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AND WHEN RECORDED MAIL TO:)
))
City of Lodi)
Attn: Lodi City Manager)
P.O. Box 3006)
Lodi, CA 95241-1910)
)

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**LEASE, REGULATORY, AND OPERATOR AGREEMENT
22 SOUTH MAIN STREET, LODI, CA 95240 (“RE-IMAGINED HOUSING ON MAIN”)**

This Lease, Regulatory, and Operator Agreement (“Agreement”) is made as of _____, 2024, by and between the City of Lodi, a California general law city and municipal corporation (“City”), and Inner City Action, Inc., a California nonprofit corporation (“Lessee”). The City and Lessee may each be referred to herein as “Party” and collectively as “Parties.”

RECITALS

(A) Lessee proposes to maintain one (1) Transitional and Supportive Housing project which the City has called Re-imagined Housing on Main (the “Project”). The Project site is located at 22 and 22 ½ South Main Street in Lodi, California, and identified as San Joaquin County Assessor’s Parcel Number 043-072-09 and includes approximately 10,000 sq. ft. Building with 40 + units for transitional housing, 1 lobby/community space, 1 commercial space available to Lessee, 1 commercial space available to City and/or non-profit use, and 1 Single Family residence with 4 bd and 1.5 bath (in rear of property; 22 ½ S Main Street) (as more particularly described in Exhibit “A” attached hereto and incorporated herein by reference (the “Property”).

(B) Reimagined Housing on Main will provide transitional Housing Services with wraparound services for those referred and approved to enter the transitional housing program. The Operator is expected to function in a manner that does not impact the surrounding area and implementation of 24/7 staffing to not only monitor premises but deter loitering in front of the facility, and other disruptive behaviors. The facility will help individuals experiencing homelessness develop a pathway towards permanent housing, income, healthcare, and stability through continued care services.

(C) The Parties intend that the Property shall be used only as Transitional and Supportive Housing for Homeless persons and households and each unit will be occupied by a maximum of two inhabitants or such other number of Homeless residents as may be permitted by the Zoning Code in effect at the time.

(D) The Project shall serve as a community resource by providing decent, safe, and sanitary transitional and supportive housing for persons experiencing homelessness, as defined below, who would otherwise be unable to obtain such housing. The City has agreed to provide Lessee with this five (5) Year Lease Agreement to operate the Project with an opportunity to extend an additional five (5) Years.

(E) The Project shall receive transitional/supportive housing Program Participant referrals from Inner City Action, Inc. and other social services providers in the City of Lodi as availability arises including but not limited to The Salvation Army, Inner City Action, Inc., Lodi House, Women’s Center Youth and Family Services, etc. Lessee will utilize the Transitional Housing Assistance Advancement Inter-Agency Referral Form, which is attached hereto and incorporated herein by this reference as Exhibit “B,” to submit qualified

candidates to Inner City Action, Inc. Upon determination of eligibility including HPSJ/Medi-Cal or Healthnet Client status, the Inner City Action, Inc. will evaluate income and determine rent. Rent shall include, one furnished room, all utilities, wraparound services, and limited scheduled transportation services shall be provided. Rent shall not exceed amount noted below in section 2(N) for Qualifying Rent and/or Program Tuition.

(F) As further consideration for the lease of the Property and to further the public interests of the City in seeing the Project maintained as Transitional and Supportive Housing, Lessee and City have agreed to enter into and record this Agreement. The purpose of this Agreement is to regulate and restrict the occupancy, rents, operation, and management of the Property for the benefit of Project occupants and the people of the City of Lodi. The covenants in this Agreement shall run with the land and be binding on City and Lessee and successors to the Property for the full term of this Agreement.

AGREEMENT

NOW, THEREFORE, Lessee and the City hereby agree as follows:

1. Recitals.

The foregoing Recitals are true and correct and incorporated into this Agreement.

2. Definitions.

The following terms have the meanings set forth in this section wherever used in this Agreement or attached exhibits.

- (A) **City** means the City of Lodi, California, a municipal corporation, and includes a person or persons authorized to act on its behalf.
- (B) **City Manager** means the City of Lodi City Manager or his or her designee.
- (C) **Event of Default** means a breach of or default in a party's obligations under this Agreement, and any other instrument which is incorporated hereto.

An Event of Default includes, without limitation, the following:

- i. City or Lessee discovers that the other party has made any misrepresentations or has intentionally withheld any fact in entering this Agreement, the knowledge of which could have affected its decision to enter this Agreement.
- ii. Lessee or City defaults or breaches any of the terms of this Agreement.
- iii. Lessee fails to perform any covenant, term, or condition in any instrument creating a lien upon the Property.
- iv. The sale, conveyance, or encumbrance of the Property, or any attempt to achieve these items by Lessee.
- v. The occurrence of any of the following:

- a. Lessee becoming insolvent or bankrupt or being unable or admitting, in writing, Lessee's inability to pay debts as they mature or making a general assignment of or entering into any restructure payment arrangement with creditors that burdens the Property.
 - b. Proceedings for the appointment of a receiver, trustee, or liquidator of the assets of Lessee or a substantial part of such assets, being authorized or instituted by or against Lessee.
 - c. Proceedings under any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation, or other similar law of any jurisdiction being authorized or instituted against Lessee.
- (D) **Extremely Low-Income Household(s)** means household(s) earnings equal to or less than thirty percent (30%) of the area median income, adjusted for household size, as released by and occasionally updated by the California Department of Housing and Community Development (HCD) for the metropolitan area including the City.
- (E) **Very Low-Income Household(s)** means household(s) earnings equal to or less than fifty percent (50%) of the area median income, adjusted for household size, as released by and occasionally updated by the HCD for the metropolitan area including the City.
- (F) **Homeless or Homeless Person(s)** means an individual or household who lacks a fixed, regular, and adequate nighttime residence, meaning the individual or household (a) has a primary nighttime residence that is a public or private place not meant for human habitation, (b) is living in a publicly or privately operated shelter designated to provide temporary living arrangements, or (c) is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution. "Homeless or Homeless Person(s)" may also include an individual or household who will imminently lose their primary nighttime residence, provided that: (a) residence will be lost within 14 days of the date of application for assistance, (b) no subsequent residence has been identified, and (c) the individual or household lacks the resources or support networks needed to obtain other transitional and supportive housing.
- (G) **Resident Assistant (R.A)** means a Program Participant at this Property that has been selected to provide support for and oversight of the Property in exchange for a discounted rent.
- (H) **Lessee** means the lessee of the Property, which is defined above as Inner City Action, Inc.
- (I) **Operating Expenses** means the following costs, fees, and expenses reasonably and actually incurred by Lessee or Lessee's Management Agent for the operation and maintenance of the Project to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles consistently applied; property taxes and assessments or payments in lieu thereof; direct payroll expenses and payroll taxes; premiums for property damage and liability insurance; utility service costs not paid for directly or indirectly by Program Participants; maintenance, repairs, grounds, and turnover costs; costs associated with accounting; legal fees of Lessee incurred in the ordinary course of business; Lessee's reasonable capital and operating reserves; rent to Lessee; expenses for security services; expenses for fire alarm monitoring; and costs and

expenses associated with the provision of property management and social services to the Program Participants.

- (J) **Transitional and Supportive Housing** means housing with 24-month limit on length of stay, that is occupied by Qualifying Households, and that is linked to onsite or offsite services that assist the Program Participant (s) in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. Term can be extended for those utilizing supportive housing while on waitlists for permanent housing.
- (K) **Program Income** means Revenue reduced by (a) Operating Expenses, and (b) cash deposits into a reserve for maintenance of the Project and/or an operating reserve
- (L) **Project** means the development and operation of the Property for Transitional and Supportive Housing use according to the terms of this Agreement and referenced as the Re-imagined Housing on Main project.
- (M) **Property** means the real property described in the attached Exhibit A, and any residential units, buildings or improvements now or hereafter situated on such real property.
- (N) **Qualifying Household** means an individual meeting all of the following:
- i. The definition of Homeless or Homeless Person(s); and
 - ii. The definition of Extremely Low-Income Household(s); and
 - iii. Individual referred by a local social service provider as noted above whose current or last transitional and supportive residence was within the City limits, or who can provide verification satisfactory to Lessee that within the period 45 days prior to filing an application for housing, the person of household stayed within the City limits at least 23 of the 45 nights previous to the filing of an application for housing (or, in the event of a person or household exiting an institution, at least 23 of the 45 nights prior to entering the institution). Individual must be HPSJ/Medi-Cal or Healthnet client.
- (O) **Qualifying Rent and/or Program Tuition** means the maximum amount charged to and paid by a Program Participant for the occupancy of the Project, which on a monthly (1/12 year) basis shall not exceed 30 percent (30%) of the household income for very-low-income households for the metropolitan area that includes the City as determined by the HCD <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>).
- (P) **Revenue** means with respect to any period all revenue, income, receipts, grants, donations, and other consideration from any source including the City actually received from or in support of operation and leasing of the Project. Revenue shall include, but not be limited to: all rents, tuition, fees, and charges paid by Program Participants; and other rental subsidy payments received; grants; deposits forfeited by Program Participants; the proceeds of casualty insurance not used for rebuilding (provided however, expenditure of such proceeds for repair or restoration of the Project shall be included within Operating Expenses in the year of the expenditure); condemnation awards for a taking of part or all of the Property or

the Project for a temporary period; and the fair market value of any goods or services provided to Lessee in consideration for the leasing or other use of any part of the Project. Revenue shall include any interest on replacement reserves and other reserves, and release of funds from replacement reserves and other reserve accounts to Borrower other than for costs associated with the Project. Revenue shall not include Program Participant's security deposits, capital contributions or similar advances, or amounts released from reserves for costs associated with the Project.

- (Q) **Program Participant** means a Qualifying Household receiving residency and services in the Project.
- (R) **Minor Repair** means anything under five thousand (\$5,000). If an item exceeds this amount, would need to submit notification to the City to request repair assistance.

3. Acknowledgment of Grant Funding.

The City utilized Housing and Homeless Incentive Program ("HHIP"), Regional Early Action Planning ("REAP"), and Permanent Local Housing Allocation ("PLHA") to acquire and complete the rehabilitation of the Project. As part of the City's efforts to meet HHIP program priorities and measures, all housing and supportive services mentioned in this agreement will be delivered to Medi-Cal members who are homeless or at risk of homelessness. Further HHIP requirements are attached in the HHIP subrecipient agreement as Exhibit "C".

- (A) Lessee must adhere to all state regulations tied to this project, including but not limited to subrecipient agreements (Exhibits C through E), including reporting and performance requirements.

4. Representations.

The City has utilized grant funding to acquire and rehabilitate the Property including the purchase of the residential units. This Agreement is a substantial part of the consideration to City for making the Property available to Lessee for the purpose of operating a Transitional and Supportive Housing program. The funds for the Project are from public funding sources administered by the City and their use is subject to certain requirements, some of which are embodied in this Agreement. Therefore, the Property is conditioned upon Lessee's agreement, for itself and its successors and assigns, to comply with all provisions of this Agreement. Lessee has had full opportunity to make itself independently familiar with such limitations and restrictions, and Lessee unconditionally accepts them and agrees to comply fully with them.

5. Lessee's and City's Obligations.

- (A) **PAYMENT OF LEASE RENT.** Lessee shall pay rent to the City in the amount of one-dollar (\$1.00) for rent of the Property for the full term of this Agreement.
- (B) **TERM OF AGREEMENT.** This Agreement shall commence upon execution and shall remain in full force and effect for five (5) years from the recordation date of this Agreement with the option to extend an additional five (5) years. The obligations in this Agreement shall remain effective and fully binding on Lessee, and its successors, assigns and heirs, and any subsequent Lessee of the Property, for this full term, unless terminated earlier by the City in a recorded writing or extended by mutual consent of the Parties.
- (C) **ACTIVITIES.** Lessee shall perform all activities set forth in the Management Plan incorporated

herein and attached hereto as Exhibit "F" (individually "Activity" and collectively "Activities"), in a manner satisfactory to City and consistent with the terms and conditions of this Agreement.

- (D) **RENT AND/OR PROGRAM TUITION.** Lessee shall determine occupancy amount based on Program Participant income and utilize any available subsidies identified (example: Veterans Affairs, Behavioral Health, Housing Vouchers, etc.). Approved alternate subsidies or compliance with said modified definitions shall be a prerequisite eligibility requirement for occupancy.
- (E) **PERFORMANCE MONITORING.** (i) City will monitor the performance of Lessee on the Project according to all applicable federal, state and/or local requirements, the Subrecipient Agreements, the Management Plan and this Agreement. Lessee shall permit City and/or State or any other government reviewing body to inspect any work performed under this Agreement to ensure the work is performed in accordance with all applicable federal, state, and/or local requirements, and the Subrecipient Agreements. Lessee shall correct all substandard performance within ten (10) calendar days of receiving written notice from City. City shall withhold any remaining payments under this Agreement until such noticed substandard performance has been corrected. If Lessee does not take corrective action for any substandard performance within ten (10) calendar days after notification by City, the substandard performance will constitute a default under this Agreement and City may initiate suspension or termination procedures as set forth below.
- (ii) City shall correct any substandard performance or noncompliance with its obligations under this Agreement within ten (10) calendar days of receiving written notice from Lessee. Lessee may suspend any obligations related to the substandard performance or noncompliance under this Agreement until such noticed substandard performance has been corrected. If City does not take corrective action for any substandard performance within ten (10) calendar days after notification by Lessee, the substandard performance or noncompliance will constitute a default under this Agreement and Lessee may initiate suspension or termination procedures as set forth below.
- (F) **COMPLIANCE WITH LAW.** City and Lessee and all of their personnel, employees, agents, and subcontractors (if approved by City and State) shall 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. These shall include, but are not limited to, those laws 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 HHIP Program. City shall be responsible for compliance with all legal requirements related to its development of the Property and Project prior to Lessee taking possession.
- (G) **COMPLIANCE WITH HHIP, REAP, PLHA PROGRAMS LAW AND SUBRECIPIENT AGREEMENTS.** Lessee and all of its personnel, employees, agents, and subcontractors shall comply with all applicable legal requirements of the HHIP program, including the Law, NOFA, any guidelines issued by the State, and the terms and conditions of the Subrecipient Agreements adjusted to meet the time frames set forth in this Agreement, without limitation, Drug-Free Workplace Certification provisions, Child Support Compliance Act provisions, Program Participant s must be Medi-Cal Recipients, and currently experiencing homelessness.

- (H) **MAINTENANCE OF IMPROVEMENTS.** At all times during the term of this Agreement, Lessee shall, at its cost and expense, maintain the Property and all tenant improvements in good order and repair and in a safe and habitable condition, including, but not limited to, the housing units, common areas, landscaping, and other appurtenances. The Lessee shall have access to utilize any manufacturer or General Contractor warranties available for any necessary repairs covered by said warranties (estimated first 12 months of operations). City shall be responsible, at its cost and expense, for correcting any defects on the Property or in the residential units which occurred prior to possession by Lessee. The City shall monitor Lessee's performance of these obligations as provided in this Section.
- (I) **OPERATIONS AND MAINTENANCE FUNDING.** Rent receipts and any rental subsidy receipts are the primary operating capital for the project. Operating expenses include, but are not limited to utilities, 24/7 property management, case management and other needed staff, day to day maintenance, and limited scheduled transportation services for residents. Although the project should be self-sustaining with rents received, this does not preclude the Inner City Action, Inc. from applying for grants or requesting grant support from City in the event of unforeseen expenses or lack of availability. The City will not be providing any additional operating subsidies, but will be responsible for deferred maintenance of major mechanical and facility items and will pay all utility costs for eighteen (18) months from the commencement of this agreement. Lessee will be responsible for all utilities thereafter.
- (J) **INTERIOR FURNISHINGS.** City shall initially acquire interior furnishings and basic Property maintenance equipment for the Project. Lessee shall be responsible for any maintenance or replacement of the furnishings and equipment after initially provided by the City.
- (K) **MISCELLANEOUS COSTS.** Lessee shall be responsible for all regular janitorial and cleaning expenses associated with the maintenance of the Project.
- (L) **DEFAULT AND TERMINATION.** Lessee shall be in default of its obligations under this Agreement if Lessee fails to comply with any term of this Agreement.

City and/or Lessee may terminate this Agreement, without cause, by giving at least sixty (60) days written notice to the other party to allow for appropriate transition of operations. Where phases are anticipated within the Scope of Services ("Exhibit G"), at which an intermediate decision is required concerning whether to proceed further, City may terminate at the conclusion of any such phase. Upon termination, Lessee shall immediately suspend all work on the Project and deliver any documents or work in progress to City. However, City shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by Lessee with third parties in reliance upon this Agreement.

The Parties acknowledge that operations under this Agreement are contingent upon the City acquiring available funding resources. Therefore, should funding not materialize to cover the Scope of Services, the City shall notify Lessee in writing of such funding deficit and its intent to terminate this Agreement at least 60 days in advance of the proposed termination date.

- (M) **NOTICE AND CURE; RIGHT TO CONTEST.** City shall give Lessee written notice of the default (with reasonable specificity) and demand the default to be cured within ten (10) calendar days of the notice. If Lessee fails to cure the default within ten (10) calendar days of the

notice, City may, at its discretion, take any or all actions identified in Section (N), below. Lessee shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a default hereunder. Any such contest shall be prosecuted diligently.

- (N) **REMEDIES FOR DEFAULT.** If Lessee is in default of this Agreement, as defined in this Section, City, as applicable, may take any or all of the following actions: (i) require the immediate return of any unexpended reserve funds disbursed under this Agreement; and (ii) terminate this Agreement upon ten (10) calendar days written notice and require return of any unexpended reserve funds within twenty (20) calendar days of such notice of termination and return of the Property back to the City.
- i. Each of the remedies provided herein is cumulative and not exclusive of, and shall not prejudice any other remedy provided herein. City 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 City after termination shall prejudice any other rights or remedies of City provided by law or by this Agreement upon such termination; and City may proceed against Lessee to recover all losses suffered by City.

6. Project Occupancy and Program Participant Rents.

- (A) **OCCUPANCY OF PROJECT.** Unless otherwise approved by City and authorized by an amendment to this Agreement or the City's prior approval of an amendment to the Management Plan, Lessee shall limit for the full term of this Agreement the rental of the Project units to Qualifying Households as defined above and referred by local social service providers. Lessee may impose additional requirements on eligibility of applicants, provided such requirements are included in the Management Plan, approved by the City in advance of application, and compliant with applicable federal, state, and local laws. The qualifications of Program Participants shall be certified by Lessee prior to initial occupancy in conformance with the Management Plan and any housing regulations, as these rules may be amended from time to time. Program Participants must at the time of occupancy be HPSJ/Medi-Cal or Healthnet clients.

The Project shall be leased, managed, and operated as transitional and supportive rental housing, comprised of complete facilities for living, sleeping, eating, and sanitation for 40 units. The Project shall never be used as hotel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home, trailer park or court, or any other use that would violate federal, state, or local laws and/or ordinances.

- (B) **PROJECT RENT.** Unless otherwise approved by City and authorized by a written amendment to this Agreement or the City's prior written approval of an amendment to the Management Plan, rents for the Project shall be limited to the Qualifying Rent and/or Program Tuition as defined above.
- (C) **PROGRAM INCOME.** All Program Income shall be reported to the City annually, along with a final financial report showing all Revenue received and Operating Expenses incurred in the applicable fiscal year. This may be reported as part of Lessee's annual audit. Excess Program Income will be retained by Lessee for the purpose of building a reserve for this Project.

- (D) **LEAD-BASED PAINT AND ASBESTOS.** Lessee and its contractors and subcontractors shall not use lead-based paint or asbestos in the maintenance of the Property. Lessee shall insert this provision in all contracts and subcontracts for work performed on the Project which involves the application of paint or potentially asbestos-containing materials.
- (E) **CONFLICTS OF INTEREST.** In its operation of the Property, Lessee shall comply with all state and federal conflict of interest laws, including without limitation, the Political Reform Act (California Government Code Sections 8100 et seq.), Government Code Section 1090, and Public Contract Code Sections 10410 and 10411. No employee, agent, consultant, officer, elected official, appointed official, or member of the governing body of Lessee who exercises or has exercised any functions or responsibilities with respect to the Activities funded through the HHIP, 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 (1) year thereafter. This Agreement may be declared void and other legal action may be taken if Lessee does not comply with all applicable State and local conflict of interest laws.
- (F) **NONDISCRIMINATION.** In its operation of the Project, and except as otherwise required by the City in this Agreement, Lessee shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease, or rental of Project on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions, or any other arbitrary basis or status prohibited by federal or state law. Lessee shall include a statement in all advertisements, notices, and signs for the availability of the Project for rent to the effect that Lessee is an Equal Housing Opportunity Provider, as that term is defined by State and Federal law.

Further, in its operation of the Project, Lessee shall not cause and shall not permit discrimination on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code in the lease or rental or in the use or occupancy of the Property. Lessee covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation with reference to the selection, location, number, use or occupancy of Program Participants, lessees, subtenant, sub-lessees, or vendees in the Property except as otherwise required by City in this Agreement. This covenant against discrimination shall continue for the term of this Agreement and any extensions thereof.

- (G) **PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY ACT.** Lessee shall assure compliance with the obligations imposed by the federal Personal Responsibility and Work Opportunity Act (Public Law 104-193, commonly known as the Welfare Reform Act), which restricts the City funding of federal benefits to persons who are not citizens or qualified aliens as defined in such act.
- (H) **OPERATION AND MANAGEMENT OF PROJECT.** Lessee and each of Lessee's officers, agents, and/or employees shall diligently operate and manage the Project after completion in

substantial conformance with the covenants contained in this Agreement, which shall run with the land and bind all successors-in-interest to the Property, and with the terms of the Management Plan as defined below.

1. Management Entity. City and Lessee agree that Lessee shall manage the Property upon start of possession.

2. Management Plan. Lessee shall submit a Management Plan for the marketing and management of the Property for review and approval by the City, a copy of the first submitted Management Plan (attached hereto as Exhibit "F") and incorporated herein by this reference ("Management Plan"). The Management Plan shall address how the Property will be managed, and shall include, but not be limited to, provisions set forth in the Management Responsibilities section below. The City shall annually review the Management Plan, and if deemed necessary, Lessee shall update it as requested.

3. Management Responsibilities. The Lessee shall perform and provide the following:

a) A maintenance schedule, prepared by Lessee, which specifies maintenance work to be performed on a periodic basis during the term of this Agreement. The annual schedule must be submitted to the City by March 31 of each calendar year. The City must be notified of any deferred maintenance or major repairs as soon as a concern is identified.

b) Establishment of a capital reserve account identifying the manner in which the maintenance schedule described in item 3. (a) above, and projected replacement activities (furnishings, window coverings, etc.) and minor repairs as defined within this document will be funded from monthly project income and other sources. Establishment of an operating reserve account to cover costs of unanticipated expenses for general maintenance and operation of the Project. The schedule for prior year deposits and withdrawals from the replacement and operating reserve accounts shall be submitted to the City by March 31 of each calendar year.

c) Annual inspections of the Project to ensure continued compliance with state and local housing codes. Results of the inspections must be documented in a report, and copies may be requested by the City. The City may also independently schedule property inspections, without limitation, upon five days' advance written notice by City to Lessee.

d) Annual reporting to the City regarding compliance with the maintenance schedule and the results, findings, and any corrective measures taken or to be undertaken arising from the annual inspections of units.

e) Lessee shall also annually report to City the information set forth in the Subrecipient Agreements (Exhibits C to E) regarding the Activities. Upon review of documentation and record-keeping, the City may request and Lessee shall provide additional information to meet State reporting requirements for HHIP, REAP, and PLHA.

f) Audited annual financial statements prepared by a certified public accountant, approved in advance, in writing, by City, which reflect the status of the reserve account for maintenance and replacement activities and of any reserve account for operating expenses. Copies of audited annual financial statements must be provided to the City within ninety (90) calendar days of the fiscal year-end date.

- g) Audits, Access, and Inspection.
 - i. Audits. If required by the State or requested by the City, Lessee shall provide, at Lessee's own expense, a financial audit prepared by an independent certified public accountant. Lessee shall notify City of the auditor's name and address immediately following selection of the auditor. The contract for the audit must allow access by City and the State to the independent auditor's working papers and findings. Lessee is responsible for completion of all audits and costs of preparation of the audits. If there are audit findings, Lessee must submit a detailed response acceptable to City and the State for each audit finding within 60 calendar days from date of the audit finding report.
 - ii. Access to Documents and Accounting Records. Lessee agrees that the City, the State, or any of their duly authorized representatives, shall have access to all Lessee's documents and records related to the Activities and the HHIP Grant for the purpose of making audits, examinations, excerpts, copies, and transcriptions, to ascertain compliance with the provisions of this Agreement, the Subrecipient Agreements, and the HHIP Programs. Lessee's records shall be made available within a seven (7) calendar days after request, during normal business hours.
 - iii. Access. In order to permit City to inspect the progress of the Activities, Lessee shall, at all times, provide to the City (including agencies and entities designated by City) proper and safe access to all locations where Lessee performs Activities.
 - iv. Employee Interviews. City shall have the right to interview Lessee's employees, upon reasonable notice and during normal business hours, for the sole purpose of monitoring Lessee's performance of the Activities and compliance with the HHIP Programs, this Agreement, and the Subrecipient Agreements.
 - v. A plan for certifying the eligibility of each Qualifying Household, including annual verification of income and measures to take in the event the maximum income is exceeded.
- h) A Program Participant selection process that includes, but is not limited to, the following:
 - i. Lessee shall notify Local Referral Agencies in writing of pending vacancies at the Project at its earliest opportunity when operator has exhausted their waitlist, shall receive Program Participant referrals from Local Referral Agencies, and shall prioritize these Program Participant referrals over referrals from other sources. Local Referrals Agencies are the Inner City Action, Inc., Access Center, Hope Harbor, Lodi House, and Women's Center Youth and Family Services, and others as may be approved in writing by the City. City review of referrals received and approved will be part of audit process to ensure fair and equitable entry to housing as required by law and subrecipient agreements.

- ii. Review of the following criteria:
 - a. Verification that the applicant meets the definition a Qualifying Household;
 - b. Verification of HPSJ/Medi-Cal, or Healthnet status;
 - c. Verification of the applicant's income and assets;
 - d. History of drug and/or alcohol abuse;
 - e. History of criminal and/or drug-related offenses, including but not limited to: assault, battery, abuse, and destructive or violent behavior;
 - f. Proof of legal residency or citizenship as required by the PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY ACT of 1996 (*P.L. 104-193*);
 - g. Proof of eligibility for any identified subsidies if applicable;
 - h. Compliance with any other eligibility requirements identified in the Management Plan; and
 - i. Any other requirements or restrictions identified in the Management Plan.

- iii. Prospective Program Participants are required to fill out a Project application form, verify income/employment, attend a private interview with Lessee or a selected property management firm, and agree to abide by property management rules for Property.

- iv. Selected Program Participants must be processed through and approved by the Inner City Action, Inc. and any organizations providing subsidies if applicable prior to being given a Project rental agreement ("Rental Agreement") including rules for the Property and requirements to occupy the Property.

- v. Rental agreements with Program Participants must provide that non-compliance with the Project rental agreement may be deemed an event of default on the Project rental agreement and grounds for eviction.

- i) Provide to the City and keep on file the following information:
 - i. The duties of the Resident Assistant or Lessee or Management Agent regarding operation of the Property;
 - ii. A sample Project rental agreement form; and

- iii. Plan for handling terminations with cause, including providing Program Participant with due process (notice and opportunity to be heard) by a court prior to eviction.

Lessee shall be specifically responsible, subject to its obligations herein, for all management functions with respect to the Property, including, without limitation, the selection of Program Participants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. Except as otherwise provided herein, the City shall have no responsibility over management of the Property.

Notwithstanding the foregoing, Lessee shall comply with all federal, state, and local laws and any provision stated herein shall be waived or modified if in conflict with applicable law.

(B) **MAINTENANCE.** Lessee shall, at its own expense, maintain the Property in good condition, in good repair, and in a safe, sanitary, and habitable, living condition for the benefit of the Project's occupants. Lessee shall not commit or permit any waste on or to the Property and shall prevent and/or rectify any physical deterioration of the Property. Lessee shall maintain the Property in conformance with all applicable state, federal, and local laws, ordinances, codes, and regulations for this Agreement and all subsequent amendments.

In the event the Lessee fails to maintain the Property in accordance with these standards and after ten (10) calendar days written notice to Lessee, the City or its agent may, but shall be under no obligation to, enter upon the Property, make such repairs or replacements as are deemed necessary in City's reasonable discretion, and provide for payment thereof. Any amount advanced by City to make such repairs, together with interest thereon at the legal rate (unless payment of such an interest rate would be contrary to applicable law, in which case interest shall accrue at the rate then allowed by applicable law), shall become an additional obligation of Lessee to City.

Nothing contained in this Section shall be interpreted to place any restriction or limitation on the City's right to take such actions as it deems necessary or proper to protect the health and safety of the public in the proper exercise of the City's authority under federal, state, and local laws.

(C) **UNIT VACANCIES.** Lessee shall use its best efforts to fill vacancies in the Project with Qualifying Households as quickly as possible. If the Lessee is unable to fill vacancies within a reasonable period of time due to a lack of Qualifying Households, Lessee shall contact City to request an exception to one or more of the standards for determining a Qualifying Household. The City shall retain sole discretion over any exception to standards noted herein.

(D) **INSPECTION AND RECORDS.** Lessee shall maintain records which clearly document Lessee's performance of its obligations to operate the Property under the Management Plan and this Agreement. Lessee shall submit any records to the City within ten (10) business days of City's request. Lessee shall permit City to enter and inspect the Property for compliance with obligations under this Agreement upon five (5) days advance written notice of such visit by City to Lessee or Lessee's property manager and to Program Participants of any inspected Project units, subject to the provisions of the Rental Agreement regarding inspection and entry rights, a copy of which Lessee must provide to City upon request.

Further, at the written request of the City, Lessee shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the

Property.

(E) **AUDIT AND INSPECTION.** The Property and all related equipment, buildings, plans, offices, books, contracts, records, documents and other related papers shall at all times be maintained in reasonable condition for audit and shall be subject to examination by the City or its agents. The books and accounts of the operations of the Project and of the Property shall be kept in accordance with generally accepted accounting principles.

(F) **MONTHLY REPORT.** Lessee shall submit reports monthly to the City of Lodi and, if requested by the City, to the San Joaquin County Continuum of Care. Data and due dates for the monthly reports will be items mutually agreed upon with the City. The Lessee is required to enter Client/Resident level data in the San Joaquin County Homeless Management Information System (HMIS) for each Client/Resident at Reimagined Housing on Main.

The reporting should reflect the data collected towards the performance metrics as well as grant guidelines and subrecipient agreements such as:

1. The number of unsheltered individuals served in that month/year, and a total number served in all years of the Program, as well as the homeless populations served.
2. Outcome data for an individual served should include the type of program or housing that an individual exited to, the percent of successful permanent housing exits, and exit types for unsuccessful housing exits.

(G) **ANNUAL REPORT.** Lessee shall submit an annual report to City, which shall include, at a minimum, the initial and current rental rates and the income and household size of the occupants at the time such occupants initially take occupancy or at the time of their last annual income recertification, whichever is later. The income information required under this report shall be supplied by the Program Participant in a certified statement in compliance with all applicable rules and regulations as set forth in the subrecipient agreements and State law. Additionally, lessee shall provide all referral forms approved and denied along with reason for denial as part of the annual audit to ensure fair and equitable entry to housing. City may require reasonable additional information to be included in the annual report.

(H) **INSURANCE COVERAGE.** Lessee throughout the duration of this Agreement, shall maintain insurance naming Lessee (including its agents, representatives, permitted subcontractors, employees, elected and appointed officials, and volunteers) in connection with the Activities under this Agreement, of the types and in the coverage amounts set forth in Exhibit "H" attached to this Agreement, and incorporated herein by reference, entitled "Insurance Requirements." Exhibit H to this Agreement identifies the minimum insurance levels with which Lessee shall comply; however, the minimum insurance levels shall not relieve Lessee of any other performance responsibilities under this Agreement (including the indemnity requirements), and Lessee may carry, at its own expense, any additional insurance it deems necessary or prudent to cover potential liability and to ensure that the rental units are repaired or replaced if they are damaged or destroyed as required in subsection (K) below. Concurrently with the execution of this Agreement by Lessee, and prior to the commencement of any occupancies or services, Lessee shall furnish written proof of insurance (certificates and endorsements), in a form acceptable to City. Lessee shall provide substitute written proof of insurance no later than thirty (30) calendar days prior to the expiration date of any insurance policy required by this Agreement.

(I) **REPORTING CLAIMS.** Lessee shall notify City immediately of any claim or action undertaken by or against Lessee, which affects or may affect the Property or this Agreement, the Subrecipient Agreements, City 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 Subrecipient Agreements and the interests of City and the State.

(J) **INDEMNIFICATION.** Lessee shall indemnify, defend, and hold harmless City (including its directors, officers, elected and appointed officials, employees, agents, and volunteers) from and against any and all claims (including all litigation, demands, damages, liabilities, attorneys' fees, costs, and expenses) resulting or arising out of the performance or nonperformance of its obligations under this Agreement by Lessee (including its directors, officers, elected and appointed officials, agents, and employees), except only for those claims arising from the willful misconduct or sole negligence of City, its directors, officers, elected and appointed officials, employees, agents, or volunteers or matters related to acts or omissions by City prior to possession of the Property by Lessee. Lessee's indemnification shall include any and all costs, expenses, court costs, attorneys' fees, and liability incurred by City in enforcing the provisions of this Section, and in defending against such claims, whether the same proceed to judgment or not. Lessee shall reimburse City for any expenditures City incurs by reason of this provision.

(K) **PROPERTY DAMAGE OR DESTRUCTION.** If any part of the Property is damaged or destroyed, Lessee shall, at its own cost and expense, repair or restore the Property consistent with the original condition of the Project when Lessee took possession, normal wear and tear excepted. Such work shall be commenced within thirty (30) calendar days, or up to one hundred eighty (180) calendar days with written approval of City, after the damage or loss occurs and shall be completed within three hundred sixty (360) calendar days thereafter. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if insurance proceeds are insufficient for such purpose, Lessee shall make up the deficiency.

(L) **PROPERTY IMPROVEMENTS.** Lessee shall not cause and shall not permit expansion, reconstruction, or demolition of any part of the improvements on the Property without prior written approval of City, which shall not be unreasonably denied.

(M) **ASSIGNMENT, TRANSFER OR ENCUMBRANCE OF LEASE.** Lessee shall not assign this Agreement, transfer or encumber the Property, in whole or in part, without the prior written consent of the City and the approval of the Lodi City Council in the form of a resolution. Requests to transfer or encumber the Property shall be considered for approval only if the following conditions are satisfied:

1. The receipt by the City of evidence acceptable to the City that:
 - a) the Lessee shall not be in default hereunder or the transferee undertakes to cure any defaults of the Lessee to the reasonable satisfaction of the City;
 - b) the continued operation of the Project shall comply with the provisions of the Management Plan and this Agreement;
 - c) either (i) the transferee or its property manager has at least three (3) years' experience in the operation and management of similar housing projects, and at least five (5) years' experience in the operation and management of Transitional and Supportive Housing projects containing below-market-rate units, without any record of material violations of discrimination restrictions or other state or federal laws or regulations or local government requirements applicable to such projects, or (ii) the transferee agrees to retain a property management firm with the experience and record described in subclause (a) above, or (iii) the transferring Lessee or its management company will continue to manage the Project, or another management company reasonably acceptable to the City will manage, for at least one (1) year following such transfer and, if the capacity to do so exists, during such period the transferring Lessee or its management company will provide training to the transferee and its manager in the responsibilities relating to the Project; and
 - d) the person or entity that is to acquire operation of the Project does not

have pending litigation against it, and does not have a history of significant and material building code violations or complaints concerning the maintenance, upkeep, operation, and Agreement compliance of any of its projects as identified by any local, state or federal regulatory agencies.

2. The execution by the transferee of any document reasonably requested by the City to evidence the assumption of the Lessee's obligations under this Agreement.

Lessee shall not transfer or encumber any of the Property or permit the conveyance, transfer, or encumbrance of the Property unless such assignee, transferee or encumbrancer has agreed, in writing and in a form suitable for recordation, to be bound by the terms of this Agreement and the then existing Management Plan.

(N) **DEFAULT AND REMEDIES.** In the event of any breach or violation of this Agreement, City or Lessee, as applicable, shall give written notice to Lessee or City, as applicable, by specifying: (a) the nature of the breach or violation, (b) the action required to cure the breach or violation, if an action to cure is possible, and (c) a date, which shall not be less than ten (10) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible. If Lessee or City, as applicable, fails to cure the breach or violation within the timeframe specified in the notice, or if a cure is not possible, City or Lessee may proceed with any of the following applicable remedies:

1. Bring an action for equitable relief seeking the specific performance by Lessee or City, as applicable, of the terms and conditions, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;

2. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property, and continue in possession until such time as City determines that Lessee is in a position to operate the Property in compliance with this Agreement;

3. After notice provided for herein, make such repairs or replacements to the Property as are necessary and provide for payment thereof;

4. For violations of Lessee's obligations with respect to occupancy restrictions, Project maintenance, and unit vacancies, there shall be two notices with cure period provided. Should the violation(s) remain, there shall be imposed, as liquidated damages, a charge upon Lessee in an amount of five hundred dollars (\$500) for each month the Project is not operated in compliance with this Agreement, commencing after the expiration of any thirty-day notice and cure period. The parties to this Agreement expressly agree that this charge of five hundred dollars (\$500) per month is reasonable under the circumstances existing at the time of this Agreement was entered into and represents a reasonable attempt by the Parties to estimate the damaged to be suffered by the City in the event of Lessee's breach; these damages include, but are not limited to, the City's loss of use of funds that were granted to Lessee pursuant to this Agreement, and that could have been used to support other projects but for City's commitment to fund the Project. This provision will remain in full force and effect even if the Parties fail to expressly initial where indicated below.

Initials: Lessee _____, City _____.

(Failure to initial does not invalidate this provision.)

5. For violations of Lessee's obligations with respect to Project rents, there shall be imposed as liquidated damages, a charge upon Lessee in an amount equal to three (3) times the actual

Lodi, CA 95241

LESSEE:

ATTN: Frank Saldana
Inner City Action, Inc
1169 S Main St. #326
Manteca, Ca 95337

If the recipient refuses or rejects delivery, notice is deemed complete as of the date on which the Notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(V) **BINDING UPON SUCCESSORS.** All provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of Lessee and City, and shall run with the land for the full term of this Agreement, regardless of any conveyance or transfer of the Property. Any successor-in-interest to Lessee and any purchaser or transferee of the Property shall be subject to all of the duties and obligations imposed on Lessee under this Agreement for the full term of this Agreement. The term "Lessee" as used in this Agreement shall include all such assigns, successors-in-interest, and transferees of Lessee.

(W) **RELATIONSHIP OF PARTIES.** The relationship of Lessee and City for this Project during the term of this Agreement shall not be construed as a joint venture, equity venture, or partnership. City neither undertakes nor assumes any responsibility or duty to Lessee or to any third party with respect to the operation of the Property or the actions of Lessee except with regard to any City act or omission related to the Property or the residential units that occurred prior to transfer of possession of the Property to Lessee. Except as City may specify in writing, Lessee shall have no authority to act as an agent of City or to bind City to any obligation.

(X) **WAIVER.** Any waiver by City or Lessee of any obligation in this Agreement must be in writing. No waiver will be implied from any delay or failure by City or Lessee to take action on any breach or default of Lessee or City or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Lessee or City to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by City or Lessee to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for City's or Lessee's written consent to future waivers.

(Y) **OTHER AGREEMENTS.** Lessee represents that it has not entered into any agreements that would restrict or compromise its ability to comply with the terms of this Agreement or the Management Plan. Lessee shall not enter into any agreements that are inconsistent with the terms of this Agreement without a written waiver by City, which shall not be unreasonably withheld.

(Z) **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Agreement must be in writing, and shall be effective only if executed by both Lessee and City.

(AA) **SEVERABILITY.** Every provision of this Agreement is intended to be severable. If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

(BB) **CONFLICTS.** If any conflicts arise between the terms and conditions of this Agreement and the terms and conditions of the Subrecipient Agreements, which are expressly incorporated into this

Agreement, the terms and conditions of the applicable Subrecipient Agreement shall control, except that the time frames in this Agreement shall prevail over the time frames set forth in the Subrecipient Agreements.

(CC) **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.

SPECIAL PROVISIONS

(DD) **AGREEMENT AND ACKNOWLEDGEMENT OF AGREEMENT.** City and Lessee acknowledge and agree that this Agreement has been negotiated at arm's length, that each party has been represented by independent counsel and/or has had an opportunity to consult with and be represented by independent counsel, that this Agreement is deemed to be drafted by both parties, that no one party shall be construed as the drafter of this Agreement, and that any rule of construction that ambiguities are to be construed against the drafter shall not apply in the interpretation or construction of this Agreement.

(EE) **AUTHORITY.** The person(s) signing this Agreement hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of their respective party and to legally bind such party to the performance of its obligations hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written and do hereby agree to the full performance of the terms set forth herein.

CITY:

CITY OF LODI,
a California General Law City and Municipal Corporation

By: _____
Scott R. Carney, City Manager

Approved as to form:

By: _____ 
Katie O. Lucchesi, City Attorney

Attest:

By: _____
Olivia Nashed, City Clerk

ALL SIGNATURES OF THE PARTIES MUST BE NOTARIZED

LESSEE:

Inner City Action, Inc., a California nonprofit
corporation

By: _____
Executive
Director/CEO/Founder

Approved as to form:

By: _____
Counsel for Lessee if
Applicable

EIN: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____,
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

EXHIBIT A
PROPERTY LEGAL DESCRIPTION

Property: 22 S Main Street Lodi, CA 95242

The land referred to is situated in the County of San Joaquin, City of Lodi, State of California, and is described as follows:

Lots 9 and 10 in Block 27 in the City of Lodi, according to the Official Map or Plat thereof filed for record August 25, 1869 in Volume 2 of Maps and Plats, at Page 12, San Joaquin County Records.

APN: 043-072-09

EXHIBIT B
TRANSITIONAL HOUSING ASSISTANCE ADVANCEMENT INTER-AGENCY REFERRAL FORM

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Transitional Housing Assistance Advancement Inter-Agency Referral Form

Referral Guidelines

1. To refer a potential participant to the Program, please complete this form and return it to Re-imagined Housing on Main Operator. As the referring agency, your signature validates that the referred individual has demonstrated acceptable levels of income and personal stability.
2. Referrals will only be accepted by an approved local service provider who oversees or provides transitional housing services; a government agency who works with homeless persons; or other supportive shelter services, or agencies participating in a Supportive Housing Program, Shelter Plus Care, or Emergency Solutions Grant Program.
3. All referred individuals must meet the Re-imagined Housing on Main, Operator minimum eligibility guidelines (available upon request).
4. Referrals will only be accepted from agencies within San Joaquin County.
5. Rent will be determined based on income of individual being referred and if any subsidy's are available (example: Veterans Affairs or Behavioral Health)

Referring Agency Information

Agency Name: _____ Date: _____
 Employee Name: _____ Address: _____
 Email: _____ Telephone: _____
 Signature: _____

Referral Information

Applicant Name: _____ D.O.B.: _____
Last First M.I.

Soc Sec #: _____ Sex: _____ Phone: _____
 Co-Head / Spouse Only: _____ D.O.B.: _____
Last First M.I.

Soc Sec #: _____ Sex: _____ Phone: _____

Annual Income: _____ Number of Family Member(s): _____

Email: _____

Mailing Address: _____

State City Zip

Category: Transitioning out of institutional or other segregated settings
 At serious risk of institutionalization
 Homeless
 At risk of being homeless

For Re-imagined Housing on Main Use Only

Date Received: _____ Date Entered in System: _____ Date Referral was Emailed Registration: _____

EXHIBIT C
HHIP SUBRECIPIENT AGREEMENT

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
HEALTH PLAN OF SAN JOAQUIN
AND
CITY OF LODI**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into the 16th day of June 2023 by and between the SAN JOAQUIN COUNTY HEALTH COMMISSION, operating and doing business as HEALTH PLAN OF SAN JOAQUIN (“HPSJ”), a local initiative established under Section 5-7100 of the Ordinance Code of San Joaquin County, with a principal place of business at 7751 South Manthey Road, French Camp, CA 95231-9802 and City of Lodi, a municipal corporation (“CITY”), with a principal place of business at 221 W. Pine Street. P.O. Box 3006, Lodi, California 95241-1910. HPSJ and CITY may each be referred to herein as “Party” or collectively the “Parties.”

RECITALS

WHEREAS, the Parties desire to enter into this MOU to establish guidelines for a cooperative working relationship between HPSJ and City of Lodi for successful implementation of incentive payments linked to the Housing and Homelessness Incentive Program (“HHIP”) for the City of Lodi;

WHEREAS, in accordance with the American Rescue Plan Act (“ARPA”) of 2021, DHCS developed a Medi-Cal Home and Community-Based Services (“HCBS”) Spending Plan detailing a series of initiatives to enhance, expand and strengthen HCBS in California. The HHIP is one of the HCBS Transition Initiatives and is intended to support the delivery and coordination of health and housing services for Medi-Cal members statewide. HHIP is intended to bolster housing and homelessness-focused efforts and investments at local levels, with the aim of building or expanding capacity and partnerships to connect Medi-Cal members to needed housing services and achieving progress in reducing and preventing homelessness;

WHEREAS, DHCS established required submissions and deliverables for managed care plans in participating counties to identify current state, priorities, investments, and monitor progress for HHIP; and will be distributing incentives for plans to oversee and administer payment for HHIP project(s);

WHEREAS, as part of efforts to meet HHIP program priorities and measures, HPSJ will partner with local partners and organizations which deliver housing, or supportive services to Medi-Cal members who are homeless or at risk of homelessness;

WHEREAS, the CITY provides housing, or supportive services to address homelessness or housing insecurity for HPSJ Medi-Cal members;



WHEREAS, CITY’s project(s) have been identified as an investment activity based on the CITY’s HHIP initial project submission; and

WHEREAS, HPSJ is responsible for oversight and administration of payments to the provider consistent with the terms of the HHIP.

AGREEMENT

NOW, THEREFORE, the Parties hereby agree as follows:

1) EFFECTIVE DATE AND TERM

- a. This MOU shall be effective June 16, 2023 and will continue through and including March 31, 2024 or dates determined by the Department of Health Care Services (DHCS), unless otherwise terminated by either Party to this MOU as prescribed in paragraph 12.

2) SCOPE OF WORK

The CITY is responsible for the implementation of and compliance with the project description as set forth in their HHIP Program application, which is attached as Exhibit A and incorporated here by reference, including reporting of incremental achievement of milestones and objectives. The CITY shall promptly notify the plan of any material change in information submitted in support of the project(s) or the HHIP program application, including changes in organizational leadership, business operations, and financial standing. The plan is responsible for overseeing the project(s), specifically to monitor and verify milestone achievement and administering payments consistent with the terms of the project(s) or the HHIP program application, any terms imposed as a condition of state or federal approval of the HHIP program, and any subsequent DHCS guidance related to HHIP.

3) RESPONSIBILITIES OF CITY

CITY shall provide the following:

- a. Assist HPSJ in identifying key details for investments including but not limited to populations served, services and activities, community needs, required funding, lead entities, milestones, and timing.
- b. Commit to identified HHIP projects, complete required application and documents and accept incentive funding for specified investments in support of the provision of housing and homelessness related services to HPSJ Medi-Cal members.



- c. Utilize HHIP incentive funding solely for identified and agreed upon investments and activities and for carrying out project activities and milestones as set forth in approved projects.
- d. Cooperate and facilitate engagement and implementation activities in support of HHIP program goals and measures.
- e. Perform tasks necessary to projects or milestones for HHIP. The CITY shall document and provide HPSJ with information necessary to demonstrate incremental progress in for HHIP program goals and measures in a file or format as specified by HPSJ.
- f. Promptly notify HPSJ of any material change in information including changes in organizational leadership, business operations, and financial standing.
- g. Make efforts to establish data sharing agreements as applicable to enable timely exchange of member information and delivery of services.
- h. CITY shall ensure eligibility to receive the funds and non-duplication with other federal or state funding sources.
- i. Agree to comply with all applicable state and federal laws and regulations, MOU requirements, DHCS guidance, including All Plan Letters (APLs) and Policy Letters (PLs), and contractual terms and conditions as imposed by DHCS.
- j. CITY shall make all premises, facilities, equipment, books, records, papers, and contracts, computer systems available for inspection, examination or copying for purposes of an audit or monitoring.

4) RESPONSIBILITIES OF HPSJ

HPSJ shall provide the following:

- a. Support partnerships between social service agencies, counties, and public health agencies, and public and community-based housing agencies in support of the following HHIP program goals and as efforts to address homelessness.
- b. Oversee project(s), including monitoring and verifying milestone achievement and administering payments consistent with the terms of the project(s) or the HHIP submission, and any subsequent state, federal, or DHCS guidance.
- c. Collect and evaluate information related to the CITY's project(s) for the purposes of ensuring progress toward the business provider's goals and objectives, program achievement and reporting to DHCS.



- d. HPSJ will report to the DHCS on the project status in accordance with required HHIP submissions and deliverables and as required by DHCS.
- e. HPSJ is responsible for the administration of HHIP funds as set forth in section 5 below.

5) FUNDING

- a. HPSJ will make incremental payments on agreed upon projects or investments as outlined in Exhibit A. HPSJ will initiate processing of payments to the CITY upon receipt of MOU, all required documents, and updates.
- b. The specified projects will be deemed complete and fully funded only when milestones as set forth in approved project(s) have been met.
- c. There is no guarantee of funding. This program may be subject to recoupment for reasons including but not limited to: failure to participate, failure to engage in minimum level of efforts, or any overpayment as identified by HPSJ.
- d. The plan may adjust milestone measurement and related payments as needed and may delay payment for non-reporting or non-compliance with program terms. The plan will not make any milestone payment until all past due reporting is complete.
- e. Proposed funding as outlined within Exhibit A is based on information known and available to HPSJ and may be modified in accordance with payments made by DHCS and new developments.

6) LIAISON

The plan and CITY will each designate a liaison(s) to serve as a point of contact of activities performed related to this MOU.

7) MOU MONITORING

The plan and CITY will meet on a mutually agreed upon frequency, or upon request to monitor the performance of each Parties' responsibilities related to this MOU.

8) REPRESENTATIONS

Both Parties make the following representations, which are agreed to be material to and form a part of the inducement for this MOU:

- a. HPSJ and the City of Lodi have the support staff and facilities necessary to provide the services described in this MOU; and

b. HPSJ and the City of Lodi have the expertise and authority to provide the services described above.

9) ASSIGNMENT

This MOU is not assignable.

10) COMPENSATION

Each Party will be responsible for its own costs and fees.

11) INDEMNIFICATION

Each Party agrees that it shall indemnify, defend and hold harmless the other Party, its agents, elected officials, appointed officials, officers, volunteers, authorized representatives, and employees from any and all losses, liabilities, costs, expenses, charges, damages, claims, liens, and causes of actions, or whatsoever kind of nature, including, but not limited to, reasonable attorney's fees, which are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault, or negligence, whether active or passive, of said Party or said Party's officers, agents, employees, or authorized representatives, which relates in any manner to this MOU, any work to be performed by said Party arising from the operation of this MOU, of any authorized delegated to said Party under this MOU, except those injuries or damages that are the result of willful acts or the sole negligence of the other Party, its officers, agents, or employees.

12) TERMINATION

This MOU may be terminated for the following reasons:

- a. **For Cause.** If any Party materially breaches the terms of this MOU, the other Party shall have the following alternative remedies:
 - i. Immediately terminate this MOU.
 - ii. All other remedies provided by law.
- b. **For Convenience.** Either Party to this MOU may for any reason or no reason terminate this MOU at any time by giving the other Party thirty (30) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the Parties arising out of any transaction occurring prior to the effective date of such termination.
- c. **Non-Appropriation.** HPSJ reserves the right to terminate this MOU in the event insufficient funds are appropriated or budgeted for this MOU in any fiscal year. Upon



such termination, thirty (30) days written notice will notify Parties that such an action is required by the HPSJ.

If this MOU is completely or partially terminated, the records or data relating to the work terminated shall be transferred to HPSJ within five (5) working days and be permanently removed from CITY's electronic system.

13) NOTICES

Notices to be given by one Party to the other under this MOU shall be given in writing by email, personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A Party may change the address to which notice is to be given by giving notice as provided above.

If to CITY, to:

Attn: Stephen Schwabauer, City Manager
 City of Lodi
 221 W. Pine Street
 P.O. Box 3006
 Lodi, CA 95241-1910
 eMail: sschwabauer@lodi.gov
 Copy to: jrhynes@lodi.gov

If to HPSJ, to:

Attn: Chief Compliance Officer
 Health Plan of San Joaquin
 7751 South Mantney Road
 French Camp, CA 95231-9802
 eMail: PIU@hpsj.com

14) SOLE AGREEMENT

This MOU, including all attachments hereto, contains the entire agreement between the Parties relating to the services, rights, obligations and covenants contained herein and assumed by the Parties respectively. No inducements, representations or promises have been made, other than those recited in this MOU. No oral promise, modification, change or inducement shall be effective or given any force or effect.

15) MODIFICATIONS OF MOU

This MOU may only be modified in writing, signed by the Parties in interest at the time of the modification.

16) CONFIDENTIALITY

- a. The plan and provider collaboration in support of project(s) may require the exchange of confidential or proprietary information ("Confidential Information") as may be identified by either Party. The plan and provider agree to abide by processes and requirements applicable to the exchange of either's respective Confidential



Information, in accordance with applicable state or federal law. CITY shall adhere to all HIPAA regulations outlined in HIPAA Business Associate Agreement attached as Exhibit B.

- b. The Parties shall comply and require its officers, employees, agents, and/or subcontractors to comply with the provisions of Welfare and Institutions Code Section 10850 which requires the confidentiality of applications and records concerning individuals receiving public social services to insure that:
 - i. The applications and records of all individuals made or kept by a public officer or agency in connection with the administration of the provisions of the Welfare and Institutions Code relating to any form of public social services for which grants in aid are received by the State or Federal Government will be confidential and will not be open to examination for any purpose not directly connected with the administration of public social services or as required by law; and
 - ii. No person will publish or disclose, or use or permit, or cause to be published, disclosed, or used, any Confidential Information pertaining to an applicant or recipient of public social services.
 - iii. The Parties shall inform all officers, employees, agents and/or subcontractors of the above requirements and that any person knowingly and intentionally violating the provisions of State law is guilty of a misdemeanor.

17) GOVERNING LAW

Both Parties shall observe and comply with all applicable County, State and Federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference.

NONDISCRIMINATION

The Parties agree to be bound by the law related to Nondiscrimination in State and Federally Assisted Programs.

18) CONFLICTS OF INTEREST

Both Parties shall observe and comply with all Government Codes and the following:

- a. The Parties have read and are aware of the provisions of Sections 1090 *et seq.* and 87100 *et seq.* of the Government Code relating to conflict of interest of public officers and employees and agree to be bound thereby. The Parties certify that they are unaware of any financial or economic interest of any public officer or employee relating to this MOU. It is further understood and agreed that if such a financial interest does exist at the inception of this MOU, the Parties may immediately terminate this MOU by giving written notice thereof.



- b. The Parties certify that its employees and officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this MOU shall have any personal financial interest or benefits which either directly or indirectly arises from this MOU.
- c. The Parties shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family or business ties.

19) RELATIONSHIP OF PARTIES

The Parties agree that in undertaking the obligations provided under this MOU, each shall act as independent contractors and not as employees or related entities on behalf of the other Party.

20) SIGNATURE AUTHORITY

Each Party represents that they have full power and authority to enter into and perform this MOU, and the person signing this MOU on behalf of each Party has been properly authorized and empowered to enter into this MOU.

[Signatures to Follow]



IN WITNESS TO WHICH, each Party to this MOU has signed this MOU upon the date indicated, and agrees, for itself, its employees, officers, partners and successors, to be fully bound by all terms and conditions of this MOU.

**San Joaquin County Health Commission,
dba Health Plan of San Joaquin**

City of Lodi, a municipal corporation

DocuSigned by:
By: *Lizeth Granados*
Name: Lizeth Granados
Title: Chief Executive Officer
Date: 6/25/2023

DocuSigned by:
By: *D. Stephen Schwabauer*
Name: Stephen Schwabauer
Title: City Manager
Date: 6/23/2023

ATTEST:

DocuSigned by:
Olivia Nash 6/23/2023
Olivia Nash, City Clerk

APPROVED AS TO FORM:

DocuSigned by:
Katie Lucchesi 6/23/2023
Katie Lucchesi, Interim City Attorney

[Remainder of this page intentionally left blank.]

EXHIBIT A

CITY (Legal Name)	City of Lodi
CITY Tax Identification Number:	94-6000361
Copy of W-9 (Y/N)	Y
Project Name & Description:	<p>City of Lodi – Development of Transitional and Supportive Housing</p> <ul style="list-style-type: none"> ▪ Funding requested to establish transition and supportive housing by providing 44 rentable units to serve approximately 350 members for transitional and long-term supportive housing through the HHIP Program Year 2. To add, this will increase access and reduce barriers to homeless crisis and ensure households experiencing homelessness or at risk of homelessness has access to affordable housing solutions.
Project Timeline/Milestones	<p>City of Lodi – Development of Transitional and Supportive Housing</p> <p>May 2023: Execute Memorandum of Understanding between HPSJ/City of Lodi</p> <p>May-July 2023: Design and construction documentation complete and acquisition completed</p> <p>August-October 2023: Rehabilitation of building completed</p> <p>November – December 2023: Residents move-in and all invoices submitted to the City for final payments</p>
Total Proposed Funding:	\$3,000,000
Distribution of Proposed Funding:	<p>June 2023: \$1,500,000</p> <p>October 2023: \$1,500,000</p>



HIPAA BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**BAA**”), effective 15th Day of August, 2023 (“**Effective Date**”), is entered into by and between San Joaquin County Health Commission, operating and doing business as Health Plan of San Joaquin, a local initiative established under Section 5-7100 of the Ordinance Code of San Joaquin County (“**HPSJ**”), and City of Lodi, (“**Business Associate**”).

WHEREAS HPSJ is a health care service plan licensed under the California Knox-Keene Health Care Service Plan Act of 1975, with a principal place of business at 7751 S. Manthey Road, French Camp, CA 95231.

WHEREAS HPSJ is contracted with the California Department of Health Care Services (“**DHCS**”) to provide certain services to Medi-Cal beneficiaries and to arrange for the provision of certain health care services (the “**Medi-Cal Contract**”).

WHEREAS Business Associate is a an organization/service provider which provides housing and homeless to HPSJ members with a principal place of business at 221 W. Pine Street P.O. Box 3006, Lodi, California 95241-1910.

WHEREAS HPSJ and Business Associate have engaged or intend to engage in one or more agreements (each an “**Agreement**,” and collectively, the “**Agreements**”), which may require the use or disclosure of PHI on behalf of HPSJ in the performance of the services described in such Agreement(s) (the “**Services**”).

WHEREAS HPSJ and Business Associate are committed to complying with the Health Information Portability and Accountability Act of 1996 (“**HIPAA**”) and the Health Information Technology for Economic and Clinical Health Act (the “**HITECH Act**”) and any regulations promulgated thereunder (collectively, the “**HIPAA Rules**”), as well as any applicable confidentiality requirements under California law.

WHEREAS HPSJ is also required to incorporate certain provisions of the Medi-Cal Contract into this BAA and impose certain restrictions and conditions on Business Associate with respect to PHI under the Medi-Cal Contract.

WHEREAS Business Associate acting on DHCS’ behalf provides services or arranges, performs or assists in the performance of functions or activities on behalf of DHCS, and may create, receive, maintain, transmit, aggregate, use or disclose PHI (collectively, “use or disclose PHI”) in order to fulfill Business Associate’s obligations under DHCS’ contract.

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this BAA and to comply with all applicable legal requirements for the protection of the exchanged information, the parties agree as follows:

1. **Definitions.** Terms used but not otherwise defined in this BAA shall have the same meaning as set forth in HIPAA, the HITECH Act, and the HIPAA Rules. Those terms include but are not limited to: Breach, Data, Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Required by Law, Secretary, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions are as follows:

- (a) **BAA.** “BAA” shall mean this Business Associate Agreement, including the preamble and recitals.
- (b) **Business Associate.** “Business Associate” shall have the meaning given to such term in 45 CFR 160.103, and with respect to this BAA, shall mean the Business Associate named in the first paragraph of this BAA.
- (c) **CFR.** “CFR” shall mean the Code of Federal Regulations.
- (d) **Confidential Information.** “Confidential Information” shall mean any and all non-public, medical, financial and personal information in whatever form (written oral, visual, or electronic) possessed or obtained by either party. Confidential Information shall include all information which (i) either party has labeled in writing as confidential, (ii) is identified at the time of disclosure as confidential, (iii) is commonly regarded as confidential in the health care industry, or (iv) is Protected Health Information as defined by HIPAA.
- (e) **Covered Entity.** “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean California Department of Corrections and Rehabilitation, California Correctional Health Care Services (HPSJ).
- (f) **Electronic Protected Health Information or Electronic PHI.** “Electronic Protected Health Information or Electronic PHI” shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 CFR 160.103, as applied to the information that Business Associate creates, receives, maintains, or transmits from or on behalf of HPSJ. Electronic PHI shall include Personal Information as defined in California Civil Code Section 17988.80.
- (g) **HIPAA Rules.** “HIPAA Rules” shall mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR Parts 160 and 164.
- (h) **Privacy Rule.** “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and 164.
- (i) **Protected Health Information or PHI.** “Protected Health Information” or “PHI” shall have the same meaning as the term “protected health information” in 45 CFR 160.103, limited to the information that Business Associate creates, receives, maintains, or transmits from or on behalf of HPSJ. PHI shall include Personal Information as defined



in California Civil Code Section 1798.80.

(j) Security Incident. “Security Incident” shall have the same meaning given to such term under the Security Rule, including but not limited to, 45 CFR 164.304.

(k) Security Rule. “Security Rule” shall mean the Security Standards at 45 CFR Parts 160 and 164.

2. **Permitted Uses and Disclosures**. Specific Use and Disclosure Provisions. Except as otherwise indicated in this Agreement Business Associate may:

(a) Use and disclose for management and administration. Use and disclose Protected Health Information (PHI) for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it was aware that the confidentiality of the information has been breached.

(b) Provision of Data Aggregation Services. Use PHI to provide data aggregation services to the Health Plan of San Joaquin (HPSJ). Data aggregation means the combining of PHI created or received by the Business Associate on behalf of HPSJ with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit analyses that relate to the health care operations of HPSJ.

(c) Except as otherwise indicated in DHCS’ contract, Business Associate may use or disclose PHI, inclusive of de-identified data derived from such PHI, only to perform functions, activities or services specified in this Agreement on behalf of DHCS, provided that such use or disclosure would not violate HIPAA or other applicable laws if done by DHCS.

3. **Prohibited Uses and Disclosures**. Specific Prohibitions on Disclosures. Except as otherwise indicated in this Agreement Business Associate may not:

(a) Use or disclosure of PHI for payment. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).

(b) Sell or Exchange PHI for Remuneration. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of HPSJ and as permitted by 42 U.S.C. section 17935(d) (2).

(c) **Compliance with Other Applicable Law**

- i. To the extent that other state and/or federal laws provide additional, stricter and/or more protective (collectively, more protective) privacy and/or security protections to PHI or other confidential information covered under this Agreement beyond those provided through HIPAA, Business Associate agrees:

- (i) To comply with the more protective of the privacy and security standards set forth in applicable state or federal laws to the extent such standards provide a greater degree of protection and security than HIPAA or are otherwise more favorable to the individuals whose information is concerned; and
 - (ii) To treat any violation of such additional and/or more protective standards as a breach or security incident, as appropriate, pursuant to Section 18. of this Agreement.
- (d) Examples of laws that provide additional and/or stricter privacy protections to certain types of PHI and/or confidential information, as defined in Section 4 of this Agreement, include, but are not limited to the Information Practices Act, California Civil Code sections 1798-1798.78, Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR Part 2, Welfare and Institutions Code section 5328, and California Health and Safety Code section 11845.5.
- (e) If Business Associate is a Qualified Service Organization (QSO) as defined in 42 CFR section 2.11, Business Associate agrees to be bound by and comply with subdivisions (2)(i) and (2)(ii) under the definition of QSO in 42 CFR section 2.11.
4. **Obligations of Business Associate.** Business Associate agrees:
- (a) Nondisclosure. Not to use or disclose PHI other than as permitted or required by this Agreement or as required by law.
 - (b) Safeguards. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of HPSJ in compliance with 45 CFR sections 164.308, 164.310 and 165.312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information policy and security program that includes administrative, technical, and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature of the scope of its activities, and which incorporates the requirements of section 3, Security below. Business Associate will provide HPSJ with its current and updated policies.
 - (c) Security. To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or personally identifiable information (PII), and to protect documents containing PHI and/or PII. These steps shall include, at a minimum:
 - i. To comply with all data system security precautions listed in section IX, Business Associate Data Security Requirements.
 - (d) To achieve and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of HPSJ under this

agreement.

- (e) To provide a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III-Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
- (f) In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.
- (g) Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with HPSJ.
- (h) Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate and its subcontractors in violation of the requirements of this Agreement.
- (i) Duty of Business Associate to Comply with HIPAA When Associating with Agents and Subcontractors.
- (j) Business Associate shall notify DHCS immediately upon the discovery of a suspected breach or security incident that involves SSA data. This notification will be provided by email upon discovery of the breach. If Business Associate is unable to provide notification by email, then Business Associate shall provide notice by telephone to DHCS. Business Associate shall provide, upon request by DHCS, a list of all employees and agents and employees who have access to such data, including employees and agents of its agents, to DHCS.
- (k) Business Associate shall enter written agreements with any agents, including subcontractors and vendors, to whom Business Associates provides PHI or PII received from or created or received by Business Associate on behalf of HPSJ, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Business Associate with respect to such PHI and PII under this Agreement and that comply with all applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations, and the Final Omnibus Rule, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PII. Business Associates are directly liable under the HIPAA Rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of protected health information that are not authorized by its contract or required by law. A Business Associate also is a subcontractor that creates, receives, maintains, or transmits protected health information on behalf of another business associate. Business Associate shall incorporate, when applicable, the relevant provisions of this Agreement into each subcontract or sub award to such agents, subcontractors, and vendors, including the requirements that any security incidents or breaches of unsecured PHI or PII be

- reported to Business Associate.
- (l) In accordance with 45 CFR section 164.504(e)(1)(ii), upon Business Associate's knowledge of a material breach or violation by its subcontractor of the agreement between Business Associate and the subcontractor
 - (m), Business Associate shall:
 - i. Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure or end the violation within the time specified by HPSJ; or
 - ii. Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.
 - (n) Availability of Information to HPSJ and individuals. To provide access and information:
 - (o) HPSJ may require Business Associate to deliver to HPSJ (or as directed by HPSJ to another individual or entity) PHI in a designated Record Set upon reasonable notice in the time and manner designated by HPSJ and during Business Associate's normal business hours in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for HPSJ that includes medical, dental, and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for HPSJ health plans; or those records used to make decisions about individuals on behalf of HPSJ. Business Associate shall use the forms and processes developed by HPSJ for this purpose and shall respond to request for access to records transmitted by HPSJ within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.
 - (p) If Business Associate maintains an Electronic Health Record with PHI and a copy of such information is requested in an electronic format, Business Associate shall provide such information in an electronic format to enable HPSJ to fulfill its obligations under the HITECH Act, including but not limited to 42 U.S.C section 17935(e).
 - (q) If Business Associate receives data from HPSJ that was provided to HPSJ by the Social Security Administration, upon request by HPSJ Business Associate shall provide HPSJ with a list of all employees, contractors, and agents who have access to the Social Security data, including employees, contractors, and agents of its subcontractors and agents.
 - (r) Amendment of PHI. To make any amendment(s) to PHI that HPSJ directs or agrees to pursuant to 45 CFR section 165.526, in the time and manner designated by HPSJ.
 - (s) Internal Practices. To make Business Associate's internal practices, books and records available to HPSJ, DHCS, or to the Secretary of the U.S. Department of Health and Human Services relating to the use and disclosure of PHI received from HPSJ or created or received by Business Associate on behalf of HPSJ in a time and manner designated by HPSJ or by the Secretary for purposes of determining HPSJ compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails



or refuses to furnish the information to Business Associate, Business Associate shall so certify to HPSJ and shall set forth the efforts it made to obtain the information.

- (t) Documentation of Unauthorized Disclosures. To document and make available to HPSJ or at the direction of HPSJ such unauthorized disclosures of PHI within 14 calendar days of the request in the form and manner requested by HPSJ, and information related to such disclosures, necessary to respond to a proper request by the subject individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR section 164.528 and 42 U.S.C. section 17935.
- (u) Breaches and Information Security Incidents. During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or information security incident, and to take the following steps:
- (v) Notice to HPSJ.
- i. To notify HPSJ immediately upon the discovery of a confirmed information security incident that involves the data subject to this Business Associate Agreement. This notification will be by telephone call plus email or fax upon confirmation of discovery of the information security incident.
 - ii. To notify HPSJ within 24 hours by email or fax of the discovery of unsecured PHI or PII in electronic media or in any other media if the PHI or PII was or is reasonably believed to have been accessed or acquired by an unauthorized person, any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PII in violation of this Agreement and this Agreement, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.
 - iii. Notice shall be provided to the HPSJ Program Contract Manager, the HPSJ Privacy Officer and the HPSJ Information Security Officer. If the incident occurs after business hours or on a weekend or holiday, notice shall be provided by calling the HPSJ ITSD Service Desk immediately. Notice shall be made using the "HPSJ Information Security Incident Report" form (ISIR), attached hereto as Attachment 1 to this Agreement, including all information known at the time, and emailed to the HPSJ Privacy Office at PIU@HPSJ.COM.
 - iv. Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PII, Business Associate shall take:
 - (i) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
 - (ii) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

(w) Investigation and Investigation Report.

- i. Investigation. To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PII and the ISIR did not include all the requested information, then within 72 hours of the discovery, Business Associate shall submit an updated HPSJ Information Security Incident Report (ISIR) containing the information marked with an asterisk and all other applicable information listed on the ISIR known at the time, to the HPSJ Program Contract Manager, the HPSJ Privacy Officer, and the HPSJ Information Security Officer.
- ii. Complete Report. To provide a complete report of the investigation to the HPSJ Program Contract Manager, the HPSJ Privacy Officer, and the HPSJ information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. If all the required information was not included in either the initial report or the Investigation Report, then a separate Complete Report must be submitted. The report shall be submitted on the HPSJ Information Security Incident Report form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If HPSJ or DHCS request information in addition to that listed on the HPSJ Information Security Incident Report form, Business Associate shall make reasonable efforts to provide HPSJ or DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "HPSJ Information Security Incident Report" form. HPSJ will review and approve or disapprove the determination of whether a breach occurred, is reportable to the appropriate entities, if individual notifications are required, and the corrective action plan.
- iii. De-identification of Individuals. If the cause of a breach of PHI or PII is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any cost associated with the breach. The notifications shall comply with requirements set forth in 42 O.S.C. section 17932 and implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The HPSJ Program Contract Manager, the HPSJ Privacy Officer, and the HPSJ Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.

(x) Responsibility for Reporting of Breaches. If the cause of a breach PHI or PII is



attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.S. Section 17932 and its implementing regulations, including notifications to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction and Business Associate has reason to believe that duplicate reporting of the same breach or incident to HPSJ in addition to Business Associate may occur, Business Associate shall notify HPSJ, and HPSJ and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph in addition to the reporting requirements set forth in paragraph J subsection 1, above.

- (y) HPSJ Contact Information. To direct communications to the above referenced HPSJ staff, the Contractor shall initiate contact as indicated herein. HPSJ reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement or the Agreement to which it is incorporated.

HPSJ Program Contract Manager	HPSJ Privacy Officer
See the Scope of Work exhibit for Program Contract Manager Information	Chief Compliance Officer & Privacy Officer Health Plan of San Joaquin 7751 South Manthey Rd. French Camp, CA 95231-9802 Email: PIU@hpsj.com

- (z) Training Requirement. In accordance with HPSJ policy, all personnel assigned by the Contractor or any of its subcontractors pursuant to the underlying Agreement who access HPSJ systems shall complete Privacy Awareness and Information Security Awareness Training that is required of all individuals who may access PHI or PII before being provided credentials to access such information.

- (aa) Termination of Agreement. In accordance with Section 13404 (b) of the HITECH Act and to the extent required by the HIPAA regulations, if Business Associate knows of a material breach or violation by HPSJ of this Agreement, the Business Associates shall take the following steps:

- i. Provide an opportunity for HPSJ to cure the breach or end the violation and terminate the Agreement if HPSJ does not cure the breach or end the violation within the time specified by Business Associate; or
- ii. Immediately terminate the Agreement if HPSJ has breached a material term of the Agreement and cure is not possible.
- iii. Due Diligence. Business Associate shall exercise and shall take reasonable steps to ensure that it remains in compliance with this Agreement and is in compliance with applicable provisions of HIPAA, the HITECH Act, and the HIPAA regulations and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Agreement.
- iv. Sanctions and/or Penalties. Business Associates understands that a failure to



comply with the provisions of HIPAA, the HITECH Act, and the HIPAA regulations that are applicable to Business Associates may result in the imposition of sanctions and/or penalties on Business Associate under HIPAA the HITECH Act and the HIPAA regulations.

5. **Obligations of HPSJ.**

HPSJ agrees:

- (a) Notice of Privacy Practices. To provide Business Associate with the Notice of Privacy Practices that HPSJ produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. The most current HPSJ Notice of Privacy Practices is attached to this Agreement as Attachment 2 to Addendum B.
- (b) Permission by Individuals for Use and Disclosure of PHI. To provide the Business Associate with any changes in, or revocation of, permission by an individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.
- (c) Notification of Restrictions. To notify the Business Associate of any restriction to the use or disclosure of PHI that HPSJ has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.
- (d) Requests Conflicting with HIPAA Rules. Not request the Business Associate to use or disclose PHI in a manner that would not be permissible under the HIPAA regulations if done by HPSJ.

6. **Audits, Inspections, and Enforcement.**

- (a) Inspection. From time to time, on a frequency of at least annually or more frequent than annually if HPSJ determines there is good cause, or at any point in time for DHCS, HPSJ or DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement. Business Associate shall promptly remedy any violation of any provisions of this Agreement and shall certify the same to the HPSJ Privacy Officer in writing. Whether or how HPSJ or DHCS exercise this provision shall not in any respect relieve the Business Associate of its responsibilities to comply with this agreement. The fact that HPSJ inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Agreement, nor does HPSJ's or DHCS' failure to detect or failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of HPSJ or DHCS enforcement rights under this Agreement.
- (b) Notification Requirement. If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary of the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Agreement, Business Associate shall notify HPSJ and provide HPSJ with a copy of any PHI or PII that Business Associate provides to the Secretary or the Office of



Civil Rights concurrently by providing such PHI or PII to the Secretary. Business Associate is responsible for any civil penalties assessed against the Business Associate due to an audit or investigation of the Business Associate, in accordance with 42 U.S.C. section 17934 (c).

7. **Termination.**

- (a) **Term.** The term of this HIPAA Business Associate Agreement shall commence as of the effective date of this Agreement to which it attaches and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by HPSJ to Business Associate or created or received by Business Associate on behalf of HPSJ is destroyed or returned to HPSJ in accordance with 45 CFR 164.504(e) (2) (ii) (I). Any extensions or renegotiations of this Agreement shall be reviewed by both parties.
- (b) **Termination for Cause.** In accordance with 45 CFR section 164.504(e) (1) (ii), upon HPSJ knowledge of material breach or violation of this Agreement by Business Associate, HPSJ shall:
- i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by HPSJ; or
 - ii. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible.
- (c) **Judicial or Administrative Proceedings.** Business Associate will notify HPSJ if it is named as a defendant in a criminal proceeding for a violation of HIPAA. HPSJ may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. HPSJ may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA or other security or privacy laws in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- (d) **Effect of Termination.** Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from HPSJ (or created or received by Business Associate on behalf of HPSJ) that Business Associate still maintains in any form and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify HPSJ of the conditions under which Business Associate may retain the PHI. Business Associate shall continue to extend the protections of this Agreement to such PHI and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to the PHI that is in the possession of subcontractors or agents of Business Associate.

8. **Miscellaneous Provisions.**

- (a) **Disclaimer.** HPSJ makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business

Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible and accountable for all decisions made by Business Associate or its subcontractors regarding the safeguarding of PHI.

- (b) Compliance with DHCS Obligations. To the extent Business Associate is to carry out an obligation of DHCS under 45 CFR Part 164, Subpart E, comply with the requirements of the subpart that apply to DHCS in the performance of such obligation.
- (c) Amendment. The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments. Any provision of this Agreement which conflicts with current or future applicable Federal or State laws is hereby amended to conform to the provisions of those laws. Such amendment of this Agreement shall be effective on the effective date of the laws necessitating it and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable state laws relating to the security or privacy of PHI. Upon HPSJ request, Business Associate agrees to promptly enter into negotiations with HPSJ concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable state requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable state laws. HPSJ may terminate this Agreement upon thirty (30) days written notice in the event:
- i. Business Associate fails to promptly enter into an amendment to this Agreement when requested by HPSJ pursuant to this Section; or
 - ii. Business Associate fails to enter into an amendment to this Agreement providing assurances regarding the safeguarding of PHI that HPSJ in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- (d) Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any subcontractors, employees or agents assisting in Business Associate in the performance of its obligations under this Agreement available to it at no cost to HPSJ and/or DHCS to testify as witnesses or otherwise in the event of litigation or administrative proceedings being commenced against HPSJ or DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations, or other laws relating to security and privacy which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.
- (e) No Third-Party Beneficiaries. Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer upon any person other than HPSJ or Business Associate and their respective

successors or assignees any rights, remedies, obligations or liabilities whatsoever.

- (f) Interpretation. The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, and the HIPAA regulations.
- (g) Governing Law. This BAA shall be governed by and construed in accordance with the laws of the state of California to the extent not preempted by HIPAA, the HITECH Act, the HIPAA Rules or other applicable federal law. The laws of the State of California shall apply to the interpretation of this BAA, or in case of any disagreement between the parties, without regard to any conflicts of law provisions to the contrary; the venue of any proceedings shall be the appropriate federal or state court in San Joaquin County, CA.
- (h) Independent Contractors. Business Associate and HPSJ are independent contractors and this BAA shall not establish any relationship of partnership, joint venture, employment, franchise, or agency between Business Associate and HPSJ. Neither Business Associate nor HPSJ will have the power to bind the other or incur obligations on the other party's behalf without the other party's prior written consent, except as otherwise expressly provided in this BAA.
- (i) Conflicts. In the event that any terms of this BAA are inconsistent with the terms of the Agreement(s), then the terms of this BAA shall control. This BAA supersedes any prior BAA between the parties and those portions of any Agreement between the parties that involve the disclosure of PHI by HPSJ to Business Associate.
- (j) Assignment. Business Associate shall not assign either its obligations or benefits under this BAA without the expressed written consent of HPSJ, which shall be at the sole discretion of HPSJ. Given the nature of this BAA, neither subcontracting nor assignment by the Business Associate is anticipated and the use of those terms herein does not indicate permission to assign or subcontract has been granted.
- (k) Indemnification. In addition to any indemnities set forth in the Agreement(s), Business Associate shall indemnify and defend HPSJ from and against any and all claims, losses, damages, expenses or other liabilities, including reasonable attorney's fees, incurred as a result of any breach of any representation, warranty, covenant, agreement or other obligation expressly contained herein by Business Associate, its employees, agents, Subcontractors or other representatives. Business Associate acknowledges and agrees that the confidentiality requirements herein apply to all its employees, agents and representatives and subcontractors. Business Associate assumes responsibility and liability for any damages or claims, including state and federal administrative proceedings and sanctions, against HPSJ, including costs and attorney's fees, resulting from the breach by Business Associate of the confidentiality requirements of this BAA.
- (l) Survival. The obligations of Business Associate under this Agreement shall survive



the termination of the Agreement to which this HIPAA Business Associate Agreement attaches.

- (m) No Waiver of Obligations. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation or shall prohibit enforcement of any obligation on any other occasion.
- (n) **Monitoring.** As applicable, Business Associate shall comply with monitoring requirements of HPSJ's contracts with regulator(s) or any other monitoring requests by HPSJ's regulator(s).
- (a) This HIPAA Business Associate Agreement shall be agreed to and effective upon execution of the Agreement number to which it is attached as an Exhibit and is incorporated by reference thereto.

If to Business Partner, to:

Attn: Stephen Schwabauer, City Manager
City of Lodi
221 W. Pine Street. P.O. Box 3006 Lodi,
California 95241-1910
eMail: sschwabauer@lodi.gov

If to HPSJ, to:

Attn: Chief Compliance Officer
Health Plan of San Joaquin
7751 South Manthey Road
French Camp, CA 95231-9802
eMail: PIU@hpsj.com

[Signatures to Follow]



INTENDING TO BE LEGALLY BOUND, the parties hereto have caused this BAA to be executed by their duly authorized representatives.

**San Joaquin County Health Commission,
dba Health Plan of San Joaquin**

City of Lodi

DocuSigned by:
Lizeth Granados
E3D607AE3066423...
Name: Lizeth Granados

Title: Chief Executive Officer

Date: 8/28/2023

DocuSigned by:
Stephen Schwabauer
7E38FE13770C4F2...
Name: Stephen Schwabauer

Title: City Manager

Date: 8/28/2023

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BUSINESS ASSOCIATE DATA SECURITY REQUIREMENTS

1. PERSONNEL CONTROLS.

(a) Training. All workforce members, whether employees, independent contractors or subcontractors of Business Associate who assist in the performance of functions or activities on behalf of HPSJ, or access or disclose HPSJ PHI or PII on HPSJ systems must complete information privacy and security training at least annually at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.

(b) Discipline. Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment or work assignment, whether by employment or contract where appropriate.

(c) Confidentiality Statement. All persons that will be working with HPSJ PHI or PII must sign a confidentiality statement that includes, at a minimum, General Use Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to HPSJ PHI or PII. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for HPSJ inspection for a period of six (6) years following contract termination.

(d) Background Check. Before a member of the workforce may access HPSJ PHI or PII, a thorough background check of that workforce member must be conducted, with evaluation of the results to assure that there is no indication that the workforce member may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

2. TECHNICAL SECURITY CONTROLS.

(a) Safeguards: Business Associate shall use safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI and other confidential data and comply, where applicable, with subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of the information other than as provided for by this Agreement. Such safeguards shall be based on applicable Federal Information Processing Standards (FIPS) Publication 199 protection levels.

(b) Workstation/Laptop encryption. All workstations and laptops that process and/or store HPSJ PHI or PI must be encrypted using a FIPS 140-2 Annex A certified algorithm which is 256 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the HPSJ Information Security Office.

(c) Server Security. Servers containing unencrypted HPSJ PHI or PII must have appropriate administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

(d) Minimum Necessary. Only the minimum necessary amount of HPSJ PHI or PII required to perform necessary business functions may be copied, downloaded, or exported.

(e) Removable media devices. Per NIST 800-53 controls, all electronic files that contain HPSJ PHI or PII data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 Annex A listed certified algorithm such as AES, which is 256 bit or higher per HPSJ standards.

(f) Antivirus software. All workstations, laptops and other systems that process and/or store HPSJ PHI or PII must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily and keep virus software up-to-date.

(g) Patch Management. All workstations, laptops and other systems that process and/or store HPSJ PHI or PII must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release. Business Associate shall apply security patches and upgrades, and keep virus software up-to-date, on all systems on which PHI and other confidential information may be used.

(h) User IDs and Password Controls. All users must be issued a unique username for accessing HPSJ PHI or PII. Usernames must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days and preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:

- i. Upper case letters (A-Z)
- ii. Lower case letters (a-z)
- iii. Arabic numerals (0-9)
- iv. Non-alphanumeric characters (punctuation symbols)

(i) Data Destruction. When no longer needed, all HPSJ PHI or PII must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.



- (j) System Timeout. The system providing access to HPSJ PHI or PII must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of non-activity.

- (k) Warning Banners. All systems providing access to HPSJ PHI or PII must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.

- (l) System Logging. The system must maintain an automated audit trail which can identify the user or system process which initiates a request for HPSJ PHI or PII, or which alters HPSJ PHI or PII. The audit trail must be date and time stamped, must log both successful and failed attempts at access, must be read only, and must be restricted to authorized users. If HPSJ PHI or PII is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- (m) Access Controls. The system providing access to HPSJ PHI or PII must use role-based access controls for all user authentications, enforcing the principle of least privilege.
- (n) Transmission encryption. All data transmissions of HPSJ PHI or PII outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 256 bit or higher, such as AES. Encryption can be end-to-end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PII in motion such as website access, file transfer, and E-Mail. In addition, Business Associate shall maintain, at a minimum, the most current industry standards for transmission and storage of PHI and other confidential information.
- (o) Intrusion Detection. All systems involved in accessing, holding, transporting, and protecting HPSJ PHI or PII that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3. AUDIT CONTROLS.

- (a) System Security Review. All systems processing and/or storing HPSJ PHI or PII must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- (b) Log Reviews, Business Continuity, and Disaster Recovery Controls. All systems processing and/or storing HPSJ PHI or PII must have a routine procedure in place to review system logs for unauthorized access.
- (c) Change Control. All systems processing and/or storing HPSJ PHI or PII must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4. BUSINESS CONTINUITY AND DISASTER RECOVERY CONTROLS.

- (a) Emergency Mode Operation Plan. Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic HPSJ PHI or PII in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

(b) Data Backup Plan. Contractor must have established documented procedures to backup HPSJ PHI to maintain retrievable exact copies of HPSJ PHI or PII. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore HPSJ PHI or PII should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of HPSJ data.

5. PAPER DOCUMENT CONTROLS.

(a) Supervision of Data. HPSJ PHI or PII in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. HPSJ PHI or PII in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

(b) Escorting Visitors. Where applicable, visitors to areas where HPSJ PHI or PII is contained shall be escorted and HPSJ PHI or PII shall be kept out of sight while visitors are in the area.

(c) Confidential Destruction. HPSJ PHI or PII must be disposed of through confidential means, such as cross-cut shredding and pulverizing.

(d) Removal of Data. HPSJ PHI or PII must not be removed from the premises of the Contractor except with express written permission of HPSJ.

(e) Faxing. Faxes containing HPSJ PHI or PII shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.

(f) Mailing. Mailings of HPSJ PHI or PII shall be sealed and secured from damage or inappropriate viewing of PHI or PII to the extent possible. Mailings which include 500 or more individually identifiable records of HPSJ PHI or PII in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of HPSJ to use another method is obtained.

6. EFFECTIVE DATE AND EXECUTION.

(a) This HIPAA Business Associate Agreement shall be agreed to and effective upon execution of the Agreement number to which it is attached as an Exhibit and is incorporated by reference thereto.

EXHIBIT D
REAP SUBRECIPIENT AGREEMENT EXCERPT

1.1 Project Description. The project description, scope of work, delivery schedule, and the anticipated timing for release of REAP funds are specified in Exhibit “A” and incorporated herein by this reference.

1.2 Change In Project Scope. A change in the project scope as described by Exhibit “A” may not be implemented until it has been approved by SJCOG.

1.3 Eligible Reimbursement Costs. Eligible reimbursement costs shall be those costs as defined by the statutes, rules and regulations of the State of California Housing and Community Development Department.

1.4. Use of Funds. Sponsor shall use REAP funds consistent with the Project Scope of Work, as described in Exhibit "A" or approved by SJCOG pursuant to Section 1.2.

1.5 Timely Use of Funds. REAP funds are one-time housing planning funds with an expenditure deadline of December 31, 2024 (as amended). SJCOG staff will monitor expenditures on an annual basis to

minimize the risk of losing funds that are intended to benefit the region. If expenditures are behind schedule, SJCOG staff may reach out to Sponsor to determine a schedule to expend funds or whether it may be appropriate to reprogram funds. To meet the state expenditure deadline and submit required reporting and invoicing, all REAP funds shall be expended by August 31, 2023.

1.6 Completion of Project. Sponsor shall be responsible for the timely completion of the Project and to provide management of consultant and contractor activities, including responsibility for schedule, budget and oversight of the services, consistent with the scope of work. The Cooperative agreement end date is December 31, 2024 (as amended).

1.7 Invoices and Progress Reports. Sponsor shall submit an invoice and progress report on a quarterly basis for eligible expenses incurred for activities conducted over the cooperative agreement period.

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EXHIBIT E
PLHA SUBRECIPIENT AGREEMENT

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STANDARD AGREEMENT
STD 213 (Rev. 03/2019)

AGREEMENT NUMBER
20-PLHA-15164

PURCHASING AUTHORITY NUMBER (if applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR'S NAME
City of Lodi

2. The term of this Agreement is:

START DATE
Upon HCD Approval
THROUGH END DATE
6/30/2030

3. The maximum amount of this Agreement is:
\$336,265.00

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.

EXHIBITS	TITLE	PAGES
Exhibit A	Authority, Purpose and Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	PLHA Program Terms and Conditions	9
Exhibit E	Program-Specific Provisions and Special Conditions	2
TOTAL NUMBER OF PAGES ATTACHED		19

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

City of Lodi

CONTRACTOR BUSINESS ADDRESS
P.O. Box 3006
CITY: Lodi
STATE: CA
ZIP: 95241

PRINTED NAME OF PERSON SIGNING: Stephen Schwabauer
TITLE: City Manager
CONTRACTOR AUTHORIZED SIGNATURE: [Signature]
DATE SIGNED: February 24, 2021

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS
2020 W. El Camino Ave., Suite 130
CITY: Sacramento
STATE: CA
ZIP: 95833

PRINTED NAME OF PERSON SIGNING: Shaun Singh
TITLE: Contracts Manager, Business & Contract Services Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE: [Signature]
DATE SIGNED: 3/22/2021
California Department of General Services Approval (or exemption, if applicable)

Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

Approved as to Form:

[Signature]
JANICE D. MAGDICH
City Attorney

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

Pursuant to Part 2 Chapter 2.5 of Division 31 of the Health and Safety Code (commencing with Section 50470) Statutes of 2017 (SB 2, Atkins), which created the Building Homes and Jobs Trust Fund and the Permanent Local Housing Allocation (“PLHA”) Program (“Program”), this Standard Agreement along with all its exhibits (the “Agreement”) is entered under the authority of and in furtherance of the Program. Pursuant to Health and Safety Code, Section 50470 (b), the California Department of Housing and Community Development (referred to herein as “HCD” or “Department”) has issued a Notice of Funding Availability (the “NOFA”), dated February 26, 2020, to govern administration of the fund and carry out the Program.

2. Purpose

In accordance with the authority cited above, an application was made to the State (the “Application”) for assistance from the Program for the purpose of making funding available to eligible local governments in California for housing related projects and programs that assist in addressing the unmet housing needs of their local communities. By entering into this Agreement and thereby accepting the award of the PLHA grant funds (the “Grant”), the Contractor (sometimes referred to herein as the “Applicant”) agrees to comply with the terms and conditions of the NOFA, this Agreement, the representations contained in the Application, and the requirements of the authorities cited above.

3. Definitions

Capitalized terms not otherwise defined herein shall have the meaning of the definitions set forth in Health and Safety Code Section 50470 and Section 101 of the Guidelines.

4. Scope of Work

- A. The scope of work (“Work”) for this Agreement shall consist of one or more of the following eligible uses:
 - 1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households, including necessary Operating subsidies.

EXHIBIT A

- 2) The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory dwelling units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for a term of no less than thirty days.
- 3) Matching portions of funds placed into local or regional housing trust funds.
- 4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.
- 5) Capitalized Reserves for Services connected to the preservation and creation of new Permanent supportive housing.
- 6) Assisting persons who are experiencing or at risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
 - a) This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
 - b) Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with WIC Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255, subdivision (b).
- 7) Accessibility modifications in Lower-income Owner-occupied housing.

EXHIBIT A

- 8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
 - 9) Homeownership opportunities, including, but not limited to, down payment assistance.
 - 10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing Projects, or matching funds invested by a county in an Affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low interest deferred loan to the Affordable housing Project.
- B. A Local government that receives an allocation shall use no more than five percent of the allocation for costs related to the administration of the Activity(ies) for which the allocation was made. Staff and overhead costs directly related to carrying out the eligible activities described in Section 301 are “activity costs” and not subject to the cap on “administrative costs.” A Local government may share any funds available for administrative costs with entities that are administering its allocation.
- C. Two or more local governments that receive PLHA allocations may expend those moneys on an eligible jointly funded project as provided in Section 50470 (b)(2)(B)(ii)(IV). An eligible jointly funded project must be an eligible Activity pursuant to Section 301(a) and be located within the boundaries of one of the Local governments.
- D. Entitlement Local governments may use the flow of PLHA funds to incentivize private lender loans and to guarantee payments for some or all public agency bond financings for activities consistent with the uses identified in Section 301 “Eligible Activities”. This loan guarantee Activity must be identified and fully explained in the Applicant’s “Plan”.

EXHIBIT A

5. Department Contract Coordinator

The Department's Contract Coordinator for this Agreement is the Division of Financial Assistance, Grant Management Section PLHA Manager or their designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development
Attention: Permanent Local Housing Allocation (PLHA)
Grant Management Section, Suite 400
2020 West El Camino Avenue, CA 95833
P. O. Box 952050
Sacramento, CA 94252-2050

6. Contractor Contract Coordinator

The Contractor's contract coordinator for this Agreement is the Authorized Representative listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement may be mailed by first class mail, or sent through a commercial courier to the Authorized Representative at the following address:

Authorized Representative Name:	Steve Schwabauer
Authorized Representative Title:	City Manager
Agency Name:	City of Lodi
Address:	P.O. Box 3006 Lodi, CA 95241-1910
Phone No.:	(209) 333-6700
Email Address:	citymanager@lodi.gov

7. Effective Date, Term of Agreement, and Deadlines

- A. This Agreement is effective upon approval by the Department, which is the date executed by all parties (such date, the "Effective Date").
- B. This Agreement shall terminate on June 30, 2030.

EXHIBIT A

- C. Except for predevelopment expenses for construction projects funded by PLHA and costs to develop and prepare the Plan and the PLHA application, no costs incurred more than one year prior to commitment by the Local government may be paid from PLHA funds. Reimbursement of expenses to prepare the Plan and the PLHA application are subject to the cap on administrative fees.

- D. Any Grant funds which have not been expended by the expenditure deadline shall be disencumbered and revert to the Department. The expenditure deadline is fifty-eight months from the date of the budget appropriation for each year of funds included in this Agreement.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

The budget detail is contained in Exhibit E in this Agreement.

Contractor will be responsible for maintaining oversight of grant amounts and determining whether an amended PLHA Plan is required due to reallocation of more than ten percent among Activities funded per Section 302(c)(5).

2. Conditions of Disbursement

Prior to receiving any Grant funds, the Contractor shall submit the following for the Department's approval:

- A. Government TIN Form, as applicable.
- B. No Funding will be disbursed to Contractor unless Contractor and any delegating Local government has an approved Housing Element and is in compliance with the Housing Element Annual Progress Report requirements, pursuant to PLHA Program Guidelines section 302(a) and (b).
- C. Contractor shall not be eligible to receive a new allocation if the Contractor has accrued an uncommitted amount of four times the pending allocation if the pending allocation is \$125,000 or less; or \$500,000 if the pending allocation is greater than \$125,000 and less than \$500,000; or the amount of the pending allocation if the allocation is \$500,000 or more.

3. Performance

- A. All funds must be disbursed within fifty-eight months of the budget appropriation. Funds that are not disbursed within fifty-eight months of the budget appropriation will revert to the Housing Rehabilitation Loan Fund.

EXHIBIT B

- B. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be reduced proportionate to those years already allocated, calculated at the time that the appropriation is reduced or terminated and reduced accordingly. All subsequent years shall be terminated, and the grant agreement shall be of no further force and effect, after amounts due for the period upon the reduced appropriation or termination are returned by the Contractor to the State. In this event, the State and Contractor shall be relieved of any and all obligations under this Agreement. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the Agreement and amount allocated to Contractor.

4. **Fiscal Administration**

- A. The Contractor may request a disbursement of 100 percent of total awarded Grant funds after executing the Standard Agreement. Administrative costs related to the planning and execution of eligible activities shall not exceed five percent of the Grant amount.
- B. A separate checking account for the Grant funds is not required. However, the Contractor shall deposit Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities and accounted for in Contractor's annual report.
- C. The Contractor shall make a good faith effort to minimize the number of disbursement requests by anticipating and requesting funds in advance.
- D. The Contractor may request that Grant funds awarded for a certain eligible activity be moved to another activity without an amendment to this Agreement. This request must be made in writing to HCD if the change from one activity to another exceeds ten percent of the grant amount and shall be effective only upon written HCD approval. HCD's decision to approve or deny any such request shall be final, absent fraud, mistake or arbitrariness per Section 302(c)(5).

EXHIBIT B

5. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the subsequent years covered under this Agreement does not appropriate sufficient funds for the program this Agreement shall remain in force and effect until the time of notice of reduced or terminated appropriation, The Agreement shall be terminated by the State by providing Contractor written notice of not less than thirty days prior to the effective date of the termination. In the event of termination by the State due to lack of Budget appropriation, the State and Contractor shall be relieved of any and all obligations under this Grant Agreement on the effective date of termination and the Contractor shall return the amount for subsequent year allocations.

- B. Subject to Section 5A. above, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the sole discretion to cancel this Agreement without cause, no liability occurring to the State, or amend the current Grant Agreement and amount allocated to Contractor.

EXHIBIT D

PLHA PROGRAM TERMS AND CONDITIONS

1. Effective Date, Commencement of Work

This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD 213. Contractor agrees that work under this agreement shall not commence until execution of the STD 213, (the "Effective Date").

2. Strict Compliance

Contractor will strictly comply with the terms, conditions and requirements of the Permanent Local Housing Allocation (PLHA) Statutes, Guidelines, the Notice of Funding Availability (NOFA), and this Agreement.

3. Contractor's Application for Funds

- A. Contractor has submitted to the Department an Application for a Grant under the Program. The Department is entering into this Agreement based on, 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 the Department. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.
- B. 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 the Department's approval, disbursement, or monitoring of the funding and the Grants or activities governed by this Agreement, then the Department may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

EXHIBIT D

4. Eligible Activities

Grant funds awarded to the Contractor and expended by either the Contractor or any entity to which Contractor awards funds shall be used for the eligible activities set forth in Exhibit A as required by the PLHA Statutes. The following additional requirements shall apply:

- A. Each Contractor shall submit a Plan detailing:
- 1) The manner in which allocated funds will be used for eligible activities.
 - 2) A description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below sixty percent of AMI. Programs targeted at households at or below sixty percent of AMI will be deemed to meet this requirement.
 - 3) A description of how the Plan is consistent with the programs set forth in the Local government's Housing Element.
 - 4) Evidence that the Plan was authorized and adopted by resolution by the Local government and that the public had an adequate opportunity to review and comment on its content.
 - 5) The following for each proposed Activity:
 - a) A description of each proposed Activity, pursuant to Section 301 of the Guidelines and the percentage of funding allocated to it. The description shall specifically include the percentage of funds, if any, directed to Affordable Owner-Occupied Workforce Housing (AOWH).
 - b) The projected number of households to be served at each income level and a comparison to the unmet share of the Regional Housing Needs Allocation (RHNA) at each income level.
 - c) A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
 - d) The period of affordability and level of affordability for each Activity. Rental Projects are required to have affordability periods of at least fifty-five years.

EXHIBIT D

- 6) The Plan is required to be for a term of five years. Local governments shall obtain approval of the Department for amendments made to the Plan in each succeeding year of the term of the Plan. Reallocations of more than ten percent of funds among Activities require amendment of the Plan, with approval granted by the governing body at a publicly noticed public meeting.
- 7) If funds are used for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the following requirements if the property is no longer the primary residence of the homeowner due to sale, transfer or lease, unless it is in conflict with the requirements of another public funding source or law:
 - a) PLHA loan and any interest thereon shall be repaid to the Local government's PLHA account. The Local government shall reuse the repayments consistent with the Eligible Activities per Section 301 of the Guidelines; or,
 - b) The initial owner and any subsequent owner shall sell the home at an Affordable housing cost to a qualified Lower-Income or Moderate-Income household; or,
 - c) The homeowner and the Local government shall share the equity in the unit pursuant to an equity-sharing agreement. The grantee shall reuse the proceeds of the equity-sharing agreement consistent with the Eligible Activities per Section 301 of the Guidelines.
- 8) If funds are used for the development of an affordable rental housing project, the Local government shall make the PLHA assistance in the form of a loan to the Sponsor of the project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust.
- 9) A program income reuse plan describing how repaid loans shall be reused for eligible activities specified in Section 301 of the Guidelines.

EXHIBIT D

5. Core Practices

- A. A Contractor or Subrecipient must provide eligible activities in a manner consistent with the housing first practices described in California Code of Regulations, title 25, section 8409(b)(1)-(6). A Contractor or Subrecipient allocated funds for eligible activities that provide permanent housing shall incorporate the core components of Housing First as provided in Section 8255(b) of the Welfare and Institutions Code.

6. Monitoring Grant Activities

- A. Contractor shall monitor the activities selected and awarded by them to ensure compliance with PLHA requirements. An onsite monitoring visit of Subrecipients and any other service providers shall occur whenever determined necessary by the Contractor, but at least once during the Grant period.
- B. The Department will monitor the performance of the Contractor based on a risk assessment and according to the terms of this Agreement. The Department may also monitor any Subrecipients of the Contractor as the Department deems appropriate based on a risk assessment.
- C. As requested by the Department, the Contractor shall submit to the Department all PLHA monitoring documentation necessary to ensure that Contractor and its Subrecipients are in continued compliance with PLHA requirements. Such documentation requirements and the submission deadline shall be provided by the Department at the time such information is requested from the Contractor.

7. Reporting/Audits

- A. Commencing with the Effective Date of this Agreement and continuing through the Expiration Date, the Contractor shall submit an annual report to the Department by July 31 of each year that reports all activities from the previous fiscal year (7/1–6/30), on forms provided by the Department.

The first report will be due on July 31, 2021 and will report all activities from date of initial fund disbursement through June 30, 2021.

- B. The annual report shall contain a detailed report which must include, at a minimum:
 - 1) Identification of the Eligible Activities to which the Contractor committed program funds, and the income levels of households assisted.

EXHIBIT D

- 2) Amounts awarded to Subrecipients with the activity(ies) identified;
 - 3) Identification of the Eligible Activities upon which the Contractor expended program funds, and the income levels of households assisted and the affordability level for any units assisted; and,
 - 4) Close out report for contracts that were fully expended and in which all activities funded were completed during the fiscal year.
- C. The Department may request additional information as needed to meet other applicable reporting or audit requirements.
- D. The Contractor is responsible for the completion of audits and all costs of preparing audits.
- E. The Department reserves the right to perform or cause to be performed a financial audit. At the Department's request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant.
- F. If a financial audit is required by the Department, the audit shall be performed by an independent certified public accountant. Selection of an independent audit firm shall be consistent with procurement standards contained in 24 CFR 85.36.
- 1) The Contractor shall notify the Department of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by the Department to the independent auditor's working papers.
 - 2) The Contractor is responsible for the completion of audits and all costs of preparing audits.
 - 3) If there are audit findings, the Contractor must submit a detailed response acceptable to the Department for each audit finding within ninety (90) days from the date of the audit finding report.

8. **Retention and Inspection of Records**

- A. The Contractor is responsible for maintaining records, which fully disclose the activities funded by the Grant. Adequate documentation of each transaction shall be maintained to permit the determination, through an audit if requested by the State, of the accuracy of the records and the allowability of expenditures charged to Grant funds.

EXHIBIT D

- B. The Contractor agrees that the Department 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 the Department or its designee, with any relevant information requested. The Contractor agrees to permit the Department 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 material that may be relevant to a matter under investigation for the purpose of determining compliance with the PLHA Statutes, the NOFA, and this Agreement.
- C. The Contractor further agrees to retain all records for a period of five years after the end of the term of this Agreement:
- 1) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started 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.
 - 2) The Contractor also agrees to include in any contract that it enters into in an amount exceeding \$10,000, the Department's right to audit the contractor's records and interview their employees. The Contractor shall comply with the caveats and be aware of the penalties for violation of fraud and for obstruction of investigation as set forth in California Public Code Section 10115.10.
- D. The determination by the Department of the eligibility of any expenditure shall be final. If the eligibility of any expenditure cannot be determined because records or documentation are inadequate, the expenditure may be disallowed, and HCD shall determine the reimbursement method for the amount disallowed.
- E. The Contractor shall retain all books and records relevant to this Agreement for a minimum of five years after the end of the term of this Agreement. Records relating to any and all audits or litigation relevant to this Agreement shall be retained for five years after the conclusion or resolution of the matter.

9. **Breach and Remedies**

- A. The following shall each constitute a breach of this Agreement:
- 1) Contractor's failure to comply with the terms of this Agreement.

EXHIBIT D

- 2) Use of, or permitting the use of, Grant funds provided under this Agreement for any ineligible costs or for activities not approved under this Agreement.
 - 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 the Department in law or equity for breach of this Agreement, the Department may:
- 1) Bar the Contractor from applying for future PLHA and other HCD funds;
 - 2) Revoke any other existing PLHA award(s) to the Contractor;
 - 3) Require the return of any unexpended PLHA funds disbursed under this Agreement;
 - 4) Require repayment of PLHA funds disbursed and expended under this agreement;
 - 5) Require the immediate return to the Department of all funds derived from the use of PLHA 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 the PLHA Program requirements; and,
 - 7) Seek such other remedies as may be available under the relevant agreement or any law.
- C. All remedies available to the Department are cumulative and not exclusive.
- D. The Department may give written notice to the Contractor to cure the breach or violation within a period of not less than fifteen days.

EXHIBIT D

10. Termination

- A. The Department may terminate this Agreement at any time for cause by giving a minimum of thirty days' notice of termination, in writing, to the Contractor. Cause shall consist of, violations of any terms and/or special conditions of this Agreement, the PLHA Statutes, or the NOFA. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Contractor shall be returned to the Department within thirty days of the notice of termination.
- B. This Agreement is subject to any additional restrictions, limitations or conditions, or statute, 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 the State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.
- C. The Department has the option to terminate this Agreement under the thirty-day cancellation clause or to amend this Agreement to reflect any reduction of funds.

11. 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 the Department 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 the Department to enforce these provisions.

12. Relocation

Contractor shall comply with all requirements of applicable California relocation law (Gov. Code, § 7260 et seq. and the regulations promulgated thereunder at Cal. Code Regulations, Title. 25, § 6000 et seq.). Any relocation plan for the Development shall be subject to the review and approval by the State.

EXHIBIT D

13. **Special Conditions Contractors and Subrecipients**

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit E. These conditions shall be met to the satisfaction of the Department prior to disbursement of funds. The Contractor shall ensure that all Subrecipients are made aware of and agree to comply with all conditions of this Agreement and the applicable State requirements governing the use of Grant funds. The Contractor shall ensure that all Subrecipients are qualified to do business and in good standing with the California Secretary of State and the California Franchise Tax Board. Failure to comply with these conditions may result in cancellation of this Agreement.

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, equal opportunity, and all other matters applicable to the Grant, the Contractor, its Subrecipients, and any other Grant activity.

15. **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 the Department, 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 the Department immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or the Department 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 the Department.

EXHIBIT E

PROGRAM-SPECIFIC PROVISIONS AND SPECIAL CONDITIONS

1. Program-Specific Provisions

The following are project-specific terms and conditions (referred to as enumerated provision(s) for ease of reference in prior exhibits) and shall inform the references made to project-specific information not contained in those prior exhibits.

Budget Detail:

Contractor has been awarded the following grant activity amounts for 2019: **\$336,265**

Estimated five year allocation may not exceed: **\$2,017,590**

Payees:

A. The authorized Payee(s) is/are as specified below:

Name: **City of Lodi** Amount: **\$336,265**

Plan:

Provide a description of how allocated funds will be used for the proposed activity.

PLHA funds will be used to support predevelopment, infrastructure and site improvements for a permanent homeless shelter. Specific activities may include: identifying a site, preliminary environmental studies, business and operational plan, conceptual design, site layout, site and facility improvement plans, cost estimates, development schedule, entitlements, construction documents, contractor bid and selection process, site preparation and infrastructure improvements and maintenance/operations. PLHA funds will also be used for four units of permanent supportive housing. Specific activities may include: site preparation, infrastructure improvement, and construction activities.

Funding Allocation Year	2019	2020	2021	2022	2023
Type of Activity	Permanent	Emergency Shelters	Emergency Shelters	Emergency Shelters	Emergency Shelters
Percentage of Funds Allocated for each Activity	100%	100%	100%	100%	100%
Area Median Income Level Served	80%	30%	30%	30%	30%

Permanent Local Housing Allocation (PLHA) Program - Grant
 NOFA Date: 02/26/2020
 Approved Date: 10/05/2020
 Prep. Date: 11/05/2020

EXHIBIT E

2. **Special Terms and Conditions**

The following Special Conditions are applicable to this Standard Agreement:

None.

EXHIBIT F
MANAGEMENT PLAN (To Be Provided by Lessee)

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Proposed Management Plan

Reimagined Housing on Main
22 S Main Street Lodi, CA 95240



INTRODUCTION

Inner City Action, Inc. (ICA) proposes assuming the operational management of the City of Lodi's Reimagined Housing on Main located at 22 & 22 ½ S Main Street, Lodi, CA 95240. This project consists of a 10,000 sq. ft. building with 40 units for transitional housing, 1 lobby/community space, 1 commercial space available, 1 commercial space available to City and/or non-profit use, and 1 Single Family residence with 4 bd and 1.5 bath (in rear of property; 22 ½ S Main Street). We propose to operate the property in three functions:

- School of Leadership Training
- Sober Living Transitional Program
- Seniors over 55

We recognize there is a great need for transitional housing in Lodi, CA. Inner City Action Inc has many years of experience in running transitional housing. We work diligently to assist qualified candidates in our transitional housing program. We offer them not only a home but tools and training to achieve more permanent goals in life. Inner City Action Inc program is a sober-living program. Housing for qualifying candidates will be up to one year. Any extensions for program housing will be on a case to case basis. Considering transitional housing is a temporary situation, we will with our program participants to ensure they get ready for the goal of permanent housing.

Brief Overview of Inner City Action Inc

Inner City Action Inc. is a 501(c)(3) non-profit organization that recognizes a great need within our area. Our Director, Frank Saldana, has over 20 years of experience working with the unsheltered community of San Joaquin County. His knowledge, compassion, and expertise are a vital part of the success that we have had with the unsheltered & low income community. He along with our dedicated staff, are committed to our motto of "Bringing Life Back to the People". Inner City Action Inc has had several transitional housing facilities in the San Joaquin County since 2009 and has helped numerous unsheltered individuals through our Men's and Women's Discipleship Program. For the past 4 years, in partnership with the City of Manteca and the City of Lodi, we have successfully operated Low Barrier Shelters. We have had great success with transitioning the unsheltered into jobs, permanent housing, programs, residential homes, and reunification with family.

Experience

1. Permanent Supportive Housing

From 2009 to 2018 we operated Wayside Permanent & Transitional Supportive Housing. Wayside is a 22 unit apartment complex. During our 9 years there we were able to provide low income housing to individuals and families stemming from homelessness, addiction, domestic violence, poverty, and other life controlling issues.

Additionally, we currently operate Lodi's Harmony Homes, a 4 unit tiny homes property providing very low income housing to 4 families.

2. Housing Counseling and Location

- Wayside – 11332 N Hwy 99 Lodi, CA 95240
- Stockton Transitional Housing – 1925 N. Wilson Way Stockton, CA 95205
- Galt Transitional Housing – 11325 Twin Cities Rd. Galt, CA 95632
- Harmony Homes – 301, 303, 305, & 307 E. Lodi Ave. Lodi, CA 95240
- Lodi (temporary) Transitional Housing – 22 ½ S Main St. Lodi, CA 95240



3. Street Outreach and Navigation Services

Our dedicated staff and volunteers have been outreaching to those we serve since 2009. One of Inner City Action Inc top strengths is outreach. We believe people don't care how much you know until they know how much you care. It is vital to their success to meet them where they are and bring them where they need to be. Many members of our current staff were those who we once outreached to during their darkest moments.

4. Interim Housing

In addition to our Transitional Housing apartments listed above we have also had Transitional Housing homes we have been able to provide to low income families who are taking the next steps after completing the first phase of our Discipleship Program. For example, some of these families obtained work and/or got their children back and are ready to start running their own home and family while still having the help and oversight of our aftercare program. We have been operating these transitional housing apartments and homes since 2009 to current.

- Wayside – 11332 N Hwy 99 Lodi, CA 95240 **(2009 – 2018)**
- Stockton Transitional Housing – 1925 N. Wilson Way Stockton, CA 95205 **(2015 – 2024)**
- Galt Transitional Housing – 11325 Twin Cities Rd. Galt, CA 95632 **(10/2022 – 2024)**
- Transitional Home #1 – 8943 San Pasqual Way Stockton, CA 95210 **(12/2014 – 09/2020)**
- Transitional Home #2 – 20 E Los Felis Ave. Stockton, CA 95210 **(03/2016 – 09/2020)**
- Transitional Home #3 – 1649 Dinesh Pl. Manteca, CA 95337 **(12/2021 – current)**
- Transitional Home #4 – 22 ½ S Main St. Lodi, CA 95240 **(01/2024 – current)**

OPERATIONAL PROCEDURES

ICA's Commitment to compliance with applicable Federal civil rights laws:

ICA does not discriminate based on race, color, religion, sex, marital status, national origin, ancestry, familial status, age, medical condition, sexual orientation, gender, gender identity, source of income or disability. Inner City Action Sober Living Transitional Housing will be open to all. Acceptance is based solely on if the individual fits our program criteria. As long as the individual can independently feed themselves, use the restroom, shower themselves without assistance, and meet our program criteria they are eligible for program participation.

ICA's Commitment to Compassionate Engagement of its Program Participants:

The staff of ICA strives to treat all its clients in a compassionate, respectful, and honest manner. Services are client-centered and delivered using an evidenced-based, trauma-informed, and culturally competent approach. ICA does not tolerate harassing, intimidating, or threatening conduct towards its clients from a staff member or another party. Physical violence is not allowed except in defense of oneself or another.

ICA's Commitment to a Drug-Free, Alcohol-Free, and Smoke-Free Environment:

ICA does not tolerate the use of illicit drugs or consumption of alcohol by any Program Participant or employee on its premises. ICA feels that such activity is not conducive to the recovery and ongoing sobriety of those receiving services.



Smoking is restricted to designated areas outside the property and offices operated by ICA.

ICA Staffing for the Reimagined Housing on Main:

The Harmony Homes Project shall be staffed by the following experienced ICA personnel:

1. Director
2. Program Manager
3. Program Manager
4. Security/Maintenance
5. Security/Maintenance

Staffing will be supported by volunteers where applicable.

Director: Will oversee all aspects of the project, its staff, volunteers, and participants. Keep in communication with the City of Lodi Staff regarding the project and attend meetings for the project with applicable.

Program Manager: The ICA Program Manager shall work in close cooperation with all representatives of the City of Lodi, funding sources, referring agencies, social service providers, law enforcement, neighbors, and the local community to ensure the best possible outcomes for the Program Participants and to achieve the other objectives set forth herein. The specific responsibilities of this individual will include, but are not limited to:

1. Accepting and assessing all applications for program participation from the referring agencies.
2. Interviewing potential applicants, arranging tours of the available units, explaining program rules and expectations, outlining methods of tuition payment, and answering questions.
3. Case Management and Life Coaching with the Program Participant to help the individual sort out their short & long term goals and map out a plan to achieve them. Assist with connections to employment, mental health services, health services, sobriety support, ID vouchers, housing applications, volunteer services for court, and spiritual support. If the program participant has an outside Case Worker, our Program Managers work with them to provide and receive updates to ensure that every effort is made on behalf of the program participant.
4. Managing other essential community-related expenses covered by ICA:
 - a. Household furnishings and appliances.
 - b. Gardening/landscaping service: ICA normally employs a gardening/landscaping service to maintain the common areas.



- c. Cleaning service: Each Program Participant is expected to maintain his/her unit in a safe and sanitary manner. Before occupancy of a unit transfers from one participant to another, ICA will utilize existing staff or a cleaning service to prepare the unit.
 - d. Business property and liability insurance.
5. Attending to and resolving any participant's complaints in a timely manner.
 6. Purchasing and stocking agreed supplies in the individual units and/or common area at regularly scheduled intervals.
 7. Ensuring that garbage is properly contained within communal trash receptacles and taken to the street for collection as required.
 8. Completing an HMIS intake session on the day that the new Participant's entrance into the program is established.

Security/Maintenance: In partnership with the ICA Program Manager, the ICA Security/Maintenance Worker shall be responsible for the maintenance and repair of all structures and systems in the individual units and common areas. His/her duties will include the following:

1. Our Managers and Security will have access to the cameras. All guests and/or social workers will be required to sign-in at the front desk. Any onsite visits are required to be pre-approved and appointment times scheduled. All exterior doors are required to be closed when not in use.
2. Ensuring that individual units contain functional safety equipment, such as smoke detectors and fire extinguishers.
3. Conducting safety checks throughout the interior and exterior of the property. Loitering is prohibited in front of and around the facility. Any individual found loitering will be asked to leave the area. If they refuse, a Lodi Ambassador will be called to assist in the situation. If further assistance is needed, a Lodi City Police Officer will be called.
4. Conducting safety checks of a Participant's personal items to ensure no prohibited items are brought onto the premises.
5. Inspecting the units regularly for evidence of wear-and-tear, accidental and intentional damage, and/or defective systems, and conducting repairs as appropriate.
6. Responding to structural emergencies (e.g., clogged toilets, water damage, pest concerns, heating problems, and related issues).
7. Servicing/repairing major structures and systems in the common area, such as lighting, walkways, fences, etc.
8. Assisting in the transitioning in and out of program participants.



Other ICA personnel: As necessary, ICA will periodically employ the services of other individuals on staff in the management of the Reimagined Housing on Main Project, including its Administration, an Accounts Receivable Specialist, a Property Accountant, etc.

Staffing will be supported by volunteers where applicable.

ADMINISTRATIVE PROCEDURES

Program Participants Entry Process:

ICA will make initial referrals but must also be able to take referrals from other social services providers based on unit availability to ensure no units remain empty. To make a outside referral, the Salvation Army, the Lodi House, or the Women's Center Youth and Family Services shall contact the ICA Director or Program Manager for a referral.

Upon receipt of the Program Participant's referral, the Program Manager will review the submitted materials, request any missing or additional information needed, and contact the applicant and referral source to invite the applicant to tour the community. Unless more information is needed, or the referring agency requests a future date of entry if applicable.

If the applicant is accepted into the program, the participant will go through our orientation process consisting of an extensive intake packet, an introduction of our program policies and procedures, a video, tour of the facility, introduction to our staff, and be assigned to a unit. The participant will meet again with the Program Manager for their initial Life Coaching session to begin the process to obtain their short and long term goals.

Response to Inquiries, Concerns, and Complaints:

With issues concerning our program participants, we will document the conversation as well as our progress to resolve the situation. A copy of the documentation will be made and be placed into the program participant's file. Depending on the severity of the situation will determine which level of staff will need to handle the situation. If a participant has a complaint, he/she should let one of our staff members know. If it is something that needs to be dealt with by our Director then the staff member will contact him to handle the situation. Our staff is trained for conflict resolution, typically they can handle any concerns directly

Since ICA believes strongly in being a good neighbor and member of the local community, the staff will discretely visit the neighbors periodically to invite them to small gatherings at the community and to solicit their input and feedback, as appropriate. In addition, the name of the management agency and its 24- hour contact number will be posted publicly on the grounds in case the neighbors need to report an issue after hours. ICA has a great line of communication with the Lodi City staff and speaks with them regularly regarding current projects and intends to always keep that good relationship with them. ICA believes a "Good Neighbor Plan" starts with awareness. ICA goes to the surrounding areas and businesses to introduce themselves and provide information on the program. ICA's contact information is given if there is ever a need or concern. The Program Manager also intends to attend city council meetings and other public forums, especially if an issue arises.



OTHER PROVISIONS

Signage:

ICA intends to post its name and 24-hour contact information at the parameter of the premises for the benefit of the participants, nearby neighbors, law enforcement, and emergency personnel.

Parking:

1. Cars, bicycles, and motorcycles are to be parked on the street.
2. Guests (pre-approved by management) should park on the street.
3. No car or motorcycle is to remain near the property without being moved for a period of seven (7) days or longer or will be towed by owner's expense.

General Cleanliness of the Property:

1. Each program participant is responsible for maintaining his/her unit in an orderly, safe, and sanitary manner.
2. All program participants are collectively responsible for the cleanliness and order of the common area.
3. Pest control inspections of the unit will be carried out when needed
4. Property management inspection of the unit and common area will be performed by the ICA staff regularly and when needed.
5. The waste and recycling storage area shall be kept in a clean and tidy manner.

Personal Hygiene:

1. Each program participant is to maintain his / her personal hygiene so as not to be offensive to the other participants or the public.
2. Each program participant must be adequately dressed in clothes that are reasonably clean and in good repair while outside his / her house.

Security:

1. Each program participant will be provided keys to his/her unit and is responsible for their safekeeping.
 - a. No participant may change or tamper with any lock to his/her unit.
 - b. Copying or distributing keys will not be permitted without prior permission from ICA.



- c. Keys must be returned to ICA when the individual concludes his/her program participation.
2. Each program participant is solely responsible for the safety and security of his/her personal possessions. The City of Lodi and ICA assume no responsibility for such items.

General Capacity Limits:

1. The lodging capacity of each unit may not exceed three (3) individuals at any one time.
2. Sleeping or camping overnight in the common area by the program participants, their guests, or strangers will not be allowed.

Fire Safety and Emergency Aid:

1. Any materials, products, or appliances used in the units will be of a type that readily resists the spread of fire and limits the generation of smoke.
2. Fire extinguishers, smoke detectors, and first aid kits will be installed on the premises and may not be damaged, removed, or uninstalled for any reason.
3. Annual certification of fire safety equipment will be carried out by ICA or its designate.
4. A list of emergency telephone numbers (police, fire, ambulance, and ICA) will be listed onsite.
5. An emergency evacuation plan will be retained in a readily assessable location.
6. In the event of an emergency evacuation, program participants shall gather at a predesignated assembly point until released to return to their units or common area by emergency personnel or ICA staff.

EXHIBIT G
SCOPE OF SERVICES – INNER CITY ACTION, INC. RFP RESPONSE

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REQUEST FOR PROPOSAL
FOR
TRANSITIONAL AND SUPPORTIVE HOUSING
OPERATIONAL MANAGEMENT SERVICES

NOVEMBER 2023



APPLICANT INFORMATION

Name of Entity or Organization:

Inner City Action Inc

Address:

1800 N. Wilson Way Stockton, CA 95205

Mailing Address (if different than above):

1169 S Main St. Manteca, CA 95337

Executive Director/CEO (Name, title, email, phone number):

Frank Saldana
President/Founder
frank@innercityaction.org
(209)679-5880

Contact Person (if different than above):

Tiffany Solis
tsolis@innercityaction.org
(209)915-3725

Number of years organization has been in business:

10 years

Number of year's organization has operated as a 501(c)(3):

10 years

Federal Tax ID Number:

90-1025382

Has this organization operated under another name?

() Yes (X) No

Number of year's organization has conducted the program for which services are being requested:

14 years

Describe your organization's history and experience in providing services to the homeless community:

Inner City Action Inc. is a 501(c)(3) non-profit organization that recognizes a great need within our area. Our Director, Frank Saldana, has over 20 years of experience working with the unsheltered community of San Joaquin County. His knowledge, compassion, and expertise are a vital part of the success that we have had with the unsheltered & low income community. He along with our dedicated staff, are committed to our motto of "Bringing Life Back to the People". Inner City Action Inc has had several transitional housing facilities in the San Joaquin County since 2009 and has helped numerous unsheltered individuals through our Men's and Women's Discipleship Program. For the past 4 years, in partnership with the City of Manteca and the City of Lodi, we have successfully operated Low Barrier Shelters. We have had great success with transitioning the unsheltered into jobs, permanent housing, programs, residential homes, and reunification with family.



Describe the organization's outreach and service delivery methods in relation to transitional housing programs and working with the unhoused population to ensure a successful path forward.

Inner City Action Inc has devoted a team, made up of our Social Worker and Outreach staff, to address and assist the City of Lodi with the unsheltered community. Currently, we outreach by going directly to homeless encampments, parks, and receiving referrals. Over the past year and a half in Lodi our team has built contacts and relationships with other non-profits, organizations, housing agencies, and case workers to ensure that clients we work with receive all the services available to them. We feel these connections will be instrumental in placing the best qualified candidates for the Reimagined Housing on Main.

PROPOSAL NARRATIVE

1. Provide a summary of the proposed services to be provided (work to be performed; expected outcomes to be achieved).

Inner City Action Inc is proposing to provide transitional housing at the Reimagined Housing on Main project. We recognize there is a great need for transitional housing in Lodi, CA. Inner City Action Inc has many years of experience in running transitional housing. We work diligently to assist qualified candidates in our transitional housing program. We offer them not only a home but tools and training to achieve more permanent goals in life. Inner City Action Inc program is a sober-living program. Housing for qualifying candidates will be up to one year. Any extensions for program housing will be on a case to case basis. Considering transitional housing is a temporary situation, we will work with our program participants to ensure they get ready for the goal of permanent housing.

2. Describe your experience in performing activities to those proposed in the RFP, including a brief description of work performed and outcomes. If the scope of work performed is new to the organization, please describe relevant experience that will allow your organization to perform the scope of work successfully.

From 2009 to 2018 we operated a Permanent & Transitional Supportive Housing at a 22 unit apartment complex in Lodi, CA. During our 9 years there we were able to provide low income housing to individuals and families stemming from homelessness, addiction, domestic violence, poverty, and other life controlling issues. Additionally, we currently have 2 transitional housing locations for our students in our Men's and Women's Transitional Housing Program in Stockton & Galt, CA. We are also the current operators of Lodi's Harmony Homes Project. We oversee 4 tiny homes and the very low income qualifying tenants as well as casework with each tenant. We connect with their Housing Authority County of San Joaquin (HACSJ) caseworks to ensure their HACSJ participation status remains up to date. Based on our experience, we are confident in Inner City Action Inc's ability to perform this scope of work successfully.

3. Please describe your current and past collaborations and coordinated efforts with other nonprofits, faith-based organizations, agencies, and other community stakeholders.

Inner City Action Inc recognizes the need to collaborate with local nonprofits, agencies, healthcare services, mental health services, social services, courts, churches, law enforcement and probation/parole for the program participant's success. In the past year we have worked with Love Inc, Hope Family Shelters, Mental Health, CPS workers, Hospital Social Services, Probation, Parole, Courts in Manteca and Stockton, Community Medical, Veteran Housing, the Women's Center of Stockton, and the Gospel Rescue Mission of Modesto and Stockton, City of Lodi, Lodi Police



Department and Ambassadors, Hope Harbor, Loads of Hope, Lodi House, Gravity Church, Agape Love, CommUNITY Service Team, Telecare, Turning Point, and HACSJ.

4. Provide a high-level summary of your methodology for operating the City of Lodi's transitional and supportive housing project.

Our first priority is to identify qualifying candidates who are committed to their success and are ready to take the necessary steps to achieve their long-term and permanent goals. Once accepted into our sober-living transitional housing program our goal is to provide a safe and clean environment where individuals have room to grow in their progress and pursue their individual goals. Our staff and volunteers will be actively involved and available to provide a family atmosphere where each individual is valued and works together to support each other. Inner City Action believes it is important to provide an extra barrier of support to those stepping out to becoming independent and functioning members of society. Inner City Action staff, through our Life Coaching, will be available to provide support and training in individual finances, challenging life circumstances, health and wellness, and spiritual support.

5. Specify the tasks and activities to be undertaken to accomplish the objectives and explain how the activities will be implemented.

As previously stated in #4 our goal is to provide a clean, safe environment for those yearning to better their situations in life. We plan to accomplish this by:

- Closely monitoring who is entering the building.
- All guests will have to be pre-approved by staff.
- Provided we have access, we can monitor the cameras surrounding the property to ensure safety.
- Inner City Action will have room checks to ensure the cleanliness of our program participants.
- All trash and debris are disposed of properly so there is not a pest control issue.
- When a new individual enters into the program, we will conduct a basic search of their belongings to ensure no prohibited items or pest issues enter the facility.

6. Discuss the organization's capability to develop, implement, and administer a transitional housing facility shelter.

Inner City Action Inc has 14 years' experience in operating Sober Living Transitional Housing Programs in multiple different cities. Based on our experience and expertise dealing with the unsheltered and those in low income circumstances we pride ourselves on the atmosphere we provide. We are confident in our ability and current track record to identify and choose individuals who are the best fit for the project and the community. By implementing our Life Coaching services to the program participants, we will remain in constant relationship throughout their time in the program and assist them in achieving their next step goals.

7. Provide the proposed admission criteria and operational procedures including:

• Client rules and guidelines

Inner City Action has a set list of policies and procedures for our Sober Living Transitional Housing programs which can be presented if contract is chosen.



- **Identification requirements**

We ask all program participants to provide an Identification Card and/or Driver's License. If they do not have either we can assist in obtaining an ID by providing the client with an DMV ID voucher.

- **What are the resident eligibility criteria (HPSJ/Medi-Cal/Healthnet status, income, etc.)?**

Per the project grant, the program participants will be required to be a recipient of HPSJ/Medi-Cal and/or Healthnet and be connected to Lodi.

- **How will you determine eligibility and rent for each resident?**

During the initial application and interview process there will be a discussion regarding the program participant's income status and personal financial responsibilities. Based on this discussion we will determine the participant's program tuition payments.

- **How will you accept referrals from other Social Service providers?**

Inner City Action Inc will accept referrals from local organizations, the Lodi Access Center, and case workers on individuals considered to be a candidate of the program. However, Inner City Action Inc will make the final decision regarding acceptance into the Sober Living Transitional Housing Program.

- **New resident orientation**

Our program orientation consists of an extensive intake packet, an introduction of our program policies and procedures, a video, tour of the facility, and an introduction to our staff.

- **Case Management**

Our Director, Managers, and Pastors are dedicated to our Life Coaching sessions with our program participants. Our Life Coaching sessions help the individual sort out their short & long term goals and map out a plan to achieve them. Our staff assists with connections to employment, mental health services, health services, sobriety support, ID vouchers, housing applications, volunteer services for court, and spiritual support. If the program participant has an outside Case Worker, we work with them to provide and receive updates to ensure that every effort is made on behalf of the program participant.

- **Exit to permanent housing**

We work closely with our program participants to determine when they are ready to take the next step. In some cases that means they have gained willful employment and have saved up enough for a place of their own, they have reunited with family, or they have been chosen from the wait list for permanent housing. We will document their progress and provide assistance during the transition.

8. Describe how clients will be connected to other organizations for social services and permanent housing resources.

Part of our Life Coaching services consists of meeting with each individual program participant to discuss individual goals and outcomes they are aiming to achieve. We are then able to connect them with local service and resources fitting their needs. For example, Mental Health services, Veterans Services, Community Health, permanent housing applications, identification services, and community service requirements for court.

9. How will your organization attempt to meet the goal of minimizing length stay and connect clients to permanent housing?

By being proactive with our Life Coaching sessions and making sure the qualifying program participants are signed up on the available housing lists for permanent housing and/or reunification with family if possible.



10. Share your organization's participation and history with a California Homeless Management Information System (HMIS) and your plan to comply with HMIS requirements.

Inner City Action is very familiar with the California Homeless Management Information System (HMIS). We have several members of our staff trained in data entry for HMIS. We currently take daily counts of our clients and the services they receive, and we input the required information weekly into HMIS. If required for this project, we can continue this process to ensure we are compliant with HMIS requirements.

11. A statewide data sharing framework has recently been launched by the California Health and Human Services. Can you please confirm if your organization has completed and signed California's (CalHHS) Data Sharing Framework Data Sharing Agreement to perform member matching and sharing information on housing data? If no, are you intending to and if so do you have an ETA?

We are not currently participating in CalHHS Data Exchange Framework. Currently, our clients and program participants share the necessary medical information during their Life Coaching and intake.

12. Describe your organization's participation in the coordinated entry system that identifies clients, their needs, and services required.

We have an extensive intake application packet that covers total care for a person which includes any and all barriers or concerns an individual may have. This application assists our staff in identifying priority areas for the individual's needs.

13. Describe how your organization will collaborate and communicate with the City, residents, businesses, and other organizations in order to establish a "good neighbor plan" through property management, outreach, and operations. Please provide details of proposed "good neighbor plan" to include education and outreach, security, being responsive to community concerns, minimizing impacts to surrounding neighborhoods and businesses, etc.

We have a great line of communication with the Lodi City staff. We speak with them regularly regarding current projects and we intend to always keep that good relationship with them. We believe a "Good Neighbor Plan" starts with awareness. We go to the surrounding areas and businesses to introduce ourselves and provide information on our program. We give them our contact information if there is ever a need or concern. We also are a good neighbor by keeping our surroundings clean and inviting. Our team will ensure that our area remains clean of litter and loitering.

14. Describe the security policy or plan for the facility including:

• Entrances

We would like to discuss this further. At this stage, with construction still underway, we do not know how the door locks will operate. Our procedure will be determined based on which type of door system is installed.

• On-site security personnel

Our Managers and Security will have access to the cameras. All guests and/or social workers will be required to sign-in at the front desk. Any onsite visits are required to be pre-approved and appointment times scheduled. All exterior doors are required to be closed when not in use.



- **Loitering**

Loitering is prohibited in front of and around the facility. Any individual found loitering will be asked to leave the area. If they refuse, a Lodi Ambassador will be called to assist in the situation. If further assistance is needed, a Lodi City Police Officer will be called.

- **De-escalating conflicts**

If a conflict ensues our onsite security and Manager will attempt to de-escalate the conflict by communication and separating the involved parties. If the individual is uncooperative with our staff, we will contact a Lodi Ambassador to assist in resolving the conflict.

- **Possession of drugs and weapons including confiscation, disposal, or storage Procedures**

As a Sober Living Transitional Housing facility possession of drugs, alcohol, and weapons are strictly prohibited. If caught with such items, the program participant may face disciplinary action up to and including disqualification from the program. Confiscated items will be discarded immediately.

- **Procedure for contacting police**

Every effort is made to handle incidents by our onsite staff and/or the Ambassadors. In the event that the police need to be contacted they will be called by our security, Manager, and/or an Ambassador. Our onsite staff will meet with the responding officers to provide information or a statement. Once the incident has been resolved by the police our onsite staff will fill out an internal incident report. If a police report is issued our staff will get the police report number from the responding officer and include that in their incident report.

- **Procedure for reports of criminal activity on-site**

Onsite criminal activity is strictly prohibited and will lead to the participant's disqualification from the program and/or criminal charges depending on the severity of the crime. Our onsite staff will document the incident in a progress report and place a copy in the participant's file. If the criminal activity is severe, we will follow the procedure of contacting the police.

15. Describe the plan to keep the facility in a neat, clean, orderly, safe, and sanitary condition.

We will require our program participants to keep their rooms clean and free of trash that could create a pest control issue. They are also required to clean up after themselves in the bathrooms and common areas. Program participants will each have their own caddies for their bathroom supplies and will be required to take and remove their items with them. We will conduct room & area checks to ensure that this policy is maintained. Our Maintenance worker will clean and sanitize bathrooms and high touch points in the common areas.

16. Will there be transportation support? If so, please describe.

Transportation will be provided on a case by case basis.

17. Describe nondiscrimination policies or plans related to:

- **Compliance with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, religion, or sex (including pregnancy, sexual orientation, and gender identity).** Inner City Action Sober Living Transitional Housing will be open to all. Acceptance is based solely on if the individual fits our program criteria.



- **Compliance with the Americans with Disabilities Act**

Inner City Action Sober Living Transitional Housing will be open to all. As long as the individual can independently feed themselves, use the restroom, shower themselves without assistance, and meet our program criteria they are eligible for program participation.

- **Sexual harassment**

There is a zero-tolerance policy for sexual harassment. Any incident that arises may result in disqualification from the program and/or police involvement.

- **Policy regarding sex offenders**

Individuals with a 290 charge are ineligible for acceptance into our program.

18. Explain your grievance policies and procedures related to the process of making a complaint, resolving a grievance, meeting with staff, and your whistleblower policy.

With issues concerning our staff, we have an outside Human Resource company that they are able to contact should concerns arise. Our Human Resource company, Omegacomp, will handle and track the situation as well as provide further resources to our employees when needed. Omegacomp will mediate the grievance so that it is handled according to procedure. Our employees also go through Harassment Prevention Training (CA SB 1343). Please see attached for our Whistleblower Policy

With issues concerning our program participants, we will document the conversation as well as our progress to resolve the situation. A copy of the documentation will be made and be placed into the program participant's file. Depending on the severity of the situation will determine which level of staff will need to handle the situation. If a participant has a complaint, he/she should let one of our staff members know. If it is something that needs to be dealt with by our Director then the staff member will contact him to handle the situation. Our staff is trained for conflict resolution, typically they can handle any concerns directly.

19. Describe how you will work with City staff to ensure the successful operations of the transitional and supportive housing facility.

Inner City Action will continue our great line of communication with the Lodi City Staff regarding this project and the project facility. We will make ourselves available to meet with City Staff when needed and relay the progress of the Transitional Living Housing facility. We highly value seeing lives transformed and are committed to seeing success for our program participants, the facility, and the City of Lodi. We have the expertise and experience, with measurable results of lives that have been changed and we believe we can continue to be a great asset to this community.

20. Describe the method used to gather and track demographic and other statistical data for reporting purposes. (Include the name of software, if applicable).

We do not currently track demographics and/or statistical data from our program participants. We are open to discussing this should the project require tracking.



21. Describe the organization's client record keeping system and management of data and data sharing.

Our files for our program participants will be kept in a locked, fireproof filing cabinet. Each file will consist of our extensive intake paperwork, progress notes, and other information related to the program participant. Only required staff will have access to this secure information. We do not share any personal data regarding our program participants with any outside agencies or organizations without authorization from the participant by a Release of Information form.



Whistleblower Policy

A whistleblower as defined by this policy is an employee of Inner City Action Inc. who reports an activity that they consider to be illegal or dishonest to one or more of the parties specified in this Policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Examples of illegal or dishonest activities are violations of federal, state or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting.

If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to contact their immediate supervisor or Omegacomp HRtoGo. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas -- confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. Inner City Action Inc will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes they are being retaliated against must contact Omegacomp HRtoGo immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

All reports of illegal and dishonest activities will be promptly submitted to Omegacomp HRtoGo who is responsible for investigating and coordinating corrective action, or to the CEO if the allegations involve Human Resources.

Employees with any questions regarding this policy should contact Human Resources.



Proposal
Inner City Action Inc
Lodi, CA

Inner City Action Inc is a 501(c)(3) Non-Profit Organization. We are proposing the following for the property located at: 22 S Main St. Lodi, CA 95240 (Deluxe Hotel)

School of Leadership Training

Training and raising a generation to serve local communities, agencies, and organizations. We will work closely and partner with the City of Lodi leadership and staff to help accomplish the vision for the city, to help the unsheltered and those in need. We believe in finding a need and helping to fill it.

Transitional Living

Providing Sober Living Transitional Housing to individuals who are finding work. Many times, individuals getting back on their feet face the challenge of obtaining support and housing. Providing individuals a Sober Living Transitional Housing Program will allow the Program Participant to continue on with their sobriety and case management all while obtaining employment and temporary housing in a safe, clean, and supportive environment.

Program Participants will be charged a month tuition that will include.

- Housing & utilities
- Case Management
- Temporary transportation to and from work
- Volunteer opportunities

*Tuition fees will be based on Program Participants income and will be assessed on a case by case basis.

Seniors over 55

Senior citizens over 55 on a fixed and/or low income will be able to become Program Participants with the same benefits as above. These individuals must be self-sufficient and be able to feed, use the restroom, and take care of themselves without assistance from others.

*Tuition fees will be based on Seniors over 55 Program Participants income and will be assessed on a case by case basis.

Common Areas

Space 1 - Will have an environment for fellowship, entertainment, meeting space for local agencies to book appointments with Program Participants, and an office for Inner City Action Inc onsite staff. There will also be an area for lockers for Program Participants to store personal dry food & storage.



Space 2 - We would like to utilize this space to create something that will produce income to help offset the cost of functioning the Sober Living Transitional Housing Center.

Financial Responsibilities

Inner City Action Inc will take on the majority of the financial responsibility of operating the facility. We propose that the City of Lodi pay for the following while Inner City Action establishes the facilities to be self-sustaining:

- All utilities during the first functioning year (PG&E, Water, Trash, Internet)
- 50% of the utilities during the second year
- Inner City Action will be fully responsible for utilities for the third year and on.



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Inner City Action Inc
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Space 2 - We would like to utilize this space to create something that will produce income to help offset the cost of functioning the Sober Living Transitional Housing Center.

Financial Responsibilities

Inner City Action Inc will take on the majority of the financial responsibility for operating the facility. We propose that the City of Lodi pay for the following while Inner City Action establishes the facility to be self-sustaining:

- All utilities during the first functioning 18 months (PG&E, Water, Trash, Internet, Pest Control) to be paid by the City of Lodi

Inner City Action Inc
Reimagined Housing on Main
Proposed Budget
22 S Main St



TENTATIVE INCOME (Annual)		
	Projected Income	Inner City Action Inc
Program Tuition	\$120,000.00 - \$332,000.00	\$120,000.00 - \$332,000.00
OPERATING COST (Annual)		
	Cost	Inner City Action Inc
Rent	\$ 1.00	\$ 1.00
PG&E	Paid by City for first 18 months	\$ -
Waste Management	Paid by City for first 18 months	\$ -
City of Lodi (Water)	Paid by City for first 18 months	\$ -
Internet	Paid by City for first 18 months	\$ -
Pest Control	Paid by City for first 18 months	\$ -
Miscellaneous/Repairs	\$ 18,000.00	\$ 18,000.00
Insurance	\$ 6,000.00	\$ 6,000.00
TENTATIVE PERSONNEL COST (Annual)		
	Cost	Inner City Action Inc
Director	\$ 72,000.00	\$ 72,000.00
Manager	\$ 66,565.00	\$ 66,565.00
Manager	\$ 66,565.00	\$ 66,565.00
Security/Maintenance	\$ 41,600.00	\$ 41,600.00
Security/Maintenance	\$ 41,600.00	\$ 41,600.00
Workers Comp	\$ 13,000.00	\$ 13,000.00
Payroll Tax	\$ 20,000.00	\$ 20,000.00
TOTAL PROPOSED BUDGET	\$ 345,331.00	\$ 345,331.00

Staffing

Staffing will be supported by volunteers when applicable.

Financial Responsibilities

Inner City Action Inc will take on the majority of the financial responsibility for operating the facility. We propose that the City of Lodi pay for all utilities during the first functioning 18 months while Inner City Action establishes the facility to be self-sustaining.

EXHIBIT H
INSURANCE REQUIREMENTS

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EXHIBIT H

NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically

Insurance Requirements for Tenant/Lesseees

Tenant/Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant/Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Tenant/Lessee.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$3,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Property insurance** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

Other Insurance Provisions:

- (a) Additional Named Insured Status
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant/Lesseees including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant/Lessee's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) Primary and Non-Contributory Insurance Endorsement
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Tenant/Lessee's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Tenant/Lessee's insurance and shall not contribute with it.
- (c) Waiver of Subrogation Tenant/Lesseees hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Tenant/Lesseees may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Tenant/Lessee's commercial general liability and automobile liability policies
- (e) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

- (f) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Tenant/Lessee shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Tenant/Lessee shall provide proof of continuing insurance on at least an annual basis during the Term. If Tenant/Lessee's insurance lapses or is discontinued for any reason, Tenant/Lessee shall immediately notify the City and immediately obtain replacement insurance. Tenant/Lessee agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply
If Tenant/Lessee fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Tenant/Lessee shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Tenant/Lessee of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Tenant/Lessee shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Tenant/Lessee fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Tenant/Lessee shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage
Tenant/Lessee shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant/Lessee's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions
Self-insured retentions must be declared to and approved by the City. The City may require the Tenant/Lessee to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits's
The limits of insurance described herein shall not limit the liability of the Tenant/Lessee and Tenant/Lessee's officers, employees, agents, representatives or subcontractors. Tenant/Lessee's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Tenant/Lessee to procure and maintain a policy of insurance.
- (k) Subcontractors
Tenant/Lessee shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Tenant/Lessee shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.