871, Mar. 15, 1993, unless otherwise noted.

Subpart A¿General

§ 583.1 Purpose and scope.

(a) General. The Supportive Housing Program is authorized by title IV of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 11381¿11389). The Supportive Housing program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote

the provision of supportive housing to homeless persons to enable them to live as independently as possible.

(b) Components. Funds under this part may be used for:

(1) Transitional housing to facilitate the movement of homeless individuals and families to permanent housing;

(2) Permanent housing that provides long-term housing for homeless persons with disabilities;

(3) Housing that is, or is part of, a particularly innovative project for, or alternative methods of, meeting the immediate and long-term needs of homeless persons; or

(4) Supportive services for homeless persons not provided in conjunction with supportive housing.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51175, Sept. 30, 1996]

§ 583.5 Definitions.

As used in this part:

Applicant is defined in section 422(1) of the McKinney Act (42 U.S.C. 11382(1)). For purposes of this definition, governmental entities include those that have general governmental powers (such as a city or county), as well as those that have limited or special powers (such as public housing agencies).

Consolidated plan means the plan that a jurisdiction prepares and submits to HUD in accordance with 24 CFR part 91.

Date of initial occupancy means the date that the supportive housing is initially occupied by a homeless person for whom HUD provides assistance under this part. If the assistance is for an existing homeless facility, the date of initial occupancy is the date that services are first provided to the residents of supportive housing with funding under this part.

Date of initial service provision means the date that supportive services are initially provided with funds under this part to homeless persons who do not reside in supportive housing. This definition applies only to projects funded under this part that do not provide supportive housing.

Disability is defined in section 422(2) of the McKinney Act (42 U.S.C. 11382(2)).

Homeless person means an individual or family that is described in section 103 of the McKinney Act (42 U.S.C.11302).

Metropolitan city is defined in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)). In general, metropolitan cities are those cities that are eligible for an entitlement grant under 24 CFR part 570, subpart D.

New construction means the building of a structure where none existed or an addition to an existing structure that increases the floor area by more than 100 percent.

Operating costs is defined in section 422(5) of the McKinney Act (42 U.S.C.11382(5)).

Outpatient health services is defined in section 422(6) of the McKinney Act (42 U.S.C. 11382(6)).

Permanent housing for homeless persons with disabilities is defined in section 424(c) of the McKinney Act (42 U.S.C.11384(c)).

Private nonprofit organization is defined in section 422(7) (A), (B), and (D) of the McKinney Act (42 U.S.C. 11382(7) (A), (B), and (D)). The organization must also have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or designate an entity that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles.

Project is defined in sections 422(8) and 424(d) of the McKinney Act (42U.S.C. 11382(8), 11384(d)).

Recipient is defined in section 422(9) of the McKinney Act (42 U.S.C. 11382(9)).

Rehabilitation means the improvement or repair of an existing structure or an addition to an existing structure that does not increase the floor area by more than 100 percent. Rehabilitation does not include minor or routine repairs.

State is defined in section 422(11) of the McKinney Act (42 U.S.C. 11382(11)).

Supportive housing is defined in section 424(a) of the McKinney Act (42U.S.C. 11384(a)).

Supportive services is defined in section 425 of the McKinney Act (42 U.S.C.11385).

Transitional housing is defined in section 424(b) of the McKinney Act (42 U.S.C. 11384(b)). See also § 583.300(j).

Tribe is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Urban county is defined in section 102(a)(6) of the Housing and Community Development Act of 1974 (42 U.S.C.5302(a)(6)). In general, urban counties are those counties that are eligible for an entitlement grant under 24 CFR part 570, subpart D.

[61 FR 51175, Sept. 30, 1996]

Subpart B¿Assistance Provided

§ 583.100 Types and uses of assistance.

(a) Grant assistance. Assistance in the form of grants is available for acquisition of structures, rehabilitation of structures, acquisition and rehabilitation of structures, new construction, leasing, operating costs for supportive housing, and supportive services, as described in §§ 583.105 through 583.125. Applicants may apply for more than one type of assistance.

(b) Uses of grant assistance. Grant assistance may be used to:

(1) Establish new supportive housing facilities or new facilities to provide supportive services;

(2) Expand existing facilities in order to increase the number of homeless persons served;

(3) Bring existing facilities up to a level that meets State and local government health and safety standards;

(4) Provide additional supportive services for residents of supportive housing or for homeless persons not residing in supportive housing;

(5) Purchase HUD-owned single family properties currently leased by the applicant for use as a homeless facility under 24 CFR part 291; and

(6) Continue funding supportive housing where the recipient has received funding under this part for leasing, supportive services, or operating costs.

(c) Structures used for multiple purposes. Structures used to provide supportive housing or supportive services may also be used for other purposes, except that assistance under this part will be available only in proportion to the use of the structure for supportive housing or supportive services.

(d) Technical assistance. HUD may offer technical assistance, as described in § 583.140.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36891, July 19, 1994]

§ 583.105 Grants for acquisition and rehabilitation.

(a) Use. HUD will grant funds to recipients to:

(1) Pay a portion of the cost of the acquisition of real property selected by the recipients for use in the provision of supportive housing or supportive services, including the repayment of any outstanding debt on a loan made to purchase property that has not been used previously as supportive housing or for supportive services;

(2) Pay a portion of the cost of rehabilitation of structures, including cost-effective energy measures, selected by the recipients to provide supportive housing or supportive services; or

(3) Pay a portion of the cost of acquisition and rehabilitation of structures, as described in paragraphs (a)(1) and (2) of this section.

(b) Amount. The maximum grant available for acquisition, rehabilitation, or acquisition and rehabilitation is the lower of:

(1) $200,000; or

(2) The total cost of the acquisition, rehabilitation, or acquisition and rehabilitation minus the applicant¿s contribution toward the cost.

(c) Increased amounts. In areas determined by HUD to have high acquisition and rehabilitation costs, grants of more than $200,000, but not more than $400,000, may be available.

§ 583.110 Grants for new construction.

(a) Use. HUD will grant funds to recipients to pay a portion of the cost of new construction, including cost-effective energy measures and the cost of land associated with that construction, for use in the provision of supportive housing. If the grant funds are used for new construction, the applicant must demonstrate that the costs associated with new construction are substantially less than the costs associated with rehabilitation or that there is a lack of available appropriate units that could be rehabilitated at a cost less than new construction. For purposes of

this cost comparison, costs associated with rehabilitation or new construction may include the cost of real property acquisition.

(b) Amount. The maximum grant available for new construction is the lower of:

(1) $400,000; or

(2) The total cost of the new construction, including the cost of land associated with that construction, minus the applicant¿s contribution toward the cost of same.

§ 583.115 Grants for leasing.

(a) General. HUD will provide grants to pay (as described in § 583.130 of this part) for the actual costs of leasing a structure or structures, or portions thereof, used to provide supportive housing or supportive services for up to five years.

(b)(1) Leasing structures. Where grants are used to pay rent for all or part of structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable space.

(2) Leasing individual units. Where grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged by the same owner for comparable unassisted units, and the portion of rents paid with grant funds may not exceed HUD-determined fair market rents. Recipients may use grant funds in an amount up to one month¿s rent to pay the non-recipient landlord for any damages to leased units by homeless participants.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36891, July 19, 1994]

§ 583.120 Grants for supportive services costs.

(a) General. HUD will provide grants to pay (as described in § 583.130 of this part) for the actual costs of supportive services for homeless persons for up to five years. All or part of the supportive services may be provided directly by the recipient or by arrangement with public or private service providers.

(b) Supportive services costs. Costs associated with providing supportive services include salaries paid to providers of supportive services and any other costs directly associated with providing such services. For a transitional housing project, supportive services costs also include the costs of services provided to former residents of transitional housing to assist their adjustment to independent living. Such services may be provided for up to six months after they leave the transitional housing facility.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36891, July 19, 1994]

§ 583.125 Grants for operating costs.

(a) General. HUD will provide grants to pay a portion (as described in § 583.130) of the actual operating costs of supportive housing for up to five years.

(b) Operating costs. Operating costs are those associated with the day-today operation of the supportive housing. They also include the actual expenses that a recipient incurs for conducting on-going assessments of the supportive services needed by residents and the availability of such services; relocation assistance under § 583.310, including payments and services; and insurance.

(c) Recipient match requirement for operating costs. Assistance for operating costs will be available for up to 75 percent of the total cost in each year of the grant term. The recipient must pay the percentage of the actual operating costs not funded by HUD. At the end of each operating year, the recipient must demonstrate that it has met its match requirement of the costs for that year.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51175, Sept. 30, 1996; 65 FR 30823, May 12, 2000]

§ 583.130 Commitment of grant amounts for leasing, supportive services, and operating costs.

Upon execution of a grant agreement covering assistance for leasing, supportive services, or operating costs, HUD will obligate amounts for a period not to exceed five operating years. The

total amount obligated will be equal to an amount necessary for the specified years of operation, less the recipient¿s share of operating costs.

(Approved by the Office of Management and Budget under OMB control number 2506¿0112)
[59 FR 36891, July 19, 1994]

§ 583.135 Administrative costs.

(a) General. Up to five percent of any grant awarded under this part may be used for the purpose of paying costs of administering the assistance.

(b) Administrative costs. Administrative costs include the costs associated with accounting for the use of grant funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs. They do not include the costs of carrying out eligible activities under §§ 583.105 through 583.125.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51175, Sept. 30, 1996]

§ 583.140 Technical assistance.

(a) General. HUD may set aside funds annually to provide technical assistance, either directly by HUD staff or indirectly through third-party providers, for any supportive housing project. This technical assistance is for the purpose of promoting the development of supportive housing and supportive services as part of a continuum of care approach, including innovative approaches to assist homeless persons in the transition from homelessness, and promoting the provision of supportive housing to homeless persons to enable them to live as independently as possible.

(b) Uses of technical assistance. HUD may use these funds to provide technical assistance to prospective applicants, applicants, recipients, or other providers of supportive housing or services
for homeless persons, for supportive housing projects. The assistance may include, but is not limited to, written information such as papers, monographs, manuals, guides, and brochures; person-to-person exchanges; and training and related costs.

(c) Selection of providers. From time to time, as HUD determines the need, HUD may advertise and competitively select providers to deliver technical assistance. HUD may enter into contracts, grants, or cooperative agreements, when necessary, to implement the technical assistance.

[59 FR 36892, July 19, 1994]

§ 583.145 Matching requirements.

(a) General. The recipient must match the funds provided by HUD for grants for acquisition, rehabilitation, and new construction with an equal amount of funds from other sources.

(b) Cash resources. The matching funds must be cash resources provided to the project by one or more of the following: the recipient, the Federal government, State and local governments, and private resources, in accordance with 42 U.S.C. 11386. This statute provides that a recipient may use funds from any source, including any other Federal source (but excluding the specific statutory subtitle from which Supportive Housing Program funds are provided), as well as State, local, and private sources, provided that funds from the other source are not statutorily prohibited to be used as a match. It is the responsibility of the recipient to ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds to be used as matching funds for a grant awarded under this program.

(c) Maintenance of effort. State or local government funds used in the matching contribution are subject to the maintenance of effort requirements described at § 583.150(a).

[58 FR 13871, Mar. 15, 1993, as amended at 73 FR 75326, Dec. 11, 2008]

§ 583.150 Limitations on use of assistance.

(a) Maintenance of effort. No assistance provided under this part (or any State or local government funds used to supplement this assistance) may be used to replace State or local funds previously used, or designated for use, to assist homeless persons.

(b) Faith-based activities. (1) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in

the Supportive Housing Program. Neither the Federal government nor a State or local government receiving funds under Supportive Housing programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.

(2) Organizations that are directly funded under the Supportive Housing Program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

(3) A religious organization that participates in the Supportive Housing Program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct Supportive Housing Program funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide Supportive Housing Program-funded services, without removing religious art, icons, scriptures, or other religious symbols. In addition, a Supportive Housing Program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

(4) An organization that participates in the Supportive Housing Program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

(5) Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Program funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, program funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to Supportive Housing Program funds in this part. Sanctuaries, chapels, or other rooms that a Supportive Housing Program-funded religious congregation uses as its principal place of worship, however, are ineligible for Supportive Housing Program-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 24 CFR parts 84 and 85).

(6) If a State or local government voluntarily contributes its own funds to supplement federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

(c) Participant control of site. Where an applicant does not propose to have control of a site or sites but rather proposes to assist a homeless family or individual in obtaining a lease, which may include assistance with rent payments and receiving supportive services, after which time the family or individual remains in the same housing without further assistance under this part, that applicant may not request assistance for acquisition, rehabilitation, or new construction.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1993; 68 FR 56407, Sept. 30, 2003]

§ 583.155 Consolidated plan.

(a) Applicants that are States or units of general local government. The applicant must have a HUD-approved complete or abbreviated consolidated plan, in accordance with 24 CFR part 91, and

must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan. Funded applicants must certify in a grant agreement that they are following the HUD-approved consolidated plan.

(b) Applicants that are not States or units of general local government. The applicant must submit a certification by the jurisdiction in which the proposed project will be located that the applicant's application for funding is consistent with the jurisdiction's HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State, in accordance with the consistency certification provisions of the consolidated plan regulations, 24 CFR part 91, subpart F.

(c) Indian tribes and the Insular Areas of Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands. These entities are not required to have a consolidated plan or to make consolidated plan certifications. An application by an Indian tribe or other applicant for a project that will be located on a reservation of an Indian tribe will not require a certification by the tribe or the State. However, where an Indian tribe is the applicant for a project that will not be located on a reservation, the requirement for a certification under paragraph (b) of this section will apply.

(d) Timing of consolidated plan certification submissions. Unless otherwise set forth in the NOFA, the required certification that the application for funding is consistent with the HUD-approved consolidated plan must be submitted by the funding application submission deadline announced in the NOFA.

[60 FR 16380, Mar. 30, 1995]

Subpart C¿Application and Grant Award Process

§ 583.200 Application and grant award.

When funds are made available for assistance, HUD will publish a notice of funding availability (NOFA) in the FEDERAL REGISTER, in accordance with the requirements of 24 CFR part 4. HUD will review and screen applications in accordance with the requirements in section 426 of the McKinney Act (42 U.S.C. 11386) and the guidelines, rating criteria, and procedures published in the NOFA.

[61 FR 51176, Sept. 30, 1996]

§ 583.230 Environmental review.

(a) Activities under this part are subject to HUD environmental regulations in part 58 of this title, except that HUD will perform an environmental review in accordance with part 50 of this title prior to its approval of any conditionally selected applications for Fiscal Year 2000 and prior years that were received directly from private nonprofit entities and governmental entities with special or limited purpose powers. For activities under a grant that generally would be subject to review under part 58, HUD may make a finding in accordance with § 58.11(d) and may itself perform the environmental review under the provisions of part 50 of this title if the recipient objects in writing to the responsible entity's performing the review under part 58. Irrespective of whether the responsible entity in accord with part 58 (or HUD in accord with part 50) performs the environmental review, the recipient shall supply all available, relevant information necessary for the responsible entity (or HUD, if applicable) to perform for each property any environmental review required by this part. The recipient also shall carry out mitigating measures required by the responsible entity (or HUD, if applicable) or select alternate eligible property. HUD may eliminate from consideration any application that would require an Environmental Impact Statement (EIS).

(b) The recipient, its project partners and their contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish or construct property for a project under this part, or commit or expend HUD or local funds for such eligible activities under this part, until the responsible entity (as defined in § 58.2 of this title) has completed the environmental review procedures required by part 58 and the environmental certification and RROF have been approved or HUD has performed an environmental review under part 50 and the recipient has received HUD approval of the property. HUD will not

release grant funds if the recipient or any other party commits grant funds (i.e., incurs any costs or expenditures to be paid or reimbursed with such funds) before the recipient submits and HUD approves its RROF (where such submission is required).

[68 FR 56131, Sept. 29, 2003]

§ 583.235 Renewal grants.

(a) General. Grants made under this part, and grants made under subtitles C and D (the Supportive Housing Demonstration and SAFAH, respectively) of the Stewart B. McKinney Homeless Assistance Act as in effect before October 28, 1992, may be renewed on a noncompetitive basis to continue ongoing leasing, operations, and supportive services for additional years beyond the initial funding period. To be considered for renewal funding for leasing, operating costs, or supportive services, recipients must submit a request for such funding in the form specified by HUD, must meet the requirements of this part, and must submit requests within the time period established by HUD.

(b) Assistance available. The first renewal will be for a period of time not to exceed the difference between the end of the initial funding period and ten years from the date of initial occupancy or the date of initial service provision, as applicable. Any subsequent renewal will be for a period of time not to exceed five years. Assistance during each year of the renewal period, subject to maintenance of effort requirements under § 583.150(a) may be for:

(1) Up to 50 percent of the actual operating and leasing costs in the final year of the initial funding period;

(2) Up to the amount of HUD assistance for supportive services in the final year of the initial funding period; and

(3) An allowance for cost increases.

(c) HUD review. (1) HUD will review the request for renewal and will evaluate the recipient's performance in previous years against the plans and goals established in the initial application for assistance, as amended. HUD will approve the request for renewal unless the recipient proposes to serve a population that is not homeless, or the recipient has not shown adequate progress as evidenced by an unacceptably slow expenditure of funds, or the recipient has been unsuccessful in assisting participants in achieving and maintaining independent living. In determining the recipient's success in assisting participants to achieve and maintain independent living, consideration will be given to the level and type of problems of participants. For recipients with a poor record of success, HUD will also consider the recipient's willingness to accept technical assistance and to make changes suggested by technical assistance providers. Other factors which will affect HUD's decision to approve a renewal request include the following: a continuing history of inadequate financial management accounting practices, indications of mismanagement on the part of the recipient, a drastic reduction in the population served by the recipient, program changes made by the recipient without prior HUD approval, and loss of project site.

(2) HUD reserves the right to reject a request from any organization with an outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed to, or whose response to an audit finding is overdue or unsatisfactory.

(3) HUD will notify the recipient in writing that the request has been approved or disapproved.

(Approved by the Office of Management and Budget under control number 2506¿0112)

Subpart D¿Program Requirements

§ 583.300 General operation.

(a) State and local requirements. Each recipient of assistance under this part must provide housing or services that are in compliance with all applicable State and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the project is located regarding the condition of the structure and the operation of the housing or services.

(b) Habitability standards. Except for such variations as are proposed by the recipient and approved by HUD, supportive housing must meet the following requirements:

(1) Structure and materials. The structures must be structurally sound so as not to pose any threat to the health

and safety of the occupants and so as to protect the residents from the elements.

(2) Access. The housing must be accessible and capable of being utilized without unauthorized use of other private properties. Structures must provide alternate means of egress in case of fire.

(3) Space and security. Each resident must be afforded adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.

(4) Interior air quality. Every room or space must be provided with natural or mechanical ventilation. Structures must be free of pollutants in the air at levels that threaten the health of residents.

(5) Water supply. The water supply must be free from contamination.

(6) Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.

(7) Thermal environment. The housing must have adequate heating and/or cooling facilities in proper operating condition.

(8) Illumination and electricity. The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. Sufficient electrical sources must be provided to permit use of essential electrical appliances while assuring safety from fire.

(9) Food preparation and refuse disposal. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.

(10) Sanitary condition. The housing and any equipment must be maintained in sanitary condition.

(11) Fire safety. (i) Each unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing-impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

(ii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

(c) Meals. Each recipient of assistance under this part who provides supportive housing for homeless persons with disabilities must provide meals or meal preparation facilities for residents.

(d) Ongoing assessment of supportive services. Each recipient of assistance under this part must conduct an ongoing assessment of the supportive services required by the residents of the project and the availability of such services, and make adjustments as appropriate.

(e) Residential supervision. Each recipient of assistance under this part must provide residential supervision as necessary to facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to operate supportive housing. Residential supervision may include the employment of a full- or part-time residential supervisor with sufficient knowledge to provide or to supervise the provision of supportive services to the residents.

(f) Participation of homeless persons. (1) Each recipient must provide for the participation of homeless persons as required in section 426(g) of the McKinney Act (42 U.S.C. 11386(g)). This requirement is waived if an applicant is unable to meet it and presents a plan for HUD approval to otherwise consult with homeless or formerly homeless persons in considering and making policies and decisions. See also § 583.330(e).

(2) Each recipient of assistance under this part must, to the maximum extent practicable, involve homeless individuals and families, through employment, volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating the project and

in providing supportive services for the project.

(g) Records and reports. Each recipient of assistance under this part must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the timeframe required.

(h) Confidentiality. Each recipient that provides family violence prevention or treatment services must develop and implement procedures to ensure:

(1) The confidentiality of records pertaining to any individual services; and

(2) That the address or location of any project assisted will not be made public, except with written authorization of the person or persons responsible for the operation of the project.

(i) Termination of housing assistance. The recipient may terminate assistance to a participant who violates program requirements. Recipients should terminate assistance only in the most severe cases. Recipients may resume assistance to a participant whose assistance was previously terminated. In terminating assistance to a participant, the recipient must provide a formal process that recognizes the rights of individuals receiving assistance to due process of law. This process, at a minimum, must consist of:

(1) Written notice to the participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and

(3) Prompt written notice of the final decision to the participant.

(j) Limitation of stay in transitional housing. A homeless individual or family may remain in transitional housing for a period longer than 24 months, if permanent housing for the individual or family has not been located or if the individual or family requires additional time to prepare for independent living. However, HUD may discontinue assistance for a transitional housing project if more than half of the homeless individuals or families remain in that project longer than 24 months.

(k) Outpatient health services. Outpatient health services provided by the recipient must be approved as appropriate by HUD and the Department of Health and Human Services (HHS). Upon receipt of an application that proposes the provision of outpatient health services, HUD will consult with HHS with respect to the appropriateness of the proposed services.

(l) Annual assurances. Recipients who receive assistance only for leasing, operating costs or supportive services costs must provide an annual assurance for each year such assistance is received that the project will be operated for the purpose specified in the application.

(Approved by the Office of Management and Budget under control number 2506¿0112)
[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1994; 61 FR 51176, Sept. 30, 1996]

§ 583.305 Term of commitment; repayment of grants; prevention of undue benefits.

(a) Term of commitment and conversion. Recipients must agree to operate the housing or provide supportive services in accordance with this part and with sections 423 (b)(1) and (b)(3) of the McKinney Act (42 U.S.C. 11383(b)(1), 11383(b)(3)).

(b) Repayment of grant and prevention of undue benefits. In accordance with section 423(c) of the McKinney Act (42 U.S.C. 11383(c)), HUD will require recipients to repay the grant unless HUD has authorized conversion of the project under section 423(b)(3) of the McKinney Act (42 U.S.C. 11383(b)(3)).

[61 FR 51176, Sept. 30, 1996]

§ 583.310 Displacement, relocation, and acquisition.

(a) Minimizing displacement. Consistent with the other goals and objectives of this part, recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of supportive housing assisted under this part.

(b) Relocation assistance for displaced persons. A displaced person (defined in paragraph (f) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601¿4655) and implementing regulations at 49 CFR part 24.

(c) Real property acquisition requirements. The acquisition of real property for supportive housing is subject to the URA and the requirements described in 49 CFR part 24, subpart B.

(d) Responsibility of recipient. (1) The recipient must certify (i.e., provide assurance of compliance) that it will comply with the URA, the regulations at 49 CFR part 24, and the requirements of this section, and must ensure such compliance notwithstanding any third party¿s contractual obligation to the recipient to comply with these provisions.

(2) The cost of required relocation assistance is an eligible project cost in the same manner and to the same extent as other project costs. Such costs also may be paid for with local public funds or funds available from other sources.

(3) The recipient must maintain records in sufficient detail to demonstrate compliance with provisions of this section.

(e) Appeals. A person who disagrees with the recipient¿s determination concerning whether the person qualifies as a ``displaced person,¿¿ or the amount of relocation assistance for which the person is eligible, may file a written appeal of that determination with the recipient. A low-income person who is dissatisfied with the recipient¿s determination on his or her appeal may submit a written request for review of that determination to the HUD field office.

(f) Definition of displaced person. (1) For purposes of this section, the term ``displaced person¿¿ means a person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property permanently as a direct result of acquisition, rehabilitation, or demolition for supportive housing projects assisted under this part. The term ``displaced person¿¿ includes, but may not be limited to:

(i) A person that moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice, or refuses to renew an expiring lease in order to evade the responsibility to provide relocation assistance, if the move occurs on or after the date the recipient submits to HUD the application or application amendment designating the project site.

(ii) Any person, including a person who moves before the date described in paragraph (f)(1)(i) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the assisted project.

(iii) A tenant-occupant of a dwelling unit who moves permanently from the building/complex on or after the date of the ``initiation of negotiations¿¿ (see paragraph (g) of this section) if the move occurs before the tenant has been provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building/ complex, under reasonable terms and conditions, upon completion of the project. Such reasonable terms and conditions must include a monthly rent and estimated average monthly utility costs that do not exceed the greater of:

(A) The tenant¿s monthly rent before the nitiation of negotiations and estimated average utility costs, or income. If the initial rent is at or near the maximum, there must be a reasonable basis for concluding at the time the project is initiated that future rent increases will be modest.

(iv) A tenant of a dwelling who is required to relocate temporarily, but does not return to the building/complex, if either:

(A) A tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, or

(B) Other conditions of the temporary relocation are not reasonable.

(v) A tenant of a dwelling who moves from the building/complex permanently after he or she has been required to move to another unit in the same building/complex, if either:

(A) The tenant is not offered reimbursement for all reasonable out-of pocket expenses incurred in connection with the move; or (B) Other conditions of the move are not reasonable.

(2) Notwithstanding the provisions of paragraph (f)(1) of this section, a person does not qualify as a "displaced person" (and is not eligible for relocation assistance under the URA or this section), if:

(i) The person has been evicted for serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable Federal, State, or local or tribal law, or other good cause, and HUD determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance;

(ii) The person moved into the property after the submission of the application and, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, or suffer a rent increase) and the fact that the person would not qualify as a "displaced person" (or for any assistance provided under this section), if the project is approved;

(iii) The person is ineligible under 49 CFR 24.2(g)(2); or

(iv) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(3) The recipient may request, at any time, HUD's determination of whether a displacement is or would be covered under this section.

(g) Definition of initiation of negotiations. For purposes of determining the formula for computing the replacement housing assistance to be provided to a residential tenant displaced as a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, the term "initiation of negotiations" means the execution of the agreement between the recipient and HUD.

(h) Definition of project. For purposes of this section, the term ``project¿¿ means an undertaking paid for in whole or in part with assistance under this part. Two or more activities that are integrally related, each essential to the others, are considered a single project, whether or not all component activities receive assistance under this part.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1994]

§ 583.315 Resident rent.

(a) Calculation of resident rent. Each resident of supportive housing may be required to pay as rent an amount determined by the recipient which may not exceed the highest of:

(1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses and child care expenses). The calculation of the family's monthly adjusted income must include the expense deductions provided in 24 CFR 5.611(a), and for persons with disabilities, the calculation of the family's monthly adjusted income also must include the disallowance of earned income as provided in 24 CFR 5.617, if applicable;

(2) 10 percent of the family's monthly gross income; or

(3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payment that is designated for housing costs.

(b) Use of rent. Resident rent may be used in the operation of the project or may be reserved, in whole or in part, to assist residents of transitional housing in moving to permanent housing.

(c) Fees. In addition to resident rent, recipients may charge residents reasonable fees for services not paid with grant funds.

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 36892, July 19, 1994; 66 FR 6225, Jan. 19, 2001]

§ 583.320 Site control.

(a) Site control. (1) Where grant funds will be used for acquisition, rehabilitation, or new construction to provide supportive housing or supportive services, or where grant funds will be used for operating costs of supportive housing, or where grant funds will be used to provide supportive services except where an applicant will provide services at sites not operated by the applicant, an applicant must demonstrate site control before HUD will execute a grant agreement (e.g., through a deed, lease, executed contract of sale). If such site control is not demonstrated within one year after initial notification of the award of assistance under this part, the grant will be deobligated as provided in paragraph (c) of this section.

(2) Where grant funds will be used to lease all or part of a structure to provide supportive housing or supportive services, or where grant funds will be used to lease individual housing units for homeless persons who will eventually control the units, site control need not be demonstrated.

(b) Site change. (1) A recipient may obtain ownership or control of a suitable site different from the one specified in its application. Retention of an assistance award is subject to the new site¿s meeting all requirements under this part for suitable sites.

(2) If the acquisition, rehabilitation, acquisition and rehabilitation, or new construction costs for the substitute site are greater than the amount of the grant awarded for the site specified in the application, the recipient must provide for all additional costs. If the recipient is unable to demonstrate to HUD that it is able to provide for the difference in costs, HUD may deobligate the award of assistance.

(c) Failure to obtain site control within one year. HUD will recapture or deobligate any award for assistance under this part if the recipient is not in control of a suitable site before the expiration of one year after initial notification of an award.

§ 583.325 Nondiscrimination and equal opportunity requirements.

(a) General. Notwithstanding the permissibility of proposals that serve designated population of disabled homeless persons, recipients serving a designated populations of disabled homeless persons are required, within the designated population, to comply with these requirements for nondiscrimination on the basis of race, color, religion, sex, national origin, age, familial status, and disability.

(b) Nondiscrimination and equal opportunity requirements. The nondiscrimination and equal opportunity requirements set forth at part 5 of this title apply to this program. The Indian Civil Rights Act (25 U.S.C. 1301 et seq.) applies to tribes when they exercise their powers of self-government, and to Indian housing authorities (IHAs) when established by the exercise of such powers. When an IHA is established under State law, the applicability of the Indian Civil Rights Act will be determined on a case-by-case basis. Projects subject to the Indian Civil Rights Act must be developed and operated in compliance with its provisions and all implementing HUD requirements, instead of title VI and the Fair Housing Act and their implementing regulations.

(c) Procedures. (1) If the procedures that the recipient intends to use to make known the availability of the supportive housing are unlikely to reach persons of any particular race, color, religion, sex, age, national origin, familial status, or handicap who may qualify for admission to the housing, the recipient must establish additional procedures that will ensure that such persons can obtain information concerning availability of the housing.

(2) The recipient must adopt procedures to make available information on the existence and locations of facilities and services that are accessible to persons with a handicap and maintain evidence of implementation of the procedures.

(d) Accessibility requirements. The recipient must comply with the new construction accessibility requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973, and the reasonable accommodation and rehabilitation accessibility requirements of section 504 as follows:

(1) All new construction must meet the accessibility requirements of 24

CFR 8.22 and, as applicable, 24 CFR 100.205.

(2) Projects in which costs of rehabilitation are 75 percent or more of the replacement cost of the building must meet the requirements of 24 CFR 8.23(a). Other rehabilitation must meet the requirements of 24 CFR 8.23(b).

[58 FR 13871, Mar. 15, 1993, as amended at 59 FR 33894, June 30, 1994; 61 FR 5210, Feb. 9, 1996; 61 FR 51176, Sept. 30, 1996]

§ 583.330 Applicability of other Federal requirements.

In addition to the requirements set forth in 24 CFR part 5, use of assistance provided under this part must comply with the following Federal requirements:

(a) Flood insurance. (1) The Flood Disaster Protection Act of 1973 (42 U.S.C. 4001¿4128) prohibits the approval of applications for assistance for acquisition or construction (including rehabilitation) for supportive housing located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79), or less than a year has passed since FEMA notification regarding such hazards; and

(ii) Flood insurance is obtained as a condition of approval of the application.

(2) Applicants with supportive housing located in an area identified by FEMA as having special flood hazards and receiving assistance for acquisition or construction (including rehabilitation) are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(b) The Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 et seq.) may apply to proposals under this part, depending on the assistance requested.

(c) Applicability of OMB Circulars. The policies, guidelines, and requirements of OMB Circular No. A¿87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments) and 24 CFR part 85 apply to the award, acceptance, and use of assistance under the program by governmental entities, and OMB circular Nos. A-110 (Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations) and A-122 (Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit Institutions) apply to the acceptance and use of assistance by private nonprofit organizations, except where inconsistent with the provisions of the McKinney Act, other Federal statutes, or this part. (Copies of OMB Circulars may be obtained from E.O.P. Publications, room 2200, New Executive Office Building, Washington, DC 20503, telephone (202) 395-7332. (This is not a toll-free number.) There is a limit of two free copies.

(d) Lead-based paint. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead- Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, and R of this title apply to activities under this program.

(e) Conflicts of interest. (1) In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, officer, or elected or appointed official of the recipient and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter. Participation by homeless individuals who also are participants under the program in policy or decisionmaking under § 583.300(f) does not constitute a conflict of interest.

(2) Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (e)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the program and the effective and efficient administration of the recipient's

project. An exception may be considered only after the recipient has provided the following:

(i) For States and other governmental entities, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) For all recipients, an opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(3) In determining whether to grant a requested exception after the recipient has satisfactorily met the requirement of paragraph (e)(2) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available;

(ii) Whether the person affected is a member of a group or class of eligible persons and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iii) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(iv) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (e)(1) of this section;

(v) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vi) Any other relevant considerations.

(f) Audit. The financial management systems used by recipients under this program must provide for audits in accordance with 24 CFR part 44 or part 45, as applicable. HUD may perform or require additional audits as it finds necessary or appropriate.

(g) Davis-Bacon Act. The provisions of the Davis-Bacon Act do not apply to this program.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 5211, Feb. 9, 1996; 64 FR 50226, Sept. 15, 1999]

Subpart E¿Administration

§ 583.400 Grant agreement.

(a) General. The duty to provide supportive housing or supportive services in accordance with the requirements of this part will be incorporated in a grant agreement executed by HUD and the recipient.

(b) Enforcement. HUD will enforce the obligations in the grant agreement through such action as may be appropriate, including repayment of funds that have already been disbursed to the recipient.

§ 583.405 Program changes.

(a) HUD approval. (1) A recipient may not make any significant changes to an approved program without prior HUD approval. Significant changes include, but are not limited to, a change in the recipient, a change in the project site, additions or deletions in the types of activities listed in § 583.100 of this part approved for the program or a shift of more than 10 percent of funds from one approved type of activity to another, and a change in the category of participants to be served. Depending on the nature of the change, HUD may require a new certification of consistency with the consolidated plan (see § 583.155).

(2) Approval for changes is contingent upon the application ranking remaining high enough after the approved change to have been competitively selected for funding in the year the application was selected.

(b) Documentation of other changes. Any changes to an approved program that do not require prior HUD approval must be fully documented in the recipient¿s records.

[58 FR 13871, Mar. 15, 1993, as amended at 61 FR 51176, Sept. 30, 1996]

§ 583.410 Obligation and deobligation of funds.

(a) Obligation of funds. When HUD and the applicant execute a grant agreement, funds are obligated to cover the amount of the approved assistance under subpart B of this part. The recipient will be expected to carry out the supportive housing or supportive services activities as proposed in the application.

(b) Increases. After the initial obligation of funds, HUD will not make revisions to increase the amount obligated.

(c) Deobligation. (1) HUD may deobligate all or parts of grants for acquisition, rehabilitation, acquisition and rehabilitation, or new construction:

(i) If the actual total cost of acquisition, rehabilitation, acquisition and rehabilitation, or new construction is less than the total cost anticipated in the application; or

(ii) If proposed activities for which funding was approved are not begun within three months or residents do not begin to occupy the facility within nine months after grant execution.

(2) HUD may deobligate the amounts for annual leasing costs, operating costs or supportive services in any year:

(i) If the actual leasing costs, operating costs or supportive services for that year are less than the total cost anticipated in the application; or

(ii) If the proposed supportive housing operations are not begun within three months after the units are available for occupancy.

(3) The grant agreement may set forth in detail other circumstances under which funds may be deobligated, and other sanctions may be imposed.

(4) HUD may:

(i) Readvertise the availability of funds that have been deobligated under this section in a notice of fund availability under § 583.200, or

(ii) Award deobligated funds to applications previously submitted in response to the most recently published notice of fund availability, and in accordance with subpart C of this part.

AGREEMENT
AN AGREEMENT BETWEEN THE CITY OF OCEANSIDE AND WOMEN'S RESOURCE CENTER FOR THE USE OF SUPPORTIVE HOUSING PROGRAM GRANT FUNDS

This Agreement, made and entered into by and between the City of Oceanside, a municipal corporation of the State of California, hereinafter "CITY", and the Women's Resource Center, a nonprofit corporation, hereinafter "SUBRECIPIENT".

WITNESSETH:

RECITALS:

1. CITY has been awarded funding under the Supportive Housing program of the U. S. Department of Housing and Urban Development (hereinafter "HUD") as authorized by Title IV, Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987, as amended, for the Women's Resource Center Transitional Housing Program located at 1963 Apple Street, Oceanside, and operated by SUBRECIPIENT since 1994.

2. CITY has approved the provision of federal funds under the ACT to be used by SUBRECIPIENT as provided in its "Scope of Work", attached hereto as Exhibit "A" and incorporated herein by reference.

3. SUBRECIPIENT warrants that it has the expertise and experience to perform the work set forth in the Scope of Work.

4. SUBRECIPIENT represents that it shall perform the work as set forth in the Scope of Work pursuant to the "Budget", attached hereto as Exhibit "B" and incorporated herein by reference.

5. CITY shall provide Supportive Housing Program ("SHP") funds to the SUBRECIPIENT in the amount set forth in the Budget, and pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and based on the mutual covenants below, the parties hereby agree as follows:

A. SUBRECIPIENT OBLIGATIONS

1. Use of Funds SUBRECIPIENT agrees to use all federal funds provided by CITY to SUBRECIPIENT pursuant to the provisions of this Agreement, the Scope of Work, and Budget for said program. SUBRECIPIENT'S failure to perform as required may, in addition to other remedies set forth in this Agreement, result in readjustment of the amount of funds CITY is otherwise obligated to pay to SUBRECIPIENT under Section B hereof.

SUBRECIPIENT agrees to use said funds to pay for necessary and reasonable costs to operate said program. Said amount shall include wages, administrative costs, employee benefits comparable to other similarly situated employees, and other allowable program costs as detailed in the Budget. The program shall be managed pursuant to the description of general operations in CFR 24 Part 583.300.

SUBRECIPIENT shall not use any funds received pursuant to this Agreement for the purpose of 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 the awarding of any federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement as set forth in the Certification Regarding Lobbying, attached hereto as Exhibit "C".

2. Scope of Work SUBRECIPIENT represents that the Scope of Work as set forth in Exhibit A includes an accurate schedule for performance and completion of the work. These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

3. Budget SUBRECIPIENT represents that the Budget as set forth in Exhibit B includes only allowable costs and an accurate analysis of costs applicable to SHP funds pursuant to 24 CFR Part 583.100 and 24 CFR 583.300, which includes requirements for compliance with the following in addition to other requirements:

a. If SUBRECIPIENT is a governmental entity, Office of Management and Budget ("OMB") Circulars No. A-87, A-128 (24 CFR Part 44), and with certain sections of 24 CFR Part 85; or

b. If SUBRECIPIENT is not a governmental entity, OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations" or OMB Circular No. A-21, "Cost Principles for Educational Institutions", as applicable, OMB Circular No. A-110, "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations", and with certain sections of 24 CFR Part 84.

These items shall be in sufficient detail to provide a sound basis for the City to effectively monitor performance under the Agreement.

4. Records and Reports SUBRECIPIENT shall maintain the following records and reports to assist CITY in maintaining its recordkeeping requirements:

a. Records:

(1) Documentation of the income level of persons and/or households participating in or benefiting by the

SUBRECIPIENT'S transitional housing program

(2) Documentation of the number of persons or households participating in or benefiting by the SUBRECIPIENT'S transitional housing program

(3) Documentation of all SHP funds received from CITY

(4) Documentation of expenses as identified in the Budget

(5) Any such other related records as CITY shall require for HUD *Performance Measurement* reporting.

b. Reports:

(1) SUBRECIPIENT shall prepare draft reports as required under the Supportive Housing Program for CITY review and submission to HUD.

(2) SUBRECIPIENT shall prepare such other reports as may be reasonably required by CITY for program monitoring.

5. Program Income SUBRECIPIENT shall manage program income in accordance with the principles described in 24 CFR 583.330. The CITY may require remittance of all or part of any program income balances held by the SUBRECIPIENT when this Agreement expires or received after this Agreement's expiration.

6. Uniform Administrative Requirements The SUBRECIPIENT shall comply with applicable uniform administrative requirements as described in 24 CFR 583.330.

7. Separation of Accounts All funds received by SUBRECIPIENT from CITY pursuant to this Agreement shall be maintained separate and apart from any other funds of SUBRECIPIENT or of any principal or member of SUBRECIPIENT.

8. Retention of Records All accounting records and evidence pertaining to all costs of SUBRECIPIENT and all documents related to this Agreement shall be kept available at SUBRECIPIENT'S office or place of business for the duration of the agreement and thereafter for five (5) years after completion of an audit. Records which relate to (a) complaints, claims, administrative proceedings or litigation arising out of the performance of this Agreement, or (b) costs and expenses of this Agreement to which CITY or any other governmental agency takes exception, shall be retained beyond the five (5) years until resolution or disposition of such appeals, litigation claims, or exceptions.

9. Compliance with Applicable Laws SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 583 (the Housing and Urban Development regulations concerning the Supportive Housing Program). SUBRECIPIENT also agrees to comply with all other applicable Federal, State and local laws, regulations, and policies governing the funds provided under this contract. The SUBRECIPIENT shall secure any new permits required by authorities herein with jurisdiction over the project, and shall maintain all presently required permits. The SUBRECIPIENT shall ensure that the requirements of the National Environmental Protection Act are met for any permits or other entitlements required to carry out the terms of this Agreement.

10. Nondiscrimination Policy

a. Provision of Program Services

(1) SUBRECIPIENT shall not on the ground of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with SHP funds.

(2) SUBRECIPIENT shall not under any program or activity funded in whole or in part with SHP funds, on the ground of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance:

(a) Deny any facilities, services, financial aid or other benefits;

(b) Provide any facilities, services, financial aid or other benefits that are different or are provided in a different form from that provided to others;

(c) Subject to segregated or separate treatment in any facility in, or in any matter of process related to receipt of any service or benefit;

(d) Restrict in any way access to, or in the enjoyment of any advantage or privilege enjoyed by others in connection with facilities, services, financial aid or other benefits;

(e) Treat an individual differently from others in determining whether the individual satisfies any admission, enrollment, eligibility, membership, or other requirement or condition, which the individual must meet in order to be provided any facilities, services or other benefit;

(f) Deny an opportunity to participate in a program or activity as an employee.

(3) SUBRECIPIENT, in determining the site or location of housing or facilities provided in whole or in part with SHP funds, may not make selections of such site or location which have the effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance, or which have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the Civil Rights Act of 1964 and amendments thereto.

(4) Notwithstanding anything to the contrary in Sections A.10.a. (1)-(3), nothing contained herein shall be construed to prohibit any SUBRECIPIENT from maintaining or constructing separate living facilities or rest room facilities for the different sexes. Furthermore, selectivity on the basis of sex is not prohibited when institutional or custodial services can properly be performed only by a member of the same sex as the recipients of the services.

b. Employment Discrimination

(1) SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. SUBRECIPIENT shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

(2) SUBRECIPIENT shall, in all solicitations or advertisements for employees placed by or on behalf of SUBRECIPIENT, state that all qualified applications will

receive consideration for employment without regard to race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance.

(3) If SUBRECIPIENT is a religious corporation, association, educational institution, or society, Section 202 of Executive Order 11246 of September 24, 1965, as amended, shall not apply with respect to the employment of particular individuals of a particular religion to perform work connected with the carrying on by such corporation, association, education institution, or society of its activities. SUBRECIPIENT is not exempted or excused from complying with the other requirements contained in Executive Order 11246 of September 24, 1965, as amended.

(4) SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by CITY's contracting officers advising the labor union or workers' representative of SUBRECIPIENT'S commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

(5) SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) SUBRECIPIENT shall furnish to the CITY all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the related rules, regulations, and orders.

(7) In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) SUBRECIPIENT shall include the provisions of Section A.10.b., "Employment Discrimination", paragraphs (1) through (6) in every sub-contract or purchase order unless

exempted by rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each sub-contractor or vendor. SUBRECIPIENT shall take such action with respect to any sub-contract or purchase order as the CITY may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with, litigation with a sub-contractor or vendor as a result of such direction by the CITY, SUBRECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

(9) SUBRECIPIENT shall not discriminate on the basis of age in violation of any provision of the Age Discrimination Act of 1975 (42 USC 6101 et seq.) or with respect to any otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and the Americans with Disabilities Act of 1990. SUBRECIPIENT shall also provide ready access to and use of all SHP-fund-assisted buildings to physically handicapped persons in compliance with the standards established in the Architectural Barriers Act of 1968 (42 USC 4151 et seq.).

c. Remedies In the event of SUBRECIPIENT'S failure to comply with any rules, regulations, or orders required to be complied with pursuant to this Agreement, the CITY may cancel, terminate, or suspend in whole or in part its performance and SUBRECIPIENT may be declared ineligible for further government contracts and any such other sanctions as may be imposed and remedies invoked as provided by law.

11. Ineligibility of SUBRECIPIENTS or Contractors SUBRECIPIENT shall not use SHP funds directly or indirectly in its operations or to employ, award contracts to, or otherwise engage the services of, or fund any contractor during any period of debarment, suspension, or placement in ineligibility status of the SUBRECIPIENT or such contractor under the provisions of 24 CFR Part 24.

12. Conflict of Interest In the procurement of supplies, equipment, construction, and services by SUBRECIPIENT, the conflict of interest provisions in 24 CFR 570.611 shall apply.

13. Condition for Religious Organizations In addition to, and not in substitution for, other provisions of this Agreement regarding the provision of public services with SHP pursuant to Title I of the Housing and Community Development Act of 1974, as amended the SUBRECIPIENT:

a. Represents that it is, or may be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization;

b. Agrees that, in connection with such public services:

(1) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(2) It will provide no religious instruction or counseling, conduct no religious worship, and will exert no other religious influence in the provision of such public services (For purposes of this subsection A.13., such activities shall be referred to as "Ineligible Activities."); and

(3) To the extent that the funds received under this Agreement are used to construct, rehabilitate or restore any facility that is owned by the SUBRECIPIENT and in which public services are to be provided, SUBRECIPIENT will establish a policy for determining cost allocation between the program services to be provided under this Agreement and Ineligible Activities that occur in the facility. SUBRECIPIENT's policy may allocate the funds according to time or space, as appropriate, such that the proportion of funds received under this Agreement shall be no greater than the proportion of time or space for which the facility is used to provide the public services under this Agreement.

14. Suspension and Termination In accordance with 24 CFR 85.43, suspension or termination may occur if SUBRECIPIENT materially fails to comply with any term of this Agreement and/or the award, and the Agreement and/or the award may be terminated for convenience in accordance with 24 CFR 85.44.

15. Reversion of Assets Upon the termination or expiration of the term of this Agreement, the SUBRECIPIENT shall transfer to the CITY any SHP funds on hand at the time of such termination or expiration and any accounts receivable attributable to the use of SHP funds.

16. Licensing SUBRECIPIENT agrees to obtain and maintain all licenses, registrations, accreditations, and inspections from all agencies governing its operations. SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required licenses, registrations, accreditations and inspections from all agencies governing SUBRECIPIENT'S operations hereunder.

17. Inspection of Records SUBRECIPIENT acknowledges that the programs and services provided pursuant to this Agreement shall be subject to an annual audit in accordance with the standards set forth in OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations", as applicable, and related SHP and/or other provisions. CITY and the United States Government and/or their representatives shall have access for purposes of monitoring, auditing, and examining SUBRECIPIENT'S activities and performance, to books, documents and papers, and the right to examine records of SUBRECIPIENT'S sub-contractors, bookkeepers and accountants, employees and participants in regard to said program. CITY and the United States Government and/or their representative shall also schedule on-site monitoring at their discretion. Monitoring activities may also include, but are not limited to, questioning employees and participants in said program and entering any premises or any site in which any of the services or activities funded hereunder are conducted or in which any of the records of SUBRECIPIENT are kept. Nothing herein shall be construed to require access to any privileged or confidential information as set forth in federal or State law. In the event SUBRECIPIENT does not make the above-referenced documents available within the City of Oceanside, California, SUBRECIPIENT agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any audit at the location where said records and books of account are maintained.

18. Independent Contractor SUBRECIPIENT'S relationship to the CITY shall be that of an independent contractor. SUBRECIPIENT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the City Manager. SUBRECIPIENT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. SUBRECIPIENT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.

19. Workers' Compensation Pursuant to California Labor Code section 1861, the SUBRECIPIENT hereby certifies that the SUBRECIPIENT is aware of the provision of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the SUBRECIPIENT will comply with such provisions and provide certification of such compliance as a part of the Agreement.

20. Liability Insurance

a. SUBRECIPIENT shall, throughout the duration of this Agreement maintain comprehensive general liability insurance, and property damage insurance, or commercial general liability

insurance, covering all operations of SUBRECIPIENT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

b. SUBRECIPIENT shall maintain liability insurance in all the following minimum limits:

Comprehensive General Liability Insurance (bodily injury and property damage)	
Combined General Liability Insurance	$1,000,000
General Aggregate	$2,000,000*
Commercial General Liability Insurance (bodily injury and property damage)	
General limit per occurrence	$1,000,000
General limit project specific aggregate	$2,000,000
Automobile Liability Insurance	$1,000,000

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of SUBRECIPIENT under this Agreement.

c. If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the SUBRECIPIENT to restore the required limits. SUBRECIPIENT shall also notify the CITY's Project Manager promptly of all losses or claims over $25,000 resulting from work performed under this contract, or any loss or claim against the SUBRECIPIENT'S work.

d. All insurance companies affording coverage to the SUBRECIPIENT for the purposes of this Section shall be required to add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed in accordance with this Agreement. Insurance coverage provided to the City of Oceanside as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

e. All insurance companies affording coverage to the SUBRECIPIENT shall be insurance organizations authorized by the Insurance Commissioner of the State Department of Insurance to transact business of insurance in the State or be rated as A-VI or higher by A.M. Best Company, Inc.

f. SUBRECIPIENT shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

g. SUBRECIPIENT shall provide substitute certificate of insurance no later than thirty (30) days prior to the policy expirations date. Failure by the SUBRECIPIENT to provide such substitution and extend the policy expiration date shall be considered a default by SUBRECIPIENT and may subject the SUBRECIPIENT to a suspension or termination of work under the Agreement.

h. All insurance companies affording coverage shall provide thirty (30) days written notice to the City of Oceanside should the policy be canceled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.

i. Maintenance of insurance by the SUBRECIPIENT as specified in this Agreement shall in no way be interpreted as relieving the SUBRECIPIENT of any responsibility whatever and the SUBRECIPIENT may carry, at its own expense, such additional insurance as it deems necessary.

21. SUBRECIPIENT'S Indemnification of CITY SUBRECIPIENT shall indemnify and hold harmless the CITY and its officers, agents, and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or other wrongful acts conduct of the SUBRECIPIENT or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except only for those claims arising solely from the active negligence or willful misconduct of the CITY, its officers, agents, or employees.

SUBRECIPIENT's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the CITY, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not. Further, SUBRECIPIENT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees.

SUBRECIPIENT's indemnification of the CITY shall not be limited by any prior or subsequent declaration by the SUBRECIPIENT.

22. Assignment and Delegation This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the SUBRECIPIENT'S duties be delegated, without the express written consent of the CITY. Any attempt to assign or delegate this Agreement without the express written consent of the CITY shall be void and of

no force or effect. A consent by the CITY to one assignment shall not be deemed to be a consent to any subsequent assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

B. CITY OBLIGATIONS

1. Payment of Funds CITY shall pay to SUBRECIPIENT from SHP funds, when, if and to the extent received from HUD, amounts expended by SUBRECIPIENT in carrying out said program pursuant to this Agreement up to a maximum aggregate payment of One Hundred Thirty-nine Thousand, Seven Hundred and Seventeen dollars ($139,717) in installments determined by CITY. Payment shall be made to SUBRECIPIENT through the submission of periodic invoices, in a form prescribed by CITY, detailing such expenses. Payments will be made on a cost reimbursement basis only. CITY shall pay such invoices within thirty (30) days after receipt thereof, provided CITY is satisfied that such expenses have been incurred within the scope of this Agreement and that SUBRECIPIENT is in compliance with the terms and conditions of this Agreement.

2. Audit of Account CITY shall include an audit of the account maintained by SUBRECIPIENT pursuant to Section A.8. of this Agreement in CITY's annual audit of all SHP funds pursuant to federal regulations found in Title 24 of the Code of Federal Regulations and other applicable federal laws and regulations.

C. MISCELLANEOUS PROVISIONS:

1. Termination of Agreement CITY or SUBRECIPIENT may terminate this Agreement by giving written notice to the other party thirty (30) days prior to effective date of termination. Additionally, the CITY shall have the right, in accordance with 24 CFR 85.43, to terminate this Agreement immediately or to withhold payment of any invoice for failure of the SUBRECIPIENT to comply with the terms and conditions of this Agreement. Should the CITY decide to terminate this Agreement after a full evaluation of all circumstances has been completed, the SUBRECIPIENT shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice. If the CITY finds that the SUBRECIPIENT has violated the terms and conditions of this Agreement, the SUBRECIPIENT may be required to:

a. repay all monies received from the CITY under this Agreement; and/or

b. transfer possession of all materials and equipment purchased with grant money to the CITY.

In the case of early termination, a final payment may be made to the SUBRECIPIENT upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

2. Notices All notices, demands, requests, consents, or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

TO CITY:
City of Oceanside
Neighborhood Services Department
Attn: SHP Program Manager
300 North Coast Highway
Oceanside, CA 92054

TO SUBRECIPIENT:
Women's Resource Center
Transitional Housing Program
Attn: Marva Bledsoe
1963 Apple Street
Oceanside CA 92054

Either party may change its address by notice to the other party as provided herein. Communications shall be deemed to have been given and received on the first to occur of (a) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (b) three working days following the deposit in the USPS mail of certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above.

3. Entire Agreement This Agreement comprises the entire integrated understanding between CITY and SUBRECIPIENT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.

4. Interpretation of the Agreement The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY. The SUBRECIPIENT shall be responsible for complying with all local, State, and federal laws whether or not said laws are expressly stated or referred to herein. Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

5. Agreement Modification This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

6. Dispute Resolution Any controversy or claim arising out of or relating to this agreement, or concerning the breach or interpretation

thereof, shall be settled first by submission of the matter to mediation the cost of which shall be borne equally by the parties.

7. Signatures The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the SUBRECIPIENT and the CITY.

IN WITNESS WHEREOF the parties hereto for themselves, their executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Agreement to be executed by setting hereunto their signatures on the dates set forth below.

Women's Resource Center
SUBRECIPIENT

By Marva Bledsoe — 3/28/11
Signature — Date

Marva Bledsoe — Executive Director
Name — Title

(Notary acknowledgments of SUBRECIPIENT must be attached)

95-2932237 — 602229783
Employer Identification Number — DUNS Number

CITY OF OCEANSIDE
CITY

By _____ _____
Peter A. Weiss, City Manager — Date
City of Oceanside

Barbara Hamilton, ASST.
Approved as to form: City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of SAN DIEGO

On MARCH 28, 2011 (Date) before me, JACQUELINE S HESS, NOTARY PUBLIC (Here Insert Name and Title of the Officer),

personally appeared MARVA BLEDSOE RHUBOTTOM (Name(s) of Signer(s)),

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

OFFICIAL SEAL
JACQUELINE S. HESS
NOTARY PUBLIC-CALIFORNIA
COMM. NO. 1784066
SAN DIEGO COUNTY
MY COMM. EXP. DEC. 8, 2011

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS ~~my~~ hand and official seal.

Signature Jacqueline S Hess (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer's Name: _____
☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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Attached hereto are Exhibits "A", "B", "C", and "D", and are incorporated herein by reference.

Exhibit A - Scope of Work

Exhibit B - Project Budget

Exhibit C - Certification Regarding Lobbying

Exhibit D - Section 3 Certification

Exhibit E - Authorization to execute contracts (signature authority)

Required Attachments:

Certificate of Insurance: General Liability, **naming City of Oceanside as Additional Insured** with endorsements pursuant to Section A.20.d. of this Agreement

Certificate of Insurance: Automobile, **naming City of Oceanside as Additional Insured** with endorsements pursuant to Section A.20.d. of this Agreement (or letter stating that no vehicles are utilized in the operation of the program or activity)

Certificate of Insurance: Workers' Compensation (or letter certifying that the organization operating the program or activity has no employees)

EXHIBIT A
SUPPORTIVE HOUSING PROGRAM PROJECT SCOPE OF WORK

CONTRACT PERIOD: February 1, 2011 through January 31, 2012

SUBRECIPIENT NAME AND MAILING ADDRESS:
Women's Resource Center
1963 Apple Street
Oceanside CA 92054

PROJECT NAME: Transition House

PROJECT ADDRESS: 1963 Apple Street, Oceanside CA

PROJECT MANAGER: Marva Bledsoe, Executive Director

GOAL: To provide 21 units of affordable housing with supportive services for 60 women and their children

TARGET POPULATION: Homeless women and their children

PROJECT OBJECTIVES:

1. Provide safe, sanitary and affordable housing for 60 women and their children
2. Provide case management and client advocacy for 60 women and their children
3. Provide life skills training, including money management, parenting classes and nutritional counseling to 60 women
4. Provide mental health services, including crisis intervention, individual and group counseling, and family support groups to 60 women and their children
5. Provide other supportive services, including access to appropriate health care. Access to educational and job training opportunities, and housing location assistance for 60 women and their children

PAYMENT REQUEST

Payments will be made on a quarterly basis, upon the submittal of a payment request form, as provided:

1. The SUBRECIPIENT shall attach documentation of expenses to the payment request form, including copies of payroll records, invoices, and receipts.
2. The executive officer or director shall sign the payment request form, or shall submit a letter designating another person who is authorized to sign the payment request form.
3. The SUBRECIPIENT may request an alternate payment schedule such as monthly remittances. This alternate schedule must be requested in writing and approved by the CITY before such alternate schedule is in effect.

4. Payments will be made on a reimbursement basis only. The SUBRECIPIENT may request that payment be made directly to vendor or contractor.

PERFORMANCE MEASUREMENT REPORTS

A. INTERIM REPORTS

SUBRECIPIENT shall submit Performance Reports as required under the Supportive Housing Program to CITY for review and submission to HUD. Reports shall include:

1. The cumulative number of unduplicated households or persons that have received services during the reporting period, and of that total, the number of Oceanside residents who have received services;

2. A demographic breakdown of the reported households or persons, in the following categories: a. race (white, African-American, Asian/Pacific Islander, Native American, etc.); b. whether Hispanic or non-Hispanic; c. income level (extremely low, very low, low, moderate).

B. FINAL PERFORMANCE MEASUREMENT REPORT

SUBRECIPIENT shall submit a final report Performance Report as required under the Supportive Housing Program to CITY for review and submission to HUD. The report shall include

1. A brief narrative description of the project and accomplishments during the program year, and analysis of anticipated outcomes for participants.

2. An analysis of the program objectives, progress toward meeting those objectives, and an explanation of any problems or delays that occurred.

3. Other funds and resources that were leveraged with the SHP funds, volunteer and in-kind resources that were used on the project, and collaboration or support by other organizations or businesses.

PROJECT BUDGET

SUBRECIPIENT shall expend funds in accordance with the Project Budget, Exhibit B, attached.

EXHIBIT B
SUPPORTIVE HOUSING PROGRAM PROJECT BUDGET / SOURCES AND USES 2011-2012

Organization: Women's Resource Center

Project Name: Transition House

1. Sources of funding for SHP project:

a. HUD/SHP funding	$139,717
b. Other federal funds (if any)	
c. State or local government funds	
d. Donations and contributions	
e. In-kind contributions	
f. Other:	
g. TOTAL PROJECT FUNDING	$

2. Uses of SHP funds

a. Personnel salaries	$
b. Personnel benefits	$
c. Operations	$ 89,827
d. Supportive Services	$ 49,890
e. Lease of facilities	$ 0
f. HMIS	$ 0
g. Financial Management	$ 0
h.	
i. TOTAL SHP EXPENSES	$139,717

*The amount of rent, utilities, insurance and other "overhead" expenses charged to the SHP grant must be done as part of an overall cost allocation plan that spreads these expenses across all programs of the organization.

EXHIBIT C

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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 the awarding of any federal contract, the making of any renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds other that federal appropriated funds have been paid or will be 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, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Marva Bledsoe — 3/28/11

Signature of Authorized Representative — Date

Women's Resource Center

EXHIBIT D

SECTION 3 CERTIFICATION

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

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

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

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

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

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

Marva Bledsoe

Marva Bledsoe, Executive Director
Women's Resource Center

3/28/11

Date