Title: Approval for Homeless Emergency Aid Program (HEAP) Funds from the Sacramento Continuum of Care (CoC)

Location: Citywide

Recommendation: Adopt a Resolution authorizing the City Manager, or the City Manager’s designee, to: 1) execute the Homeless Emergency Aid Program (HEAP) Subrecipient Agreement with Sacramento Steps Forward (SSF), the lead agency for the United States Department of Housing and Urban Development’s Continuum of Care program (CoC); receive and administer $1.76 million in HEAP grant funding from SSF; and execute and submit supporting documents and various reports for the implementation of HEAP; and 2) establish revenue and expenditure budgets in the amount of $1.76 million in the Homeless Emergency Aid Program (G02000820) in Operating Grants (Fund 2702) to support HEAP implementation.

Contact: Emily Halcon, Homeless Services Coordinator, (916) 808-7896; Angela Marin, Administrative Analyst, (916) 808-7949, Office of the City Manager

Presenter: None

Attachments:
1-Description/Analysis
2-Subrecipient Agreement
3-Resolution
Description/Analysis

Issue Detail: In June of 2018, the Governor signed SB 850, which allocated over $553 million in one-time State funding for two new programs: the Homeless Emergency Aid Program (HEAP) and the California Emergency Solutions Program (CESH).

The City, Sacramento County and Sacramento Steps Forward (SSF) developed an investment strategy for the almost $20 million coming to Sacramento in collaboration with community stakeholders. In sum, investments are recommended in three primary areas: 1) expansion of emergency shelter services; 2) creation of a flexible re-housing program; and 3) homeless services system improvements. HEAP funding requires a minimum of five percent of funding for youth specific activities which are incorporated into the proposal. HEAP funds also require that any housing or shelter related activities must be aligned with the core components of Housing First.

In Sacramento, both the City of Sacramento and SSF, as the administrative entity for the Homeless Continuum of Care (CoC) were eligible to receive direct allocations of funds through HEAP. The Council has previously taken actions related to the administration of the $5.6 million in HEAP directly allocated to the City of Sacramento.

On October 16, 2018, Council approved and endorse the HEAP and CESH collaborative investment plan described and submitted an application to the California Business, Consumer Services and Housing Agency (BCSH) for funding available through HEAP.

On November 8th, 2018 City Council adopted Resolution 2018-0434, declaring a Shelter Crisis in the City, a precondition for being eligible to receive and administer HEAP funding.

On December 11, 2018, Council adopted a resolution to execute the Homeless Emergency Aid Program (HEAP) Standard Agreement with the State of California Business, Consumer Services and Housing Agency (BCSH) to receive and administer $5.6 million in grant funding, approved all budgetary actions for the $5.6 million, and added a limited-term 1.0 FTE Administrative Technician position to support HEAP.

As part of the October 16, 2018 approvals, the Council authorized the City to assume administrative responsibilities for the portions of the CoC HEAP funds supporting youth programs and adult sheltering programs.

Under the proposed collaboration of the City, Sacramento County, and Sacramento Steps Forward, the City of Sacramento would receive $1.76 million from Sacramento Steps Forward, the lead agency for the United States Department of Housing and Urban Development’s
Continuum of Care program. The use of these funds is detailed in the attached Subrecipient Agreement with Sacramento Steps Forward and is outlined by program component in the table below.

<table>
<thead>
<tr>
<th>Program Component</th>
<th>Funding Component</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Respite/ Shelter Programs</td>
<td>CoC (SSF) HEAP</td>
<td>$323,648</td>
</tr>
<tr>
<td>Expand Existing Single Shelter Programs</td>
<td>CoC (SSF) HEAP</td>
<td>$1,436,400</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$1,760,048</td>
</tr>
</tbody>
</table>

None of the CoC HEAP funds will be used for administrative activities or to support the development of City re-housing triage shelters funded through the City’s direct HEAP allocation.

**Policy Considerations:** All HEAP investments recommended require active coordination with the homeless CoC and participation in the community’s coordinated entry and assessment program. Per the HEAP statute, these programs must with the “housing first” approach. Housing first principles ensure that emergency shelter be provided with few to no barriers to access and focus on linking clients with permanent housing as quickly as possible. In housing first programs, supportive services are offered (but not required as a condition of tenancy) in shelters and ongoing to help people keep their housing and avoid returning to homelessness. This evidence-based approach is consistent with the strategies and funding priorities of the other public agencies working to end homelessness in Sacramento and is required for all HEAP funded programs.

**Economic Impacts:** None

**Environmental Considerations:** None

**Sustainability:** None

**Commission/Committee Action:** None

**Rationale for Recommendation:** Homelessness continues to be a compelling and pivotal issue for the City, and the City Council has made significant investments over the past years to increase services, shelter capacity and housing supports for people experiencing homelessness. Despite these efforts, homelessness is on the rise across our State, and is affecting communities throughout the City and the County of Sacramento. The HEAP program offers a unique opportunity to access significant funding from the State of California to address local needs related to homelessness and to collaborate with Sacramento County, SSF, and other cities in the county to develop a true county-wide response to homelessness.
**Financial Considerations:** As Sacramento Steps Forward (SSF) does not directly administer sheltering programs, the City will administer $1.76 million of the CoC HEAP funding to expand emergency sheltering programs. The HEAP funding application submitted by SSF provided that SSF may distribute funds to the City to utilize the HEAP funds. There is no local match requirement. HEAP funds can be used to fund new or expanded City homeless services such as outreach, rental assistance, and capital improvement projects including shelters. Revenue and expenditure budgets will be established in the HEAP (G02000820) MYOP in the amount of $1.76 million.

**Local Business Enterprise (LBE):** Not applicable.
HOMELESS EMERGENCY AID PROGRAM (HEAP)
SUBRECIPIENT AGREEMENT
(2019 Funds)

This Homeless Emergency Aid Program Subrecipient Agreement (the "Agreement") is dated as of January __, 2019, and is made and entered into by and between the SACRAMENTO STEPS FORWARD, a California nonprofit public benefit corporation (the "Grantor"), and the CITY OF SACRAMENTO, a charter city and municipal corporation (the "Grantee") (collectively, the "Parties").

RECITALS

A. The State of California has established the Homeless Emergency Aid Program (the "HEAP Program") under Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code (the "Law").

B. The HEAP program provides one-time flexible block grant funds to address immediate homelessness challenges by Continuums of Care and Large Cities as defined in the Law.

C. The Grantor is the Administrative Entity for the Sacramento City and County Continuum of Care.

D. The Grantor submitted an application for HEAP funding on December 3, 2018 (the "Application") pursuant to the September 5, 2018 HEAP Notice of Funding Availability (the "NOFA").

E. The Application provided that the Grantor may distribute the funds to the Grantee to utilize the HEAP funds as described in the Application.

F. The Grantor has been awarded $12,729,412.12 in Homeless Emergency Aid Program funds ("HEAP Funds") from the California Business, Consumers Services and Housing Agency (the "State") pursuant to a Standard Agreement (Agreement Number 2018-HEAP-00024, Registration Number: CA-503) between the Grantor and the State, signed by the State on January 3, 2019, attached as Exhibit A to this Agreement (the "Standard Agreement").

G. Under the Application and collaborative process to prepare the Application, the Grantee is to receive HEAP Funds in an amount not to exceed One Million Seven Hundred Sixty Thousand Forty Eight Dollars ($1,760,048) (the "HEAP Grant"), to conduct the programs described in the work plan set forth in the attached Exhibit B to this Agreement (the "Work Plan").

NOW, THEREFORE, in consideration of the mutual covenants and consideration identified herein, the Parties hereby agree as follows:
AGREEMENT

1. SCOPE OF SERVICES.

(a) **Activities.** The Grantee shall perform all activities (individually, an "Activity" and, collectively, the "Activities"), as more particularly set forth in the Work Plan, in a manner satisfactory to the Grantor and consistent with the terms and conditions of this Agreement.

(b) **Budget.** The Grantee shall use the HEAP Grant only for the actual expenses incurred by the Grantee for each Activity in the amount set forth in the Work Plan.

(c) **Performance Monitoring.** The Grantor will monitor the performance of the Grantee according all applicable federal, state and/or local requirements, the Standard Agreement and this Agreement. The Grantee shall permit the State to inspect any work performed under this Agreement to ensure the work is being performed and has been performed in accordance with all applicable federal, state and/or local requirements and the Standard Agreement. The Grantee shall correct all substandard work upon written notice from the Grantor and the Grantor shall withhold any remaining payments under this Agreement until such work has been corrected. Substandard performance as determined by the Grantor or the State will constitute a default under this Agreement. If the Grantee does not take action to correct any substandard performance within ten (10) days after being notified in writing by the Grantor, the Grantor may initiate suspension or termination procedures as set forth in Section 13 below.

(d) **Compliance with Law.** The Grantee shall comply and shall require all of its personnel and subcontractors (if approved by the Grantor and the State) to comply with all applicable legal requirements including all federal, state, and local laws, rules and regulations (including ordinances and resolutions), whether or not said laws are expressly stated in this Agreement, including without limitation, those that pertain to construction, procurement, housing and building codes, health and safety, labor, fair employment practices, environmental protection, equal opportunity, fair housing, and all matters applicable and/or related to the HEAP Program, the Grantee and all eligible activities under the HEAP Program.

(e) **Compliance with HEAP Program Law and Standard Agreement.** The Grantee shall comply and shall require all of its personnel and subcontractors (if approved by the Grantor and the State) to comply with all applicable legal requirements of the HEAP Program, including the Law, the NOFA, any guidelines issued by the State, the provisions of the Application and the terms and conditions of the Standard Agreement adjusted to meet the time frames set forth in this Agreement, including without limitation, the Drug-Free Workplace Certification provisions in Section 11 of Exhibit C of the Standard Agreement and the Child Support Compliance Act provisions in Section 12 of Exhibit C of the Standard Agreement.
(f) **Permits and Approvals.** The Grantee shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any Activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the Activities. The Grantee shall provide copies of permits and approvals to the Grantor upon request.

(g) **Standard of Care.** The Grantee shall perform Activities under this Agreement using a standard of care equal to, or greater than, the degree of skill and diligence ordinarily used by reputable professionals, with a level of experience and training similar to the Grantee, performing under circumstances similar to those required by this Agreement.

(h) **Time for Performance.** Time is of the essence in the completion of the Activities. The Grantee shall strictly adhere to the timing requirements in this Agreement unless otherwise modified in writing in accordance with this Agreement. The Grantee shall commence and complete the Activities and expenditure of the HEAP Grant funds no later than the dates set forth in the Work Plan.

2. **DISBURSEMENT OF GRANT.**

(a) **Award.** The Grantee accepts the HEAP Grant to conduct the Activities in accordance with the terms of this Agreement. Funds provided under this Agreement will not exceed the amount of the HEAP Grant.

(b) **Conditions to Disbursement.** The Grantor is not obligated to disburse any portion of the HEAP Grant, or to take any other action under this Agreement unless all of the following conditions have been and continue to be satisfied:

i. There exists no default nor any act, failure, omission or condition that would constitute a default under this Agreement;

ii. The Grantee has delivered to the Grantor a copy of an authorizing document authorizing the Grantee to obtain the HEAP Grant and execute this Agreement;

iii. There exists no material adverse change in the financial condition of the Grantee from that shown by the financial statements and other data and information furnished by the Grantee to the Grantor prior to the date of this Agreement;

iv. The Grantee has furnished the Grantor with evidence of the insurance coverage meeting the requirements of this Agreement; and

v. The Grantee has executed and delivered to the Grantor this Agreement and has caused all other documents, instruments, and policies required under this Agreement to be delivered to the Grantor.
(c) **Request for Funds, Payment, and Monthly Accounting.** The Grantor shall disburse the entire HEAP Grant to the Grantee as a single allocation once the Grantee has met the conditions in subsection (b), the Grantee has provided the Grantor a request for funds which includes the Activities and amount of funds proposed for expenditure under each Activity consistent with this Agreement, and provided that the State has disbursed the HEAP Funds to the Grantor. At least monthly by the 15th of each month, the Grantee shall submit to the Grantor an accounting, in a form acceptable to the Grantor, setting forth the amounts actually expended by the Grantee in performing the Activities for the preceding month. The accounting shall, at a minimum, set forth each Activity for which HEAP Grant funds were expended, a description of the expense, the total budgeted amount for the Activity, and the total amount expended for each Activity category to date. The accounting shall be accompanied with such additional supporting information as requested by the Grantor, including, but not limited to, paid receipts for each expense.

(d) **Conditions on Payment by the Grantor.** The Grantee acknowledges and agrees that the Grantor's obligation to provide the HEAP Grant is contingent upon the receipt by the Grantor of the HEAP Funds from the State. To the extent the HEAP Funds actually have been received from the State, the Grantor shall disburse the HEAP Grant to the Grantee no later than thirty (30) days after the request for funds from the Grantee is received and approved by the Grantor. If the State's expenditure authority under the HEAP Program is withdrawn, the Grantor shall have the right to terminate this Agreement upon ten (10) days written notice and to require that the Grantee return any unexpended HEAP Grant funds to the Grantor within twenty (20) days after such written termination notice.

(e) **False Application of Funds.** The Grantee shall not apply HEAP Grant funds received from the Grantor with respect to that portion of any of the Grantee's activities, which has been paid by another source of revenue.

(f) **Overpayment.** Any amounts returned to the Grantee as rebates for overpayment from any source shall be returned to the Grantor within ten (10) days of receipt by the Grantee.

3. **TERM OF AGREEMENT.** The term of this Agreement shall commence on the date first set forth above, and shall continue until the later of (i) completion of all Activities in accordance with the requirements set forth in this Agreement; and (ii) completion and delivery of the final report as described in Section 4(a) and return of any HEAP Grant funds as required under this Agreement or by the State under the Standard Agreement, unless this Agreement is earlier terminated pursuant to the termination provisions set forth in Sections 2(d) and 13 below.

4. **ADMINISTRATIVE REQUIREMENTS.**

   (a) Reporting Requirements. The Grantee shall make an annual report to the Grantor regarding the Activities on forms provided by the State to the Grantor, and which
the Grantor shall provide to the Grantee, by December 1, 2019 and December 1, 2020. The Grantee shall also make a final report to the Grantor by August 30, 2021. Failure to timely provide the reports will permit the Grantor to disencumber any and all of the HEAP Grant upon fourteen (14)-days written notification to the Grantee. The annual report shall include the information set forth in Section 5.B. of Exhibit C of the Standard Agreement and the Grantee shall maintain records to support the information to be included in the reports.

(b) Documentation and Record-Keeping.

i. Records to be Maintained. The Grantee's documents and accounting records shall include, at a minimum:

a. Documents describing Activities costs and expenses including personnel, permitted subcontractor invoices, payments, and reimbursable expenses;

b. Records describing each activity undertaken with the use of the HEAP Grant;

c. Records demonstrating how each Activity meets one of the permitted uses of funds for the HEAP Program; and

d. Records to support the required reporting under this Agreement and the Standard Agreement.

ii. Retention. The Grantee shall maintain all documents and accounting records related to the Activities, performance under this Agreement and the HEAP Grant for a period of not less than five (5) years after termination of this Agreement. Notwithstanding the above, if any litigation, claim, negotiation, audit, monitoring, inspection or other action has commenced before the expiration of the required record retention period, all records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5)-year period, whichever occurs later.

(c) Audits, Access, and Inspection.

i. Audits. The Grantor may (and must if required by the State) require that the Grantee provide, at the Grantee's own expense, a financial audit prepared by an independent certified public accountant. The Grantee shall notify the Grantor of the auditor's name and address immediately after the selection of the auditor has been made. The contract for the audit must allow access by the Grantor and the State to the independent auditor's working papers. The Grantee is responsible for completion of all audits and costs of preparation of the audits. If there are audit findings, the Grantee must submit a detailed response acceptable to the Grantor and the
State for each audit finding within 60 days from date of the audit finding report.

ii. **Access to Documents and Accounting Records.** The Grantee agrees that the Grantor, the State, or any of their duly authorized representatives, shall have access to all documents and records of the Grantee related to the Activities and the HEAP Grant for the purpose of making audits, examinations, excerpts, copies, and transcriptions, to ascertain compliance with the provisions of this Agreement, the Standard Agreement and the HEAP Program. The Grantee's records shall be made available within a reasonable time after request, during normal business hours.

iii. **Cooperation with Audits.** The Grantee agrees to cooperate with the Grantor in the preparation of and submit of any and all information and reports as may be required by the Grantor, the State or any other governmental entity, for the purpose of making audits, examinations, copies or transcriptions, to ascertain compliance with provisions of this Agreement.

iv. **Access to Sites.** In order to permit the Grantor to inspect the progress of the Activities, the Grantee shall, at all times, provide to the Grantor (including agencies and entities designated by the Grantor) proper and safe access to all sites where the Grantee performs Activities.

v. **Employee Interviews.** The Grantor shall have the right to interview the Grantee’s employees, upon reasonable notice and during normal business hours, for the sole purpose of monitoring the Grantee’s performance of the Activities and compliance with the HEAP Program, this Agreement and the Standard Agreement. The Grantor shall exercise the right to interview the Grantee’s employees at a reasonable frequency, which is not unduly burdensome or disruptive of the Grantee’s business operations.

(d) **Reversion of HEAP Grants.** Any HEAP Grant funds, including all proceeds from any interest-bearing accounts established by the Grantee for the deposit of HEAP Grant funds, on hand when this Agreement expires, or received after its expiration, shall be paid to the Grantor within twenty (20) days of expiration or receipt.

5. **SUBCONTRACTS.**

(a) **Grantor Approval.** The Grantee shall not subcontract for service, equipment or materials in the performance of the Activities without prior written approval from the Grantor and the State.

(b) **Content.** Any subcontract funded under this Agreement shall be subject to the terms and conditions of this Agreement and the Standard Agreement.
Accordingly, the Grantee shall include all provisions of this Agreement and the Standard Agreement in any subcontract.

6. **INDEPENDENT CONTRACTOR.** Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the Grantor and the Grantee or its agents, employees or subconsultants, and the Grantee shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. The Grantee has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under this Agreement. In regard to the performance of the Activities, the Grantee shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that subconsultants shall be solely responsible for similar matters relating to their employees. The Grantee shall be solely responsible for its own acts and those of its agents and employees. The Grantee is not authorized to act on behalf of the Grantor with respect to any matters except those specifically set forth in this Agreement. The Grantor shall not have any liability or duty to any person, firm, corporation, or governmental body for any act of omission or commission, liability, or obligation of the Grantee, whether arising from actions under this Agreement or otherwise. Nothing contained in this Agreement shall create or justify any claim against the Grantor by any person that the Grantee may have employed or with whom the Grantee may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the performance of the Activities, and the Grantee shall include similar requirements in any contracts entered into for the performance of the Activities. The Grantee shall pay, when and as due, any and all taxes incurred as a result of the Grantee's compensation under this Agreement and shall provide the Grantor proof of such payment upon request.

7. **CONFLICTS OF INTEREST.**

The Grantee shall comply with all state and federal conflict of interest laws, including without limitation, Political Reform Act (California Government Code Sections 8100 et seq.), Government Code Section 1090, and Public Contract Code, Section 10410 and 10411. No employee, agent, consultant, officer, elected official, appointed official, or member of the governing body of the Grantee who exercises or has exercised any functions or responsibilities with respect to the Activities funded through the HEAP Grant, or who are in a position to participate in a decision making process or gain inside information with regard to the Activities, may obtain a personal or financial interest or benefit from any Activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those whom they have family or business ties, during their tenure or for one year thereafter. The Grantee must comply with all provisions of Section 10 of Exhibit C of the Standard...
Agreement. This Agreement may be declared void and other legal action may be taken if the Grantee does not comply with all applicable conflict of interest laws.

8. **NONDISCRIMINATION.**

During the performance of this Agreement, the Grantee and its permitted subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. The Grantee and its permitted subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and its permitted subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its permitted subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

9. **GRANTEE REPRESENTATIONS AND WARRANTIES.** The Grantee hereby represents and warrants to the Grantor as follows and acknowledges, understands, and agrees that the representations and warranties set forth in this Section are deemed to be continuing during all times during the term of this Agreement:

   (a) **Organization.** The Grantee is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

   (b) **Authority of Grantee.** The Grantee has full power and authority to execute and deliver this Agreement and to make and accept the HEAP Grant, to execute and deliver this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

   (c) **Authority of Persons Executing Documents.** This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Grantee, and all actions required under the Grantee's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments.
executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) **Valid Binding Agreements.** This Agreement and all other documents or instruments executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Grantee enforceable against it in accordance with their respective terms.

(e) **No Breach of Law or Agreement.** Neither the execution nor delivery of this Agreement or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will: (i) conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever that is binding on the Grantee, or conflict with any provision of the organizational documents of the Grantee, or conflict with any agreement to which the Grantee is a party; or (ii) result in the creation or imposition of any lien upon any assets or property of the Grantee, other than liens established pursuant hereto.

(f) **HEAP Program.** The Grantee has read and is familiar with all of the terms and provisions of the Law, the Application, the NOFA and the Standard Agreement and shall comply with all.

(g) **Performance of Activities.** The Grantee has the capacity to complete the Activities, including: furnishing all labor (including supervision), materials, equipment, tools, transportation, and any other services necessary to complete the Activities.

10. **INSURANCE.** The Grantee shall, throughout the duration of this Agreement, maintain insurance to cover the Grantee (including its agents, representatives, permitted subcontractors, and employees) in connection with the Activities under this Agreement, of the types and in the coverage amounts set forth in Exhibit C of this Agreement, entitled "Insurance Requirements". This Agreement identifies the minimum insurance levels with which the Grantee shall comply; however, the minimum insurance levels shall not relieve the Grantee of any other performance responsibilities under this Agreement (including the indemnity requirements), and the Grantee may carry, at its own expense, any additional insurance it deems necessary or prudent. Concurrently with the execution of this Agreement by the Grantee, and prior to the commencement of any services, the Grantee shall furnish written proof of insurance (certificates and endorsements), in a form acceptable to the Grantor. The Grantee shall provide substitute written proof of insurance no later than thirty (30) days prior to the expiration date of any insurance policy required by this Agreement.

11. **REPORTING CLAIMS.** The Grantee shall notify the Grantor immediately of any claim or action undertaken by or against the Grantee, which affects or may affect this Agreement, the Standard Agreement, the Grantor or the State, and shall take such action
with respect to the claim or action as is consistent with the terms of this Agreement, the Standard Agreement and the interests of the Grantor and the State.

12. **INDEMNIFICATION.** The Grantee shall indemnify, defend, and hold harmless the Grantor (including its directors, officers, agents and employees) from and against any and all claims (including all litigation, demands, damages, liabilities, costs, and expenses) resulting or arising out of the performance or nonperformance of its obligations under this Agreement by the Grantee (including its directors, officers, agents and employees), except only for those claims arising from the established willful misconduct or sole negligence of the Grantor. The Grantee's indemnification shall include any and all costs, expenses, court costs, attorney's fees and liability incurred by the Grantor in enforcing the provisions of this Section, and in defending against such claims, whether the same proceed to judgment or not. The Grantee shall reimburse the Grantor for any expenditures the Grantor incurs by reason of such matters.

13. **DEFAULT AND TERMINATION.**

(a) **Default.** The Grantee shall be in default of its obligations under this Agreement if the Grantee fails to comply with any term of this Agreement, which include (but are not limited to), the following:

i. Failure to comply with the terms or conditions of this Agreement or the Standard Agreement (as modified by this Agreement as related to the Grantee).

ii. Use or permitting the use of HEAP Grant funds for ineligible activities.

iii. Failure to comply with the deadlines set forth in this Agreement.

iv. Any representation or warranty of the Grantee contained in this Agreement or any certificate furnished in connection with the Agreement or a request for disbursement of funds proves to have been false or misleading in any material respect when made.

v. Failure to comply with any of the rules, regulations or provisions referred to herein, or the Law or any other federal or state laws or regulations, the NOFA, the Application, and State guidelines, policies or directives as may become applicable to the HEAP Program at any time.

vi. Submission by the Grantee to the Grantor of reports that are incorrect or incomplete in any material respect.

(b) **Notice and Cure.** The Grantor shall give the Grantee written notice of the default (with reasonable specificity) and demand the default to be cured within ten (10) days of the notice. If the Grantee fails to cure the default within ten (10) days of
the notice, the Grantor may, at its discretion or at the State's direction, take any or all actions identified in subsection (c), below.

(c) Remedies for Default.

i. If the Grantee is in default of this Agreement, as defined in this Section, the Grantor or the State through the Standard Agreement, as applicable, may take any or all of the following actions: (i) bar the Grantee from applying for future HEAP Funds; (ii) revoke any other existing HEAP award(s) to the Grantee; (iii) require the immediate return of any unexpended HEAP Grant funds disbursed under this Agreement; (iv) require the Grantee to repay any HEAP funds disbursed and expended under this Agreement; (v) require the immediate return of all funds derived from the use of HEAP Grant funds, including, but not limited to recaptured funds and returned funds; (vi) seek, in a court of competent jurisdiction, an order for specific performance to enforce the terms of this Agreement or the appointment of a receiver to complete the technical assistance in accordance with HEAP requirements; (vii) terminate this Agreement upon ten (10) days written notice and require return of any unexpended HEAP Grant funds within twenty (20) days of such notice of termination; and (viii) take any other remedies legally available to the Grantor or the State.

ii. Each of the remedies provided herein is cumulative and not exclusive of, and shall not prejudice any other remedy provided herein. The Grantor may exercise from time to time any rights and remedies available to it under applicable law, in addition to, and not in lieu of, any rights and remedies expressly granted in this Agreement or in any other instrument or notice, demand or legal process of any kind. No termination or action by the Grantor after termination shall prejudice any other rights or remedies of the Grantor provided by law or by the Agreement upon such termination; and the Grantor may proceed against the Grantee to recover all losses suffered by the Grantor.

14. MISCELLANEOUS.

(a) Notices. All notices required or contemplated by this Agreement shall be in writing and shall be delivered to the respective Party as set forth in this Section. Communications shall be deemed to be effective upon the first to occur of: (a) actual receipt at the address designated below, or (b) two (2) working days following deposit in the United States Mail of registered or certified mail sent to the address designated below.
To Grantor:  
Chief Operating Officer  
Sacramento Steps Forward  
1331 Garden Highway, Suite 100  
Sacramento, CA 95833

To Grantee:  
City Manager  
City of Sacramento  
Attn: Emily Halcon  
915 I Street, 5th Floor  
Sacramento, CA 95814

(b) **Headings.** The heading titles for each paragraph of this Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Agreement.

(c) **Severability.** If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in full force and effect; provided, however, this paragraph shall not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement or to the extent the State makes a different interpretation under the Standard Agreement.

(d) **Governing Law, Jurisdiction, Venue.** The interpretation, validity, and enforcement of this Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of Sacramento.

(e) **Attorney's Fees.** In the event any legal action is commenced to enforce this Agreement, the prevailing party is entitled to reasonable attorney's fees, costs, and expenses incurred.

(f) **Assignment and Delegation.** This Agreement, and any portion thereof, shall not be assigned or transferred, nor shall any of the Grantee's duties be delegated, without the written consent of the Grantor and the State. Any attempt to assign or delegate this Agreement without the written consent of the Grantor and the State shall be void and of no force or effect. A consent by the Grantor and the State to one assignment shall not be deemed to be a consent to any subsequent assignment.

(g) **Modifications.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties; provided however, if the State adds any conditions to the Standard Agreement to ensure that the goals of the HEAP Program are achieved as the State is permitted to do under the Standard Agreement, such conditions shall be immediately added to this Agreement as soon as the Grantor notifies the Grantee of such change.
(h) Waivers. Waiver by the Grantor of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

(i) Conflicts. If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the Standard Agreement, which is expressly incorporated into this Agreement, the terms and conditions of the Standard Agreement shall control, except that the time frames in this Agreement shall prevail over the time frames set forth in the Standard Agreement.

(j) Entire Agreement. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the Parties concerning the services described herein. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

The following additional Exhibits are attached hereto and incorporated by reference:

EXHIBIT A: STANDARD AGREEMENT
EXHIBIT B: WORK PLAN
EXHIBIT C: INSURANCE REQUIREMENTS

15. 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 Grantee and the Grantor. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.
IN WITNESS WHEREOF, the Grantor and the Grantee do hereby agree to the full performance of the terms set forth herein.

GRANTOR:
SACRAMENTO STEPS FORWARD, a California nonprofit public benefit corporation
By: [Signature]
Name: MICHAEL E
Title: CHIEF OPERATING OFFICER

GRANTEE:
CITY OF SACRAMENTO, a charter city and municipal corporation
By: [Signature]
Name: 
Title: 

APPROVED AS TO FORM:
[CITY ATTORNEY]
EXHIBIT A
STANDARD AGREEMENT
(on following pages)
1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

CONTRACTOR'S NAME

Sacramento Steps Forward

2. The term of this Agreement is: Upon BCSH Approval through 10/31/2021

3. The maximum amount of this Agreement is: $12,728,412.12

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

   Exhibit A - Authority, Purpose and Scope of Work 3
   Exhibit B - Budget Detail and Payment Provisions 3
   Exhibit C - Terms and Conditions 9
   Exhibit D - Special Terms and Conditions 1

TOTAL NUMBER OF PAGES ATTACHED: 16

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

Sacramento Steps Forward

BY (Authorized Signature)

DATE SIGNED (Do not type)

California Department of General Services Use Only

AGENCY NAME

BUSINESS, CONSUMERS SERVICES AND HOUSING AGENCY

BY (Authorized Signature)

DATE SIGNED (Do not type)

Exempt per:

AGENCY NAME

Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency

ADDRESS

915 Capitol Mall, Suite 350-A, Sacramento, CA 95814

STATE OF CALIFORNIA

1331 Garden Hwy, Ste 100, Sacramento, CA 95833
AUTHORITY, PURPOSE AND SCOPE OF WORK

Homeless Emergency Aid Program (HEAP)

1. Authority

Pursuant to Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), the State has established the Homeless Emergency Aid Program ("HEAP" or "the Program" or "the grant"). The Program is administered by the California Homeless Coordinating and Financing Council ("Council") in the Business, Consumer Services and Housing Agency ("Agency"). HEAP provides one-time flexible block grant funds to Administrative Entities as defined in the September 5, 2018 HEAP Notice of Funding Availability (NOFA) and Large Cities to address their immediate homelessness challenges. This Standard Agreement along with all its exhibits ("Agreement") is entered into by the Agency and an Administrative Entity or Large City ("Contractor") under the authority of, and in furtherance of the purpose of, the Program. In signing this Agreement and thereby accepting this award of funds, the Contractor agrees to comply with the terms and conditions of the Agreement, the Notice of Funding Availability ("NOFA") under which the Contractor applied, the representations contained in the Contractor's application, and the requirements of the authority cited above.

2. Purpose

The general purpose of the Program is to provide one-time block grant funding to address the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the service area of each Contractor. In accordance with the authority cited above, an application was made by the Contractor for HEAP funds to be allocated for eligible uses under the grant, which include, but are not limited to, the following: services, rental assistance or subsidies, capital improvements and homeless youth activities.

3. Definitions

Terms herein shall have the same meaning as the definitions set forth in the HEAP NOFA.

4. Scope of Work

The Scope of Work ("Work") for this Agreement shall include one-time uses that are consistent with Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), for eligible uses, which include, but are not limited to, one or more of the following:

Homeless Emergency Aid Program
NOFA Date: 09/05/2018

Contractor’s Initials ______
Standard Agreement
EXHIBIT A

A. Services,
B. Rental Assistance or Subsidies,
C. Capital Improvements,
D. Homeless Youth Set-Aside,
E. Administrative Costs, and
F. Other

5. **Agency Contract Coordinator**

The Agency's Contract Coordinator for this Agreement is the Council's HEAP Grant Manager or the Grant Manager's designee. Unless otherwise instructed, any notice, report, or other communication requiring Contractor signature for this Agreement shall be mailed by first class mail to the Agency Contract Coordinator at the following address:

Business, Consumer Services and Housing Agency  
Attn: Homeless Emergency Aid Program Grant Manager  
915 Capitol Mall, Suite 350-A  
Sacramento, CA 95814

6. **Contractor’s Contract Coordinator**

The Contractor’s Contract Coordinator ("Authorized Representative") for this Agreement is listed below. Unless otherwise informed, any notice, report or other communication required by this Agreement will be mailed by first class mail to the Contractor's Contract Coordinator at the following address:

<table>
<thead>
<tr>
<th>Contractor’s Authorized Representative Name:</th>
<th>Nicholas Lee, Chief Operating Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: 1331 Garden Hwy., Suite 100</td>
<td>Sacramento, CA 95833</td>
</tr>
<tr>
<td>Phone: (916) 993-7702</td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:nlee@stepsforward.org">nlee@stepsforward.org</a></td>
<td></td>
</tr>
</tbody>
</table>

Homeless Emergency Aid Program  
NOFA Date: 09/05/2018
7. Effective Date, Term of Agreement, and Deadlines
   A. This Agreement is effective upon approval by the Agency (indicated by the signature provided by Agency in the lower left section of page one, Standard Agreement, STD. 213), when signed by all parties.
   
   B. All HEAP grant funds must be at least fifty percent contractually obligated by January 1, 2020. One hundred percent of Program funds must be expended by June 30, 2021. Any funds not expended by that date shall be returned to the Agency and will revert to the General Fund (See Health and Safety Code Section 50215).

8. Special Conditions
   Agency reserves the right to add any special conditions to this Agreement it deems necessary to ensure the goals of the Program are achieved.
Standard Agreement
EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS
Homeless Emergency Aid Program (HEAP)

1. Budget Detail

The Contractor agrees that HEAP funds shall be expended on one-time uses that address immediate homelessness challenges.

Consistent with the application submitted by the Contractor on December 3, 2018, the Business, Consumer Services and Housing Agency ("Agency") shall award funds in the form of a grant for the following eligible activities:

A. Capital Improvements: $0.00
B. Services: $3,669,875.00
C. Rental Assistance or Subsidies: $7,928,596.12
D. Homeless Youth Set-Aside: $636,471.00
E. Administrative Costs: $494,470.00
F. Other: $0.00
Total HEAP Award Amount: $12,729,412.12

2. General Conditions Prior to Disbursement

General Requirements – All Contractors must submit the following forms prior to HEAP funds being released:

A. Request for Funds Form (RFF),
B. Four original copies of the signed STD. 213 form and initialed Exhibits A through D, and
C. Any other documents, certifications, or evidence requested by Agency as part of the HEAP application.

3. Expenditure of Funds

Specific requirements and deadlines for contractually obligating and expending awarded funds are defined in the HEAP statutes. Health and Safety Code Sections 50214 and 50215 mandate the following:

A. No more than five (5) percent of HEAP funds may be used for administrative costs related to the execution of eligible activities.
B. No less than five (5) percent of HEAP funds shall be used to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness.
C. No less than 50 percent of HEAP funds shall be contractually obligated by January 1, 2020.
D. One hundred percent of HEAP funds shall be expended by June 30, 2021.
Standard Agreement
EXHIBIT B

E. Any funds not expended by June 30, 2021 shall be returned to Agency and will revert to the General Fund.

Homeless Coordinating and Financing Council ("Council") staff will provide ongoing technical assistance and training to support Contractors in successfully complying with these requirements and deadlines.

HEAP funds may not be obligated and expended prior to the effective date of this Agreement or prior to Contractor's receipt of HEAP funds, whichever date is later, even if it is for an eligible use under the statute. Program funds shall be expended in compliance with the requirements set forth in Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other relevant provisions established under SB 850, the NOFA, and this Agreement.

4. Disbursement of Funds

HEAP funds will be disbursed to the Contractor upon receipt, review and approval of the completed RFF by Agency, which will then forward the RFF to the State Controller's Office ("SCO") for a check to be issued. The RFF must include the proposed activities and amount of funds proposed for expenditure under each eligible use. HEAP funds will be disbursed in a single allocation once the RFF has been received by the SCO.

5. Budget Changes

After the effective date of this Agreement, the Contractor agrees that no changes shall be made to the Contractor's HEAP budget, funded homeless service providers ("subrecipients"), or eligible activities listed in the RFF without first obtaining approval from Agency. Any changes to this Agreement must be requested by the Contractor in writing through submission of a Change Request Form. Changes must be approved in writing by Agency.

6. Ineligible Costs

HEAP funds shall not be used for costs associated with activities in violation of any law or for any activities not consistent with the intent of the Program and the eligible uses identified in Health and Safety Code Section 50214.

Agency reserves the right to request additional information and clarification to determine the reasonableness and eligibility of all costs to be paid with funds made available by this Agreement. If the Contractor or its funded subrecipients use HEAP funds to pay for ineligible activities, the Contractor shall be required to reimburse these funds to Agency.

Homeless Emergency Aid Program
NOFA Date: 09/05/2018
Standard Agreement
EXHIBIT B

A. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented, shall be disallowed and must be reimbursed to Agency by the Contractor.

B. Expenditures for activities not described in Exhibit A or Paragraph 1 above shall be deemed authorized if the activities are consistent with Health and Safety Code Section 50214 and such activities are included in the approved RFF or are approved in writing by Agency prior to the expenditure of funds for those activities.

C. Agency, at its sole and reasonable discretion, shall make the final determination regarding the allowability of expenditures of HEAP funds.

D. Program funds shall not be used for overhead or planning activities, including Homeless Management Information Systems or Homelessness Plans.

7. Administrative Costs

The Contractor must comply with Health and Safety Code Section 50214, which limits administrative costs related to the execution of eligible activities to no more than five percent of HEAP funds. For purposes of this Program, “administrative costs” does not include staff costs directly related to carrying out the eligible activities described in Paragraph 1 of this Exhibit.
TERMS AND CONDITIONS

Homeless Emergency Aid Program ( HEAP )

1. Effective Date, Commencement of Work and Completion Dates

A. This Agreement is effective upon approval by Agency, which is indicated by the signature provided by Agency in the lower left-hand corner of page one, Standard Agreement, STD. 213, when signed by all parties. Contractor agrees that the work shall not commence, nor any costs to be paid with HEAP funds be incurred or obligated by any party, prior to execution of this Agreement by Agency and the Contractor, or prior to Contractor’s receipt of HEAP funds, whichever date is later. Contractor agrees that the work shall be completed by the expenditure date specified in Exhibit A, Paragraph 6.

B. Contractor must contractually obligate no less than 50 percent of HEAP funds by January 1, 2020. One hundred percent of HEAP funds shall be expended by June 30, 2021. Any funds not expended by June 30, 2021 shall be returned to Agency and revert to the General Fund. “Obligate” means that the Contractor has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. In the case of an award made to a general purpose local government that subcontracts with private nonprofit organizations via letters of awards and Service Provider Agreements, the Subcontractors are required to obligate the funds by the same statutory deadlines. “Expended” means all HEAP funds obligated under contract or subcontract have been fully paid and receipted, and no invoices remain outstanding.

C. Contractor and its Subcontractors agree that the work shall be completed by the expiration date specified in Exhibit A, Paragraph 6 and that the Scope of Work will be provided for the full term of this Agreement.

2. Sufficiency of Funds and Termination

A. Agency may terminate this Agreement at any time for cause by giving a minimum of 14 days’ notice of termination, in writing, to the Contractor. Cause shall consist of: violations of any terms or conditions of this Agreement, or any breach of contract as described in Paragraph 7; violation of any Federal or State Laws or Regulations; or withdrawal of Agency’s expenditure authority. Upon termination of this Agreement, unless otherwise approved in writing by Agency, any unexpended funds received by the Contractor shall be returned to Agency within thirty days of the Notice of Termination.

B. This Agreement is valid and enforceable only if sufficient funds are made available to Agency by legislative appropriation. In addition, this Agreement is subject to any additional restrictions, limitations or conditions, or statutes, regulations or any other
laws, whether federal or those of the State of California, or of any agency, department, or any political subdivision of the federal or State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.

3. **Transfers**

Contractor may not transfer or assign by subcontract or novation, or by any other means, the rights, duties, or performance of this Agreement or any part thereof, except with the prior written approval of Agency and a formal amendment to this Agreement to affect such subcontract or novation.

4. **Contractor’s Application for Funds**

Contractor has submitted to Agency an application for HEAP funds to provide urgently needed emergency assistance to homeless people in communities with a declared shelter crisis or applicable waiver as authorized by Health and Safety Code Section 50212(b). Agency is entering into this Agreement on the basis of, and in substantial reliance upon, Contractor’s facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by Agency. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.

Contractor warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of Contractor’s knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect Agency approval, disbursement, or monitoring of the funding and the grants or activities governed by this Agreement, then Agency may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

5. **Reporting/Audits**

A. The Contractor shall submit an annual report to Agency on forms provided by Agency, by January 1, 2020 and January 1, 2021. If the Contractor fails to provide such documentation, Agency may disencumber any portion of the amount authorized by this Agreement with a 14-day written notification. The Contractor shall also submit a final report by September 30, 2021.

B. The annual report shall contain a detailed report containing the following:

1. Amounts awarded to subrecipient with activity(ies) identified.
2. Contract expenditures.
3. Unduplicated number of homeless persons or persons at imminent risk of homelessness served.

Homeless Emergency Aid Program
NOFA Date: 09/05/2018
Standard Agreement
EXHIBIT C

4. Number of instances of service (defined in September 5, 2013 HEAP NOFA).
5. Increases in capacity for new and existing programs.
6. The number of unsheltered homeless persons becoming sheltered.
7. The number of homeless persons entering permanent housing.

Breakdowns will be expected for each activity (i.e. services, capital improvements, rental assistance, etc.) and program type (i.e. emergency shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above, when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities defined by the U.S. Department of Housing and Urban Development (HUD):

1. Chronically homeless
2. Homeless veterans
3. Unaccompanied homeless youth
4. Homeless persons in families with children

Counts by subpopulation will not be required in cases where that information is unavailable, but it is expected in cases where client information is entered in a Homeless Management Information System (HMIS). Additional breakdowns for other subgroups (e.g. race, ethnicity, disability status, etc.) are optional, if the Contractor chooses to include them.

The Contractor will also be asked to comment on the following:

1. Progress made toward local homelessness goals.
2. The alignment between HEAP funding priorities and “Housing First” principles adopted by the Homeless Coordinating and Financing Council.
3. Any other effects from HEAP funding that the CoC or large city would like to share (optional).

C. Agency reserves the right to perform or cause to be performed a financial audit. At Agency request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant. HEAP administrative funds may be used to fund this expense.

1. If a financial audit is required by Agency, the audit shall be performed by an independent certified public accountant.
2. The Contractor shall notify Agency of the auditor’s name and address immediately after the selection has been made. The contract for the audit shall allow access by Agency to the independent auditor’s working papers.
3. The Contractor is responsible for the completion of audits and all costs of preparing audits.
4. If there are audit findings, the Contractor must submit a detailed response acceptable to Agency for each audit finding within 90 days from the date of the

Homeless Emergency Aid Program
NOFA Date: 06/05/2018
6. Retention and Inspection of Records

A. The Contractor agrees that Agency or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Contractor agrees to provide Agency or its designee, with any relevant information requested. The Contractor agrees to permit Agency or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other materials that may be relevant to a matter under investigation for the purpose of determining compliance with the Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other applicable requirements established under SB 850, HEAP program guidance document published on the website, and this Agreement.

B. The Contractor further agrees to retain all records described in Paragraph A for a minimum period of five (5) years after the termination of this Agreement.

   1. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been commenced before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.

7. Breach and Remedies

A. The following shall each constitute a breach of this Agreement:

   1. Contractor's failure to comply with the terms or conditions of this Agreement.
   2. Use of, or permitting the use of, HEAP funds provided under this Agreement for any ineligible activities.
   3. Any failure to comply with the deadlines set forth in this Agreement.

B. In addition to any other remedies that may be available to Agency in law or equity for breach of this Agreement, Agency may:

   1. Bar the Contractor from applying for future HEAP funds;
   2. Revok[e] any other existing [HEAP] award(s) to the Contractor;
   3. Require the return of any unexpended [HEAP] funds disbursed under this Agreement;
   4. Require repayment of [HEAP] funds disbursed and expended under this Agreement;
   5. Require the immediate return to Agency of all funds derived from the use of [HEAP] funds including, but not limited to recaptured funds and returned funds;
6. Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with HEAP requirements; and
7. Seek such other remedies as may be available under this Agreement or any law.

C. All remedies available to Agency are cumulative and not exclusive.

D. Agency may give written notice to the Contractor to cure the breach or violation within a period of not less than 15 days.

8. **Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of Agency to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Contractor of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of Agency to enforce these provisions.

9. **Nondiscrimination**

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

10. **Conflict of Interest**

All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared

Homeless Emergency Aid Program
NOFA Date: 09/05/2018
void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code, sections 10410 and 10411, for State conflict of interest requirements.

A. Current State Employees: No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

B. Former State Employees: For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

C. Employees of the Contractor: Employees of the Contractor shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code section 87100 et seq.

11. Drug-Free Workplace Certification

Certification of Compliance: By signing this Agreement, Contractor, and its subcontractors, hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

A. Publish a statement notifying employees and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355(a)(1).

B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:

Homeless Emergency Aid Program
NOFA Date: 09/05/2018
Standard Agreement
EXHIBIT C

1. The dangers of drug abuse in the workplace;
2. Contractor’s policy of maintaining a drug-free workplace;
3. Any available counseling, rehabilitation, and employee assistance programs;
and,
4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.

C. Provide, as required by Government Code section 8355(a)(3), that every employee and/or subcontractor who works under this Agreement:

1. Will receive a copy of Contractor’s drug-free policy statement, and
2. Will agree to abide by terms of Contractor’s condition of employment or subcontract.

12. Child Support Compliance Act

For any Contract Agreement in excess of $100,000, the Contractor acknowledges in accordance with Public Contract Code 7110, that:

A. The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

B. The Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

13. Special Conditions – Contractors/Subcontractor

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit D. These conditions shall be met to the satisfaction of Agency prior to disbursement of funds. The Contractor shall ensure that all Subcontractors are made aware of and agree to comply with all the conditions of this Agreement and the applicable State requirements governing the use of HEAP funds. Failure to comply with these conditions may result in termination of this Agreement.

A. The Agreement between the Contractor and any Subcontractor shall require the Contractor and its Subcontractors, if any, to:

1. Perform the work in accordance with Federal, State and Local housing and building codes, as applicable.
2. Maintain at least the minimum State-required worker’s compensation for those
employees who will perform the work or any part of it.

3. Maintain, as required by law, unemployment insurance, disability insurance, and liability insurance in an amount that is reasonable to compensate any person, firm or corporation who may be injured or damaged by the Contractor or any Subcontractor in performing the Work or any part of it.

4. Agree to include all the terms of this Agreement in each subcontract.

14. **Compliance with State and Federal Laws, Rules, Guidelines and Regulations**

The Contractor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, environmental protection, equal opportunity, fair housing, and all other matters applicable and/or related to the HEAP program, the Contractor, its Subcontractors, and all eligible activities.

Contractor shall also be responsible for obtaining any and all permits, licenses, and approvals required for performing any activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the activities. Contractor shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental protection, procurement, and safety laws, rules, regulations, and ordinances. Contractor shall provide copies of permits and approvals to Agency upon request.

15. **Inspections**

   A. Contractor shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.

   B. Agency reserves the right to inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.

   C. Contractor agrees to require that all work that is determined based on such inspections not to conform to the applicable requirements be corrected and to withhold payments to the subrecipient or Subcontractor until it is corrected.

16. **Litigation**

   A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of Agency, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are and shall be deemed severable.
B. The Contractor shall notify Agency immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or Agency, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of Agency.
SPECIAL TERMS AND CONDITIONS

Homeless Emergency Aid Program (HEAP)

1. All proceeds from any interest-bearing account established by the Contractor for the deposit of HEAP funds, along with any interest-bearing accounts opened by Subrecipients to the Contractor for the deposit of HEAP funds, must be used for HEAP-eligible activities. Consistent with Health and Safety Code Section 50214 (b), no more than five (5) percent of these proceeds may be used for general administrative purposes. At least five (5) percent of these proceeds must be allocated to establishing or expanding services for homeless youth, as defined in HEAP Program documents.

2. Any housing-related activities funded with HEAP funds, including but not limited to, emergency shelter, rapid-rehousing, rental assistance, transitional housing and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of Housing First, pursuant to Welfare and Institution Code Section 8255(b).

3. The Contractor agrees to provide the Business, Consumer Services and Housing Agency access to Homeless Management Information System ("HMIS") data collected and entered into the Contractor’s HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH including but not limited to, a statewide data integration environment.

4. Pursuant to the information provided in the Contractor’s application, the following jurisdictions have declared and have in effect a shelter crisis in accordance with Government Code Section 8698.2 at the time of this award, and are eligible to receive HEAP funds through the Contractor:

<table>
<thead>
<tr>
<th>City of Sacramento</th>
<th>City of Citrus Heights</th>
<th>City of Elk Grove</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Rancho Cordova</td>
<td>Sacramento County</td>
<td></td>
</tr>
</tbody>
</table>

The following jurisdictions have not declared a shelter crisis at the time of this award and are not eligible to directly receive HEAP funds through the Contractor:

| City of Folsom | City of Galt | City of Isleton |

Contractor’s Initials ___

Homeless Emergency Aid Program
NOFA Date: 09/05/2018
### HOMELESS EMERGENCY AID PROGRAM

**REQUEST FOR FUNDS FORM**

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>10-HEAP-030224</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Number</td>
<td>10-HEAP-030224</td>
</tr>
<tr>
<td>Grantee Name</td>
<td>Sacramento Steps Forward</td>
</tr>
<tr>
<td>Address</td>
<td>1331 Park Ave, Suite 100</td>
</tr>
<tr>
<td>City</td>
<td>Sacramento</td>
</tr>
<tr>
<td>State &amp; Zip</td>
<td>CA 95813</td>
</tr>
<tr>
<td>Expiration Date</td>
<td>10/31/2021</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Nicholas Lee</td>
</tr>
<tr>
<td>Contact Person Title</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:slee@sacstepsforward.org">slee@sacstepsforward.org</a></td>
</tr>
<tr>
<td>Phone No.</td>
<td>916-922-7702</td>
</tr>
</tbody>
</table>

### HOMELESS EMERGENCY AID EXPENDITURES BREAKDOWN

<table>
<thead>
<tr>
<th>BUDGET BREAKDOWN</th>
<th>REQUEST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposed Activities</strong></td>
<td><strong>Approved Budget</strong></td>
</tr>
<tr>
<td>Services</td>
<td>$3,669,875.00</td>
</tr>
<tr>
<td>Rental Assistance or Subsidies</td>
<td>$7,928,596.12</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$0.00</td>
</tr>
<tr>
<td>Homeless Youth Set-Aside</td>
<td>$536,471.00</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>$494,470.00</td>
</tr>
<tr>
<td>Other</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$12,729,412.12</strong></td>
</tr>
</tbody>
</table>

### CERTIFICATION

*By signing this form, I certify to the best of my knowledge and belief that the form is true, complete, and accurate, and the activities and budget are for the purpose and objectives set forth in the terms and conditions of the HEAP Standard Agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud. False statements, false claims or otherwise.*

<table>
<thead>
<tr>
<th>Name of Authorized Person</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Authorized Person</td>
<td>Date:</td>
</tr>
</tbody>
</table>

**BCSH USE ONLY**

<table>
<thead>
<tr>
<th>Grant Management Representative Signature</th>
<th>Date:</th>
</tr>
</thead>
</table>
EXHIBIT B
WORK PLAN

1. The Grantee shall expend the HEAP Grant funds on one-time uses to address immediate homelessness challenges under the following Activities and for no more than the amount shown in the budget for each Activity unless otherwise agreed in writing by the Grantor and the State:

<table>
<thead>
<tr>
<th>Activities</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Respite/ Shelter Programs</td>
<td>$323,648</td>
</tr>
<tr>
<td>Expand Existing Single Shelter Programs</td>
<td>$1,436,400</td>
</tr>
<tr>
<td><strong>Total HEAP Grant</strong></td>
<td><strong>$1,760,048</strong></td>
</tr>
</tbody>
</table>

2. Additionally, the Grantee shall spend no less than the amount indicated for the Homeless Youth Set-Aside Activity unless otherwise agreed in writing by the Grantor and the State:

3. The Grantee shall not spend any HEAP Grant funds nor incur any costs or incur any obligations for the HEAP Grant funds until after the Grantor has notified the Grantee in writing of the date the Grantee may begin incurring costs (the later of January 3, 2019 (the date the State signed the Standard Agreement) or the date the Grantor receives the HEAP Funds from the State).

4. The Grantee must contractually obligate at least 50% of the HEAP Grant funds no later than September 1, 2019. *Obligate* has the meaning set forth in Section 1.B. of Exhibit C of the Standard Agreement.

5. The Grantee must have expended all the HEAP Grant funds no later than March 31, 2021. *Expended* has the meaning set forth in Section 1.B. of Exhibit C of the Standard Agreement.

6. Any HEAP Grant funds not expended by March 31, 2021 shall be returned to the Grantor for return to the State as required under the Standard Agreement.

7. The Grantee may not spend HEAP Grant funds for any costs or activities in violation of any law or in any way inconsistent with the eligible uses of HEAP Funds under the Law, the NOFA, the Application, any HEAP Program guidelines issued by the State, or the Standard Agreement. The Grantee shall be required to reimburse the Grantor for use of HEAP Funds for any ineligible activities as determined by the Grantor or the State. All such reimbursement must be paid within ten (10) days of notice to reimburse the Grantor.

8. HEAP Grant funds may not be used for Activities outside the City limits of the Cities of Sacramento, Citrus Heights, Elk Grove, Rancho Cordova and the unincorporated area of the County of Sacramento, and specifically cannot be used in the Cities of Folsom, Galt and Isleton.

9. No HEAP Grant funds shall be used for any administrative costs by the Grantee. *Administrative costs* do not include the staff costs directly related to carrying out the Activities. No HEAP Grant funds shall be used for overhead or planning activities, including Homeless Management Information Systems or Homelessness Plans.
10. All proceeds from any interest-bearing account established by the Grantee for the deposit of HEAP Grant funds must be used for HEAP-eligible activities. Consistent with Health and Safety Code Section 50214 (b), no more than five (5) percent of these proceeds may be used for general administrative purposes. At least five (5) percent of these proceeds must be allocated to establishing or expanding services for homeless youth, as defined in HEAP Program documents.

11. Any housing-related activities funded with HEAP Grant funds, including but not limited to, emergency shelter, rapid-rehousing, rental assistance, transitional housing and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of Housing First, pursuant to Welfare and Institution Code Section 8255(b).

12. The Grantee agrees to provide, through the Grantor, to the California Business, Consumer Services and Housing Agency ("BCSH") access to Homeless Management Information System ("HMIS") data collected and entered into the Grantee's HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH including but not limited to, a statewide data integration environment.

13. If the State adds any special conditions to the Standard Agreement, such conditions shall be automatically added to this Agreement, and the Grantor will immediately notify the Grantee in writing of the additional conditions.
EXHIBIT C
INSURANCE REQUIREMENTS

The Grantee's performance of the services under this Agreement shall not commence until the Grantee shall have obtained all insurance required under this Exhibit and such insurance shall have been reviewed and approved by the Grantor. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

The Grantee shall procure and maintain for the duration of this Agreement all necessary insurance against claims now and in the future for alleged injuries to persons or damages to property which may arise from or in connection with the performance of the services by the Grantee, the Grantee's agents, representatives, employees and permitted subcontractors.

INSURANCE COVERAGE AND LIMITS RESTRICTIONS

1. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

2. The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Grantor before the Grantor's own insurance or self-insurance shall be called upon to protect it as a named insured.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability coverage:
   a. Blanket contractual liability
   b. Broad form property coverage
   c. Personal injury
2. Automobile Liability.
3. Workers' Compensation insurance, disability insurance and unemployment insurance, as required by the State of California and Employer's Liability insurance.
4. Such other insurance coverages and limits as may be required by the Grantor or the State.

B. MINIMUM LIMITS OF INSURANCE

The Grantee shall maintain limits no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury, personal injury and property damage and a $2,000,000 aggregate. If Commercial General Liability insurance or other form with a general aggregate liability is used, either the general aggregate limit shall apply separately to this Agreement or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: Bodily Injury by Accident - $1,000,000 each accident.

C-1
Bodily Injury by Disease - $1,000,000 policy limit.
Bodily Injury by Disease - $1,000,000 each employee.

4. Such other insurance coverages and limits as may be required by the Grantor or the State.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS
   1. Any deductibles or self-insured retentions must be declared to and approved by the
      Grantor.
   2. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed
      to provide that the SIR may be satisfied by either the named insured or the Grantor.
   3. The Grantor reserves the right to obtain a full certified copy of any insurance policy and
      endorsement. Failure to exercise this right shall not constitute a waiver of right to exercise
      later.

D. ADDITIONAL INSURED REQUIREMENTS:
   1. The required general liability and automobile policies are to contain, or be endorsed to
      contain the following provisions:
      a. The Grantor, its officers, directors, employees, agents and volunteers are to be
         covered as additional insureds as respects alleged; liability arising out of activities
         performed by or on behalf of the Grantor; products and completed operations of the
         Grantee; premises owned, occupied or used by the Grantee; or automobiles owned,
         leased, hired or borrowed by the Grantee. The coverage shall contain no special
         limitations on the scope of protection afforded to the Grantor, its officers, directors,
         employees, agents or volunteers.
      b. Any failure to comply with reporting or other provisions of the policies including
         breaches of warranties shall not affect coverage provided to the Grantor, its officers,
         directors, employees, agents or volunteers.
      c. The Grantee's insurance shall apply separately to each insured against whom claim
         is made or suit is brought except, with respect to the limits of the insurer's liability.
      d. The Grantee shall furnish properly executed Certificates of Insurance from
         insurance companies acceptable to the Grantor and signed copies of the specified
         endorsements for each policy prior to commencement of Activities under this
         Agreement. Such documentation shall clearly evidence all coverages required
         above including specific evidence of separate endorsements naming the Grantor and
         shall provide that such insurance shall not be materially changed, terminated or
         allowed to expire except after thirty (30) days prior written notice by certified mail,
         return receipt requested, has been filed with the Grantor.
         Such insurance shall be maintained from the time work first commences until
         completion of the work under this agreement. The Grantee shall replace such
         certificates for policies expiring prior to completion of work under this agreement.

E. ACCEPTABILITY OF INSURERS
   Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.

G. CROSS-LIABILITY
   The liability policy shall include a cross-liability or severability of interest endorsement.
H. FAILURE TO MAINTAIN INSURANCE COVERAGE
If the Grantee, for any reason, fails to maintain insurance coverage, which is required pursuant to this Agreement, the same shall be deemed a material breach of contract. The Grantor, at its sole option, may terminate this Agreement and obtain damages from the Grantee resulting from said breach. Alternatively, the Grantor may purchase such required insurance coverage, and without further notice to the Grantee, the Grantor may deduct from sums due to the Grantee any premium costs advanced by the Grantor for such insurance.

I. PRIMARY AND NON-CONTRIBUTORY
For any claims related to the Activities, the Grantee's insurance coverage shall be primary insurance as respects the Grantor, its officers, directors, employees, agents and volunteers. Any insurance or self-insurance maintained by the Grantor, its officers, directors, employees, agents or volunteers shall be excess of the Grantee's insurance and shall not contribute with it. The additional insured coverage under the Grantee's policy shall be "primary and non-contributory" and will not seek contribution from the Grantor's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

J. SUBCONTRACTORS
The Grantee shall require all permitted subcontractors to maintain the same levels of insurance and provide the same indemnity that the Grantee is required to provide under this Agreement. A subcontractor is anyone who is under contract with the Grantee or any of its subcontractors to perform work contemplated by this Agreement. The Grantee shall require all subcontractors to provide evidence of valid insurance and the required endorsements prior to the commencement of any work.

K. SUBROGATION WAIVER
The Grantee agrees to waive subrogation rights against the Grantor regardless of the applicability of any insurance proceeds, and to require all Grantees, subcontractors or others involved in any way with the services to do likewise.

L. VERIFICATION OF COVERAGE
The Grantee shall furnish the Grantor with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the Grantor before the Activities commence.
March 26, 2019

Sacramento Steps Forward
Attn: Chief Operating Officer
1331 Garden Hwy., Ste. 100
Sacramento, CA 95833

RE: City of Sacramento’s Self Insurance Program
Homeless Emergency Aid Program (HEAP) Subrecipient Agreement (2019 Funds)
July 1, 2018 to June 30, 2019

To Whom It May Concern:

The purpose of this letter is to advise your agency that the City of Sacramento is self-insured under Government Code Section 990.4 for the first $2 million of liability under its general liability and auto liability programs and has obtained excess insurance beyond that limit. The City of Sacramento is also self-insured under Labor Code Section 3700 et seq. for Workers’ Compensation for the first $2 million of liability and has obtained excess insurance beyond that limit. Therefore, losses for which the City of Sacramento is required to insure under the agreement, will be covered to the extent of the agreement’s insurance requirements and administered as described above.

If you have any questions or concerns regarding the City's Insurance program, please contact me at (916) 808-5278.

Sincerely,

Patrick Flaherty
Risk Management

cc: Jovy M. Navarro, Risk Management
Richele Ybarra, Homeless Services
RESOLUTION NO. 2019-XXXX

Adopted by the Sacramento City Council

April 23, 2019

Approval for Homeless Emergency Aid Program (HEAP) Funds from the Sacramento Continuum of Care (CoC)

BACKGROUND

A. According to the 2017 Point-in-Time Count for the County of Sacramento, 3,665 persons within the County of Sacramento, including approximately 1,779 who are within the City of Sacramento (“City”), are homeless. This population includes veterans, women, children, persons with disabilities, seniors, and other vulnerable groups. The number of people experiencing homelessness is significant, and these persons are without the ability to obtain shelter.

B. Homelessness is one of the biggest issues facing the City, and the City Council has made significant investments over the past years to increase services, shelter capacity and housing supports for people experiencing homelessness. Despite these efforts, homelessness is on the rise, and is affecting communities throughout the City and the County of Sacramento.

C. Former Governor, Edmund G. Brown, Jr. and the members of the California Legislature have recognized the urgent and immediate need for funding at the local level to combat homelessness.

D. In June of 2018, Governor Brown signed SB 850, which allocated over $553 million in one-time State funding for two new programs: the Homeless Emergency Aid Program (HEAP) and the California Emergency Solutions and Housing Program (CESH). On October 16, 2018, the City Council approved a collaborative investment plan for the HEAP and CESH programs and authorized the City to submit an application for the City HEAP allocation to the State of California Business, Consumer Services, and Housing Agency (BCSH) no later than December 31, 2018. On November 8, 2018, the City declared a shelter crisis, effective on December 1, 2018 as required to apply for funding.

E. The HEAP program offers a unique opportunity to access funding from the State of California to address local needs related to homelessness, including public health related mitigation, and to collaborate with Sacramento County, Sacramento Steps Forward (SSF), and other cities in the county to develop a true county-wide response to homelessness.
F. On December 11, 2018, Council approved a resolution authorizing the City Manager or his designee to execute the HEAP Standard Agreement with the State of California Business, Consumer Services, and Housing Agency (BCSH) to receive and administer $5,645,700 in grant funding, and to execute and submit the supporting documents and various reports for the implementation of HEAP.

G. As part of the October 16, 2018 approvals, the Council authorized the City to assume administrative responsibilities for the portions of the CoC HEAP funds supporting youth programs and adult sheltering programs.

H. Under the approved collaboration of the City, Sacramento County and Sacramento Steps Forward, the City anticipates receiving $1,760,048 under the Homeless Emergency Aid Program (HEAP) grant from Sacramento Steps Forward, the lead agency for the United States Department of Housing and Urban Development’s Continuum of Care program (CoC) in the County of Sacramento. The administering agency, BCSH requires that all programs funded under HEAP must be in compliance with Housing First principles.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Manager or designee is authorized to execute the HEAP Subrecipient Agreement with Sacramento Steps Forward, receive and administer $1,760,048 in HEAP funding, and execute and submit supporting documents and various reports for the implementation of HEAP.

Section 2. The City Manager or designee is authorized to establish revenue and expenditure budgets in the amount of $1,760,048 for the Homeless Emergency Aid Program (G02000820) in Operating Grants (Fund 2702) to support the City’s HEAP implementation.