CONTRACT NUMBER HA-YEAR-XXXSPC

BETWEEN

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

AND

SPONSOR NAME

HUD GRANT NUMBER: CAXXXXXXXXXXXXX

COMPONENT TYPE: SPONSOR-BASED RENTAL ASSISTANCE (SRA)

THIS CONTRACT is made and entered into this 1st day of May 2014 by and between the Housing Authority of the City of Los Angeles, State of California, a public body, corporate and politic (hereinafter referred to as the "Authority"), and A Community of Friends, a California non-profit corporation (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, the Shelter Plus Care Program ("Program") provides a combination of housing and supportive services to homeless persons with disabilities, primarily due to substance abuse, mental illness, and/or AIDS or related diseases ("Services"); and

WHEREAS, the Program provides grants to be used for rental assistance for permanent supportive housing for homeless persons with disabilities, which grants shall be matched by the Contractor in the aggregate by supportive services that are at least equal in value to the amount of rental assistance paid and appropriate to the needs of the population to be served; and

WHEREAS, the United States Department of Housing and Urban Development ("HUD") , which provides the grant funds to the Authority, no longer requires Contractors to submit proposals for renewal grants; and

WHEREAS, the Contractor has submitted its letter of commitment to continue to provide the Services; and

WHEREAS, the Contractor has represented that it has the requisite personnel, experience and resources to provide the Services required by the Authority and the Contractor desires to provide the Services;

NOW, THEREFORE, in consideration of the mutual covenants, benefits and premises herein stated, the parties hereto agree as follows:
1. DEFINITIONS

A. **Eligible Person:** A homeless person with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have AIDS and related diseases) and, if also homeless, the family of such a person. To be eligible for assistance, persons shall be Very Low-Income.

B. **Very Low-Income:** An annual income not in excess of fifty percent (50%) of the median income for the area, as determined by the United States Department of Housing and Urban Development (“HUD”) with adjustments for smaller and larger families.

C. **Homeless means:**

   (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

   i. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

   ii. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

   iii. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

   (2) An individual or family who will imminently lose their primary nighttime residence, provided that:

   i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

   ii. No subsequent residence has been identified; and

   iii. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks,
needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:


ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

i. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

ii. Has no other residence; and
iii. Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

D. Shelter Plus Care Proposal: The proposal submitted by the Contractor in response to the Request for Proposals for the Shelter Plus Care Program, issued by the Authority.

E. Commitment Letter: The letter(s) of commitment for the contract renewal submitted by the Contractor indicating that the Contractor will continue providing the services/activities listed in the Contractor’s original Shelter Plus Care proposal. (Exhibit C)

F. Participant: An Eligible Person who has been selected to participate in the program.

G. Rental Assistance Payment: The payment made by the Authority to the Contractor for a Contract Unit under a lease by a Participant. The payment is the difference between the Contract Rent and the Resident Rent.

H. Contract Unit(s): The units identified in Exhibit A, “Identification of Units by Size, Address, and Initial Contract Rent,” a copy of which is attached hereto and incorporated herein by this reference, for which Rental Assistance Payments will be made, provided they meet Program requirements and are occupied by Participants.

I. Contract Rent: The total amount of rent specified by the terms of this Contract as payable to the Contractor by the Participant, and by the Authority on the Participants’ behalf. Such rent may not exceed the lesser of the applicable fair market rent or the reasonable rent, as determined by the Authority in accordance with HUD requirements.

J. Occupancy Agreement: A written agreement between the Contractor and a Participant for the leasing of the unit by the Contractor to the Participant with Rental Assistance Payments under this Contract.

K. Resident Rent: The monthly amount determined in accordance with 24 CFR 582.310.

L. Shelter Plus Care Requirements: The Shelter Plus Care law (Title IV, Subtitle F of the McKinney-Vento Homeless Assistance Act, as amended), regulations (24 CFR Part 582) (Exhibit E), the HUD Notice of Funding Availability under which the Authority was awarded the grant of funds for this
project and the provisions of the Shelter Plus Care Grant Agreement (the “Grant Agreement”) executed by the Authority and HUD, and related HUD notices and directives, as applicable.

2. EFFECTIVE DATE AND TERM OF THE CONTRACT.

A. Effective Date of Contract. The effective date of this Contract is May 1, 2014.

B. Term of Contract. The term of this Contract begins on the effective date of the Contract, and ends on April 30, 2015.

3. SCOPE OF WORK. The Contractor will carry out the activities listed in the Contractor’s Proposal, in accordance with the Shelter Plus Care Requirements, whether or not specifically referenced in this Contract. All elements of the Shelter Plus Care Proposal, without limitation, the commitment of supportive services the Contractor will provide and the means of fulfilling match requirements are attached as Exhibit C and incorporated into this Contract. Notwithstanding any provisions of the Shelter Plus Care Proposal/Commitment Letter to the contrary, the Contractor will carry out the activities for which it is responsible in compliance with applicable provisions of the Program.

4. LEASING OF UNITS/TENANCY.

A. Selection of Tenants.

As of November 1, 2013, all applicants for admission to the Program service by this Contract must be chronically homeless as defined by HUD.

All SPC agencies (sponsors) located in areas of the city that are served by a regional Coordinated Entry System (“CES”) must participate in that CES and utilize the system for intake.

**CES definition:** “A CES is a process that coordinates program participant intake, assessment, and provision of referrals across a defined geographic area” (Adapted from Section 578.3 of Interim Continuum of Care rule).

i. The Contractor shall use its best efforts to ensure that eligible hard-to-reach persons are served by the Program. Outreach shall be directed towards eligible persons who have a nighttime residence that is an emergency shelter or a public or private place not designed for regular sleeping accommodations. The Contractor shall refer only Eligible Persons to the Authority, and assemble materials and application packages for eligibility interviews according to the Authority’s instructions.

ii. Contract Units may only be rented to Eligible Participants. The Authority shall determine eligibility in accordance with HUD requirements. The units shall be appropriate for the size of the Participant’s household under the Authority’s occupancy standards.
iii. All vacant Contract Units shall be rented by the Contractor to Eligible Participants. The Contractor is responsible for outreach to the targeted eligible hard-to-reach persons. The Contractor shall refer the persons to the Authority to determine eligibility.

B. Security Deposit. The Contractor may collect a security deposit from one (1) or all of the following: rental assistance funds, the Participant, or other sources. However, the total collected from all sources may not exceed one (1) month’s Contract Rent.

C. Occupancy Agreement.

i. The Occupancy Agreement between a Participant and the Contractor shall be in accordance with Shelter Plus Care Requirements. The Occupancy Agreement shall include all provisions required by HUD, and shall not include any provisions prohibited by HUD. In addition to standard lease provisions, the Occupancy Agreement may also include a provision requiring the Participant to take part in the supportive services provided through the Program as a condition of continued occupancy.

ii. The initial Occupancy Agreement between the Contractor and the Participant must be for a term of at least one (1) month. The Occupancy Agreement must be automatically renewable upon expiration, except on not less than thirty (30) days prior notice of either party.

D. Termination of Tenancy. The Contractor may not terminate tenancy or evict the Participant except in accordance with Shelter Plus Care Requirements. The Contractor shall notify the Authority in writing of the commencement of procedures for termination of tenancy, concurrently with the Contractor’s notice to the Participant.

E. Termination of Assistance.

i. The Participant’s eligibility for Rental Assistance Payments will continue (a) unless the Authority determines that the Participant is no longer eligible to receive assistance under the Shelter Plus Care Program, or (b) until the participant’s Resident Rent equals the total Contract Rent. When the Participant’s eligibility ends for the reason specified in (b), the Participant’s other rights under the Occupancy Agreement will not be affected.

ii. The Authority may terminate Rental Assistance Payments for a Participant under this Contract in accordance with Shelter Plus Care Requirements. The Authority shall notify the Contractor in writing of its
decision to terminate Rental Assistance Payments in such case, and that Rental Assistance Payments for the Participant under the Contract will terminate at the end of the calendar month which follows the calendar month in which the Authority serves such notice on the Contractor.

5. **SUPPORTIVE SERVICES.**

A. **Matching Requirement.** The Contractor shall follow the Program Regulations found in Title 24, Code of Federal Regulations, Part 582 (“Program Regulations”) to assure that the supportive services are adequate. The program regulations, at Section 582.110, require that the supportive services be appropriate to the needs of the population being served, at least equal in value to the aggregate amount of rental assistance funded by HUD, and funded from sources other than the Program. The Program Regulations, at Section 582.110(c), define what may count as matching supportive services. The Contractor shall report to the Authority on compliance with this match requirement in a form and manner specified by the Authority.

The Authority will withhold rental assistance payments to the Contractor, should the Contractor at any time not be in full compliance with 24 CFR 582.110, Matching Requirements, until the aggregate amount of supportive services at least equals in value the aggregate amount of Rental Assistance paid to the Contractor by the Authority for the Contract term.

B. **Required Services.** With respect to this matching requirement, the Contractor shall perform the Services and tasks outlined in the Contractor's Shelter Plus Care Proposal, which include, but are not limited to, the following:

i. Provide integrated case management through which Participants shall receive mental health services, medical services, substance abuse treatment, vocational training, job training services, legal/welfare advocacy, drug and alcohol counseling, and other services through established providers in the immediate neighborhood.

ii. Structured follow-up, including regular meetings with a case manager, to determine progress and identify any emergency issues.

iii. Referral to appropriate services which may include, but not be limited to: Crisis intervention, referrals to legal services, referrals to health and mental health services, referrals to substance abuse counseling and support groups, referrals to education and vocational training programs, and referrals to employment services.

C. The Contractor shall conduct on-going assessments of individual Participants’ needs and supportive services, including supportive services designed to assist Participants with their Program compliance.
6. **ANNUAL PROGRESS REPORTS, QUARTERLY REPORTS, AND OTHER PERTINENT INFORMATION.**

   **A. Annual Progress Reports.** The Contractor shall submit to the Authority an Annual Progress Report ("APR"), covering the Operating Year as designated by HUD and the Authority. The Contractor shall submit one (1) APR for each Operating Year, and the Executive Director of the Contractor shall sign the APRs. The APRs shall be considered due to the Authority 30 days after the end date of each Operating Year. The format of the APRs shall conform to the most recent template issued by HUD.

   **B. Quarterly Reports.** The Contractor shall submit Quarterly Reports, documenting the source, amount, and type of supportive services provided, to cover the quarters prescribed by the Operating Year, within 30 days after the end date of each Quarter.

   **C. Other Pertinent Information.** The Contractor shall furnish any information pertinent to this Contract as may reasonably be required from time to time by the Authority or HUD.

7. **MAINTENANCE, OPERATION AND INSPECTION.**

   **A. General Operation.** The Contractor shall operate the Program in compliance with HUD requirements for general operation, 24 CFR 582.300, which provide for participation of homeless individuals, ongoing assessment of housing and supportive services, adequate supportive services, and records and reports.

   **B. Maintenance and Operation.** The Contractor shall maintain and operate the Contract Unit(s) and related facilities to provide decent, safe, and sanitary housing, including the provision of all the building services, maintenance, and utilities set forth in Exhibit B, “Statement of Building Services, Maintenance, and Utilities,” a copy of which is attached hereto and incorporated herein by this reference, and the Occupancy Agreement with the Participants.

   **C. Inspection.** As contemplated by 24 CFR 582.305(a), the Authority will arrange for the inspection of the Contract Unit(s) and related facilities at least annually and at other times (including prior to initial occupancy of the unit) as may be necessary to assure that the unit is in decent, safe, and sanitary condition and the maintenance, utilities, and other services agreed upon are being provided.

   **D. Units Not Decent, Safe, and Sanitary.** If the Authority notifies the Contractor that a unit(s) is not in decent, safe, and sanitary condition, and the Contractor does not take corrective action (including corrective action with
respect to the Participant where the condition of the unit is the fault of the Participant) within the time prescribed in the notice, the Authority may exercise any of its rights or remedies under the Contract, including termination, abatement, or reduction of Rental Assistance Payments, even if the Participant continues to occupy the unit. The Authority may also terminate the Contract on any unit(s) determined by the Authority not to be in decent, safe, and sanitary condition.

E. Maintenance and Replacement. Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the Contractor.

8. RENT - RENTAL ASSISTANCE PAYMENTS.

A. Amount of Contract Rent. The initial Contract Rent for each Contract Unit is stated in Exhibit A.

B. Disclosure of other Government Assistance. The Contractor shall disclose to the Authority in accordance with HUD requirements information regarding any related assistance from the Federal Government, a State or a unit of general local government, or any agency or instrumentality thereof that is made available or is expected to be made available with respect to the Contract Units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy credit, tax benefit, or any other form of direct or indirect assistance. Contract Rent under the Contract shall not be more than is necessary, as determined by the Authority in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The Authority shall adjust the amount of the Contract Rent to the Contractor to compensate in whole or in part for such related assistance, in accordance with HUD requirements.

C. Participant Portion of the Rent. The portion of the Contract Rent payable by the Participant, the Resident Rent, shall be determined by the Authority in accordance with 24 CFR 582.310. This amount is the maximum amount the Contractor can charge the Participant for rental of the Contract Unit, including all building services, maintenance, and utilities to be provided by the Contractor in accordance with Exhibit B of this Contract and the Occupancy Agreement. Any changes in the amount of the Resident Rent shall be effective on the date stated in a notification by the Authority of the change to the Participant and Contractor.

D. Authority Rental Assistance Payment. Each month the Authority must pay a Rental Assistance Payment to the Contractor for a unit under lease by a Participant in accordance with this Contract. The monthly Rental Assistance Payment is equal to the difference between the Contract Rent and the Resident
Rent. Neither the Authority nor HUD assumes any obligation for the Resident Rent, or for payment of any claim by the Contractor against the Participant. The obligation of the Authority is limited to making Rental Assistance Payments on behalf of the Participant in accordance with the Contract.

E. Monthly Payment to Contractor: Contractor Assurances of Program Compliance.

i. The Contractor will be paid the Rental Assistance Payment under this Contract on or about the first day of the month for which payment is due unless the Contractor and the Authority agree on a later date. The Contractor agrees that endorsement of the check will be a certification by the Contractor that:

a. The Contract Unit(s) for which the payment is made is in decent, safe, and sanitary condition and the Contractor is providing all the building services, maintenance, and utilities as agreed to under this Contract and the Occupancy Agreement.

b. The Contract Unit(s) is leased to a Participant, and the Occupancy Agreement is in accordance with HUD requirements.

c. To the best of the Contractor’s knowledge, the Contract Unit is occupied by the Participant, and is used for residence by the Participant and as the Participant’s principal place of residence.

d. The amount of the payment is the correct amount due under this Contract.

e. The Contract Rent does not materially exceed rents charged by the Contractor for other comparable unassisted units.

f. Except for the Rental Assistance Payment and the Resident Rent as provided under this Contract, the Contractor has not received and shall not receive any payments or other consideration (from the Participant, the Authority, HUD, or any other public or private source) as rent for the Contract Unit.

g. The Participant does not own, or have any interest in the Contract Unit. (If the Contractor is a cooperative, the Participant may be a member of the cooperative.)

h. The payment meets all other requirements under this Contract.

ii. Further assurances of the Contractor:
a. If the Authority determines that the Contractor is not entitled to the payment or any part of it, the Authority, in addition to other available remedies, may deduct the amount of the overpayment from any amounts due to the Contractor, including amounts due under any other contract with the Authority.

b. The Contractor will notify the Authority promptly of any change of circumstances which would affect the amount of the monthly payment and will return any payment which does not conform to the changed circumstances.

F. Authority Reimbursement for Unpaid Rent and Damages.

i. After the Participant moves from the Contract Unit, the Contractor may (subject to State and local law) use the security deposit, including any interest on the deposit, as reimbursement for any unpaid Resident Rent or other amounts which the Participant owes under the Occupancy Agreement. If any portion of the security deposit was received from the Participant, the Contractor must give the Participant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Contractor, the Contractor must promptly refund the balance to the Participant, up to a maximum of the amount originally collected from Participant. The Contractor will report to the Authority concerning any of the remainder initially paid from rental assistance funds. The Authority will advise the Contractor on the disposition of these funds.

ii. If the security deposit is insufficient for reimbursement, or if the Contractor did not collect a security deposit, the Contractor may claim reimbursement from the Authority for an amount not to exceed the lesser of:

a. The amount owed the Contractor; or

b. One (1) month’s Contract Rent less, in either case, the security deposit actually collected, or the maximum amount permitted under the Program Regulations. Any reimbursement under this section is applied first toward any unpaid Resident Rent and then to other amounts owed by the Participant. The Contractor may not claim any reimbursement from the Authority for unpaid Resident Rent for the period after the Participant moves from the Contract Unit.
iii. The Contractor shall comply with all State and local laws regarding interest payments on security deposits. The amount refunded to the Participant shall include the amount of interest payable.

iv. To make a claim under this section, the Contractor must immediately notify the Authority when the Participant has moved from the Contract Unit. The Contractor must submit to the Authority, as soon as possible, written documentation supporting the claim for reimbursement, including evidence of billing to and nonpayment by the participant. The Authority has the right to inspect the unit with the Contractor to determine the extent of any damage.

G. RENT ADJUSTMENTS.

i. Rent adjustments. Rents may be adjusted annually as provided in this section, subject to availability of funds. However, the applicable Contract Unit must be in decent, safe, and sanitary condition and the Contractor must be in compliance with the terms of the Occupancy Agreement and this Contract.

ii. Annual Adjustments. On or after each anniversary date of the Contract, the Authority may increase the Contract Rents to reflect the most current fair market rent, subject to the overall limitations which follow.

iii. Overall Limitations.

a. Adjustments as provided in this section must not result in material differences between the rents charged for assisted and comparable unassisted units in the same building and otherwise must comply with HUD rent reasonableness requirements, as determined by the Authority.

b. No adjustment will be provided if the Authority determines that the funds available will not support the adjusted rent for the remainder of the term of the Contract.

iv. Implementation and Incorporation of Rent Adjustment. Adjustments of Contract Rents as authorized by this section must be made by written notice by the Authority to the Contractor. Such notice constitutes an amendment of Exhibit A.

H. PAYMENT FOR A VACATED UNIT. Rental Assistance Payments shall be made by the Authority to the Contractor under this Contract only for the period during which a Contract Unit is leased and occupied by a Participant during the term of the Contract except as follows:
i. If a Participant moves from a Contract Unit before expiration of the Occupancy Agreement, the Contractor must be paid the Rental Assistance Payment due under the Contract for so much of the month in which the Participant moves from the unit as the unit remains vacant. If the unit continues to remain vacant, the Contractor shall be paid the Rental Assistance Payment for a vacancy period not exceeding an additional thirty (30) days.

If the Contractor evicts the Participant, the Contractor is not entitled to any payment under this Section H, unless the Authority determines that the Contractor complied with all the requirements of the Contract (including Paragraph 4.D., above, on Termination of Tenancy) and all applicable State and local laws.

ii. The Contractor is not entitled to any payment for the vacated unit unless the Contractor (a) immediately upon learning of the vacancy has notified the Authority, in writing, of the vacancy, (b) has taken, and continues to take, all reasonable actions to fill the vacancy, and (c) has not rejected any Eligible Person except for grounds acceptable to the Authority.

iii. The Contractor is not entitled to any payment for the vacated unit to the extent that the Contractor is entitled to payment from other sources.

iv. The provisions of this Section do not apply in the event that the Participant is away from the unit for brief periods of inpatient care, not to exceed 90 days for each occurrence. The unit is not considered vacant in such cases, and the Rental Assistance Payments will continue.

9. DEFAULTS.

A. Any of the following is a default by the Contractor under this Contract:

i. The Contractor has committed any fraud or made any false statements to the Authority or HUD in connection with the Contract, or has committed fraud or made any false statement in connection with any Federal rental assistance program; or

ii. A Federal or State proceeding for the relief of debtors is undertaken by or against the Contractor; or

iii. A receiver or trustee is appointed for the Contractor; or
iv. The Contractor makes an assignment for the benefit of its creditors; or

v. The Contractor becomes insolvent, which shall be deemed to have occurred if the Contractor has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether or not the Contractor has committed an act of bankruptcy or is considered insolvent within the meaning of the federal bankruptcy law; or

vi. The Contractor fails or refuses to submit its Annual Progress Report (“APR”), signed by its Executive Director, within 30 days after the end date of any given Operating Year; or

vii. The Contractor fails or refuses to submit its Quarterly Reports within 30 days after the end date of any given Operating Quarter; or

viii. The Contractor fails or refuses to furnish any information pertinent to this Contract as may reasonably be required from time to time by the Authority or HUD; or

ix. The Contractor breaches any material terms or violates any material provision of this Contract, or any other contract under the Program, and does not cure such breach or violation within ten (10) calendar days after delivery by the Authority of a written “Notice to Cure Deficiency.”

B. If the Authority determines that a default has occurred, the Authority may exercise any of its rights or remedies under the Contract. The Authority must notify the Contractor in writing of such determination. The notice by the Authority to the Contractor may require the Contractor to take corrective action (as verified by the Authority) by a time prescribed in the notice. The Authority’s rights and remedies under the Contract include the recovery of overpayment, termination or reduction of Rental Assistance Payments, and termination of the Contract. The rights and remedies of the Authority set forth in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. The Authority’s exercise or non-exercise of any remedy for the Contractor’s breach of this Contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

10. AUTHORITY AND CONTRACTOR RELATION TO THIRD PARTIES.

A. Injury Resulting from Contractor Action or Failure to Act. The Authority has not assumed any responsibility for, or liability to, any person injured as a result of the Contractor’s action or failure to act in connection with the
implementation of this Contract, or as a result of any other action or failure to act by the Contractor.

B. **Legal Relationship.** The Contractor shall, during the performance of this Contract, act as a wholly independent contractor. The Contractor shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner employees of the Authority. Nothing contained in this Contract shall be deemed, construed or represented by the Authority or the Contractor or by any third person to create the relationship of principal or agent, or of a partnership, or of a joint venture, or of any other association of any kind or nature between the Authority and the Contractor. The Contractor is not the agent of the Authority, and this Contract does not create or affect any relationship between the Authority and any lender to the Contractor or any suppliers, employees, contractors, or subcontractors used by the Contractor in connection with the implementation of this Contract. The Authority shall not be called upon to assume any liability for the direct payment of any salary, wage or other compensation to any person employed by the Contractor.

C. **Exclusion of Third Party Claims.** Nothing in this Contract shall be construed as creating any right of a Participant or other third party (other than HUD) to enforce any provision of the Contract, or to assert any claim against the Authority, or the Contractor under the Contract.

11. **INDEMNIFICATION.**

A. The Contractor shall hold harmless, indemnify and defend the Authority and its officers, employees, servants, agents, successors and assigns from any claim, demand, damage, liability, loss, cost or expense, including attorneys fees, or any damage whatsoever, including but not limited to death or injury to any person and damage to any property, resulting from the misconduct, negligent acts, errors or omissions of the Contractor or any of its officers, employees or agents in the performance of this Contract, except such damage as is caused by the sole negligence of the Authority or any of its officers, employees, agents, successors or assigns.

B. The Authority does not, and shall not, waive any rights that it may have against the Contractor by reason of the acceptance by the Authority, or the deposit with the Authority, of any insurance policies or endorsements required pursuant to this Contract. This indemnification provision shall apply regardless of whether or not said insurance policies or endorsements are determined to be applicable to any claim, demand, damage, liability, loss, cost or expense described above.

12. **INSURANCE.**
A. During the term of this Contract, the Contractor shall, at its own cost and expense, procure and maintain the following types of insurance:

i. Statutory Workers’ Compensation, as required by the California Labor Code, and Employer’s Liability with limits not less than $1,000,000; and

ii. Comprehensive General Liability, including coverage for property damage and independent contractors, with limits not less than $1,000,000 per occurrence; and

iii. Motor Vehicle Liability, for owned and not-owned vehicles, with limits not less than $500,000 per occurrence; and

iv. Professional liability insurance with limits not less than $1,000,000.

B. Prior to the commencement of work, the Contractor shall furnish the Authority with insurance endorsements, evidencing the above insurance coverage and further indicating that the Contractor's policies have been endorsed to name the "Housing Authority of the City of Los Angeles" as an additional insured thereon, if applicable, with provision made for cross liability. The endorsements shall further provide that "Contractor's policy is primary over any insurance carried by the Authority" and that "the policy will not be canceled or materially changed without thirty (30) days prior notice in writing" being given to the Authority.

C. All evidence of insurance coverage required to be submitted in accordance with this Paragraph 12 shall be delivered to the addressee for the Authority specified in Paragraph 29 of this Contract. The Authority shall make the final determination as to whether the documentation submitted by the Contractor conforms to the requirements of this Paragraph 12.

D. If any subcontractor(s) or independent contractor(s) is utilized by the Contractor for the purpose of carrying out portions of this Contract, said subcontractor(s) or independent contractor(s) shall also be required to comply with the insurance provisions set forth in this Paragraph 12 and the indemnification provisions set forth in Paragraph 11 of this Contract.

13. **CONFLICT OF INTEREST.**

A. As contemplated by 24 CFR 85.36(b)(3), the Contractor will adopt and maintain a written code of standards of conduct governing the performance of employees engaged in the award of administration of contracts including, without limitation, standards that prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or
organizational conflict of interest, or gain.

B. As contemplated by 24 CFR 85.36(b)(3), the Contractor covenants that no employee, officer, director, or agent of the Contractor, or of the Authority to its knowledge, has participated or will participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved, including this Contract and any subcontracts. Such a conflict would arise when the employee, officer, director or agent, any member of his immediate family, his or her partner, or any organization which employs or is about to employ any of these persons has a financial or other interest in the firm selected for award (including a financial or other interest in the Contractor with respect to participation in the award of this Contract). In addition, no officers, directors, employees or agents of the Contractor will solicit or accept gratuities, favors or anything of monetary value from actual or potential contractors, suppliers, parties to subagreements, or persons who are otherwise in a position to benefit from the actions of any officer, director, employee, or agent.

C. As contemplated by 24 CFR 582.340(b), the Contractor covenants that no person who is, or was, an employee, agent, consultant, officer, or official of the Contractor, or of the Authority to its knowledge, who exercises or has exercised any functions or responsibilities with respect to activities assisted by a federal grant, or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activity, has obtained or will obtain a personal or financial interest or benefit from the activity, or had or will have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, including this Contract and any subcontracts, either for himself or herself or for those whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter.

D. No members of the Board of Directors may be employed by the Contractor if the Contractor is a corporation.

E. The Contractor warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Contract.

F. Participation by homeless individuals who also are participants in policy or decision-making under the Shelter Plus Care Requirements does not constitute a conflict of interest.

G. As used in this section:

   i. The term “Immediate Family” includes, but is not limited to, domestic partner and/or those persons related by blood or marriage, such
as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law.

ii. The term “Financial or Other Interest” includes, but is not limited to, any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.

H. The Contractor will incorporate the foregoing paragraphs of this section into every agreement that it enters into in connection with this project and will substitute the term “Subcontractor” for the term “Contractor”.

I. The Contractor warrants that the Contractor has disclosed to the Authority:

i. The identity of the Contractor, any developer, builder, architect, management agent (and other participants), and the names of the officers and principal members, shareholders, investors, and other parties having a substantial interest in this Contract or in any proceeds or benefits arising from the Contract.

ii. Any possible conflict of interest by any of these parties that would be a violation of the Contract. The Contractor shall fully and promptly update such disclosures.

J. In the event of a change in either private interest or services under this Contract, any questions regarding possible conflicts of interests which may arise as a result of such change shall be brought to the immediate attention of the Los Angeles City Attorney. For the duration of this Contract, the Contractor shall refrain from undertaking any work for any individual, business, or legal entity in which direct conflict of interests regarding the services to be provided thereunder or herein may arise.

14. INTEREST OF MEMBER OF OR DELEGATE TO CONGRESS. No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits arising from the Contract.

15. LOBBYING CERTIFICATIONS. The Contractor hereby assures and certifies that:

A. No Federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, 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 Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

B. If any funds other than Federally 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 Contractor must complete and submit standard form LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

C. The Contractor shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. 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 is subjected to a civil penalty of not less that $10,000 and of not more than $100,000 for each such failure.

16. ASSIGNMENT OR TRANSFER OF THE CONTRACT OR PROPERTY.

A. The Contractor shall not in any manner, directly or indirectly, by operation of law or otherwise, hypothecate, assign, transfer or encumber this Contract or any portion hereof or any interest herein, in whole or in part, without the prior written consent of the Authority. In addition, the Contractor shall not subcontract the services to be performed pursuant to this Contract without prior written approval of the Authority. The names and qualifications of subcontractors or others whom the Contractor intends to employ, other than those identified, shall be submitted to the Authority for prior written approval. A change in ownership in the Contractor, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

B. Where the Contractor requests the consent of the Authority for a transfer in any form, including any sale or assignment, of this Contract or the property, the Authority will give its written consent to a transfer of the Contract pursuant to paragraph A of this section if the transferee agrees in writing to comply with all the terms of the Contract, and if the transferee is acceptable to the Authority. If the transfer constitutes a significant change, as defined by Section 582.405(a) of the Shelter Plus Care Program Regulations (24 CFR Part 582), HUD shall also
approve the transfer, in writing. HUD’s criteria for acceptance of the transferee must be no more restrictive than for initial acceptance of any application under the Program at the time of the Contractor’s request.

C. If the Contractor is proposing to pledge the Contract as security for financing, the Contractor must submit the financing documents to the Authority for prior written approval. In determining the approvability of a pledge arrangement, the Authority shall review the documents submitted by the Contractor to ensure that the financing documents do not modify the Contract, and do not contain any requirements inconsistent with the Contract. Any pledge of the Contract shall be limited to amounts payable under the Contract in accordance with the terms of the Contract.

17. NONDISCRIMINATION, EQUAL EMPLOYMENT OPPORTUNITY, AND AFFIRMATIVE ACTION.

A. In the performance of work under this Contract, the Contractor and its subcontractors, if any, must not in the selection of Participants, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, national origin, familial status, or handicap.

B. The Contractor must comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, as amended, and any related rules and regulations.

C. The Contractor must comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq. (the Act); the HUD regulations issued thereunder, 24 CFR, Subtitle A, Part 1; the HUD requirements pursuant to these regulations; and Executive Order 11063, to the end that, in accordance with the Act, the HUD requirements, and Executive Order 11063, no person in the United States may, on the grounds of race, color, creed, religion, or national origin, be excluded from participation in, or denied the benefits of, the Shelter Plus Care Program, or be otherwise subject to discrimination. This provision is included pursuant to the regulations of HUD, 24 CFR, Subtitle A, Part 1, issued under Title VI of the Civil Rights Act of 1964, and the HUD requirements pursuant to the regulations. The obligation of the Contractor to comply therewith inures to the benefit of the United States of America, HUD, and the Authority, any of which are entitled to invoke any remedies available by law to redress any breach or to compel compliance by the Contractor.

D. In accordance with regulations issued by HUD pursuant to Section 504 of the Rehabilitation Act of 1973, as amended (24 CFR Part 8), the Contractor must not discriminate against any otherwise qualified individual with handicaps.

E. In carrying out the obligations under this Contract, the Contractor shall not discriminate against any employee or applicant for employment because of race,
religion, national origin, ancestry, sex, age, sexual preference, or physical handicap. The Contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to race, religion, national origin, ancestry, sex, age, sexual preference, or physical handicap. Such action includes, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training.

The Contractor agrees to post on conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor state that all qualified applicants will receive consideration for employment without regard to race, religion, national origin, ancestry, sex, age, sexual preference, or physical handicap. The Contractor will incorporate the foregoing requirements of these Subparagraphs in all contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for project work.

18. COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS. The Authority and the Contractor must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

19. MINORITY/WOMEN’S BUSINESS ENTERPRISE; OTHER FEDERAL REQUIREMENTS.

A. The Contractor shall make a good-faith effort to comply with the minority business enterprise ("MBE") and women's business enterprise ("WBE") levels of participation established by the Authority. It is the policy of the Authority that minority business enterprises as specified in 24 CFR 85.36 (49 CFR 23) shall have maximum opportunity to participate in the performance of this Contract. The Contractor agrees to assist the Authority in meeting its anticipated levels of participation by conducting outreach to MBEs and WBEs to ensure that these businesses have the maximum opportunity to compete for, and perform in, the Contract.

B. The Contractor must comply with and is subject to the requirements of the following, where applicable:

ii. Executive Order 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprises.


20. DOCUMENTS. At the time of either termination of this Contract or conclusion of all work, all original documents, designs, drawings, reports, logos, diskettes, computer files, notes and other related materials whether prepared by the Contractor or subcontractor(s) or obtained in the course of providing the services to be performed pursuant to this Contract shall become the sole property of the Authority.

21. LICENSES AND PERMITS. The Contractor warrants that it has all necessary licenses and permits for the work to be performed under this Contract. The Contractor represents that it will immediately obtain or has obtained and presently holds a valid Business Tax Registration Certificate(s) as required by the Los Angeles Municipal Code, Chapter 2, Article 1, Sections 21.00, et seq. The Contractor shall maintain, or obtain as necessary, any or all such certificate(s) and shall show proof of such certificate(s) to the Authority prior to the commencement of the Contract.

22. INTERPRETATION. Should interpretation of this Contract or any portion thereof be necessary, it is deemed that this Contract was prepared by the parties jointly and equally, and shall not be interpreted against either party on the grounds that the party prepared the Contract or caused it to be prepared. The captions and headings of the various articles and paragraphs of this Contract are for convenience and identification only and shall not be deemed to limit or define the content of the respective articles and paragraphs hereof.

23. WAIVER. No waiver of any provision of this Contract shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding unless executed in writing by the party making the waiver.

24. WARRANTY OF CONTRACTOR.

A. The Contractor warrants that it is free to enter into this Contract and is not subject to any obligation or disability which will or might prevent or interfere in fully keeping and performing all of the conditions to be kept and performed under this Contract.

B. The Contractor further warrants that it has not paid anyone for the purpose of entering into this Contract, and that entering into this Contract and performing the Services hereunder will not constitute a conflict of interest.
C. The Contractor further warrants that neither it, nor its agents or representatives, has offered or given gratuities in the form of entertainment, gifts, favors or other items or services of value to any officer or employee of the Authority with a view toward securing: (i) award of this Contract, (ii) amendment of the Contract after award, (iii) favorable treatment of the Contractor by the Authority in the administration of the Contract or in the making of any determination with respect to the Contractor's performance of its obligations under the Contract.

25. **NO ATTORNEY FEES.** In the event any action, suit, or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Contract or as a result of any alleged breach of any provision of this Contract, each party shall bear its own costs and expenses, including attorneys' fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

26. **DISPUTES.** This Contract is made, entered into, and executed in Los Angeles County, California, and any action filed in any court for the interpretation, enforcement or other action of the terms, conditions or covenants referred to herein shall be filed in the applicable court in Los Angeles County, California. This Contract shall be construed, and all disputes hereunder shall be settled, in accordance with the laws of the State of California. Pending the final resolution of a dispute hereunder, the Contractor shall proceed diligently with the performance of its obligations under this Contract and in accordance with the Authority's instructions.

27. **AUDIT AND INSPECTION OF RECORDS.**

A. The Contractor shall furnish any information pertinent to this Contract as may reasonably be required from time to time by the Authority or HUD.

B. After receipt of reasonable notice and during the regular business hours of the Contractor, the Contractor shall provide the Authority or HUD, or agents of either, such access to the Contractor's records and facilities as the Authority or HUD deems necessary to examine, audit, inspect, excerpt, photocopy or transcribe the Contractor's records relative to work performed under this Contract. Accounting and financial records shall be maintained in accordance with generally accepted accounting principles. All records shall be maintained and access shall be provided to the Authority during the entire term of this Contract and for three (3) years after final payment by the Authority hereunder, unless the Authority gives written permission to the Contractor to dispose of said records prior to this time.

28. **FORCE MAJEURE.** In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault or negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.
Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the federal government or any unit of state or local government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation, to the extent that they are not caused by the party’s willful or negligent acts or omissions, and to the extent that they are beyond the party’s reasonable control.

29. NOTICES.

   A. Any notices to be given pursuant to this Contract shall be in writing, and all such notices and any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, and addressed to the party for whom intended as follows:

      To:    Attn: Assistant Director of Section 8
              Housing Authority of the City of Los Angeles
              2600 Wilshire Boulevard,
              Los Angeles, CA  90057

      To:    Attn: President & CEO/Executive Direct
              Sponsor Name
              Address
              City, State Zip Code

   B. Either party may, from time to time, by written notice to the other, designate a different address which shall be substituted for the one above specified. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or upon deposit in the United States mail.

30. FAITH-BASED ACTIVITIES. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the Shelter Plus Care program. However, a contractor that participates in a Shelter Plus Care funded program will comply with the following provisions if it is deemed to be a religious or faith-based organization.

   A. The Contractor may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this Contract.

   If the Contractor conducts such activities, the activities must be offered separately, in time or location, from the program or services funded under this contract, and participation must be voluntary for the beneficiaries of the Shelter Plus Care-funded programs or Services.
B. A religious or faith-based contractor 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 Shelter Plus Care funds to support any inherently religious activities, such as worship, religious instruction, or proselytization.

A religious or faith-based contractor may use space in their facilities to provide Shelter Plus Care funded services, without removing religious art, icons, scriptures, or other religious symbols.

A religious or faith-based contractor 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.

C. A religious or faith-based contractor will not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

31. ORDER OF PRECEDENCE - SHELTER PLUS CARE REQUIREMENTS. Except as specifically provided elsewhere in this Contract, conflicting provisions of this Contract shall prevail in the following order of precedence: (1) the provisions in the body of this Contract; (2) the exhibits of the Contract, if any; (3) all other documents cited in this Contract or incorporated by reference. In the event of any conflict between this Contract and the Shelter Plus Care Requirements, the Shelter Plus Care Requirements shall prevail.

32. APPROVAL BY FUNDING SOURCE. If funding for this Contract is provided by the Federal Government, the State of California or other external source, approval of the Contract by the funding source may be required. If approval of an external funding source is required, this Contract shall not be effective until such approval has been secured. If approval by the external funding source is denied prior to or during the Contract term, then the Contract shall be terminated at no fault of either party. If the Contract award is terminated prior to the commencement date of the Contract then any costs incurred by the Contractor shall be deemed pre-contractual as defined in the procurement solicitation to which the Contract responded and thus remains the Contractor’s responsibility. If the funding ceases during the Contract term, upon receipt of said notice, the Contractor shall immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. The Authority shall pay the Contractor its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by the Contractor to effect such termination. Thereafter, the Contractor shall have no further claims against the Authority under this Contract.
33. **COMPLIANCE WITH LOCAL, STATE AND FEDERAL STATUTES AND REGULATIONS.**

   A. The Contractor, in performance of this Contract, warrants and certifies that it will comply with all applicable statutes, rules, regulations and orders of the United States, the State of California, the County of Los Angeles and the City of Los Angeles. The Contractor understands that failure to comply with any of the following assurances may result in suspension or termination of this Contract or any of the remedies provided for herein. The Contractor further warrants and certifies that it will comply with new, amended, or revised laws, regulations, and procedures that apply to the performance of this Contract.

   B. The Contractor warrants that it will comply with all applicable requirements of State, Federal, County and City of Los Angeles laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Contract. The Contractor will comply with new, amended, or revised laws, regulations, and procedures that apply to the performance of this Contract.

34. **EFFECT OF LEGAL JUDGMENT.** Should any covenant, condition or provision of this Contract be held to be invalid by final judgment in any court of competent jurisdiction, the invalidity of such covenant, condition or provision will not in any way affect any other covenant, condition or provision of this Contract.

35. **BINDING AUTHORITY TO SIGN AND AUTHORIZATION.** Each of the Parties to this Contract hereby represents that all necessary and appropriate actions of their governing bodies, as applicable, have been taken to make this Contract a binding obligation of each of the Parties hereto. The persons executing this Contract warrant that they are duly authorized to execute this Contract on behalf of and bind the Parties each purports to represent.

36. **COUNTERPARTS.** This Contract may be executed in counterparts, each of which shall be deemed to be an original.

37. **ENTIRE AGREEMENT.** This Contract, including all exhibits and other documents incorporated herein or made applicable by reference, constitutes the entire agreement of the parties concerning the subject matter hereof and supersedes all prior agreements, understandings and commitments, whether oral or written. This Contract shall not be amended in any way except by a writing expressly purporting to be such an amendment, signed and acknowledged by both of the parties hereto.

**IN WITNESS WHEREOF,** the Authority and the Contractor have executed this Contract No. HA-2014-002SPC on the day and year first above written.

Approved as to form: HOUSING AUTHORITY OF THE
MICHAEL N. FEUER CITY OF LOS ANGELES
City Attorney

By: ______________________________
   H. HELEN YUN
   Deputy City Attorney

Date: ______________________________

General Counsel for the Housing Authority
of the City of Los Angeles

By: ______________________________
   KEN SIMMONS
   Chief Operating Officer

Date: ______________________________

SPONSOR NAME

By: ______________________________

Printed Name: ______________________________

Title: ______________________________

Date: ______________________________

By: ______________________________

Printed Name: ______________________________

Title: ______________________________

Date: ______________________________
LIST OF EXHIBITS

Exhibit

A  Identification of Units by Size, Address, and Initial Contract Rent
B  Statement of Building Services, Maintenance, and Utilities
C  Contractor’s Commitment Letter to the Authority
D  Grant Agreement
E  24 CFR Part 578