



County of Santa Cruz

0211

HUMAN RESOURCES AGENCY

CECILIA ESPINOLA, ADMINISTRATOR

1000 EMELINE ST., SANTA CRUZ, CA 95060

(408) 454-4130 OR 454-4045 FAX: (408) 454-4642

October 26, 1999

Agenda: November 9, 1999

BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, CA 95060

1999-2000 EMERGENCY WINTER SHELTER PROGRAM

Dear Members of the Board,

As you know, the Emergency Winter Shelter Program in Santa Cruz County provides shelter during the cold and rainy months of the year to homeless individuals and families in our community through a collaboration between area churches, the Salvation Army and the Homeless Service Center/Inter-faith Satellite Shelter Program. This year our community's efforts will receive greater support from the State of California, resulting in a decrease in funding contributions that are needed from local governments. The purpose of this letter is to update you on the status of state funding, to describe the proposed emergency winter shelter program for the 1999-2000 fiscal year and to request authorization to execute contracts to implement this program.

Status of State Funding

The State is providing significant assistance and support to local communities who are reliant on the use of National Guard armories for emergency winter shelter through several actions by the Governor and legislature. As a part of budget actions, Governor Davis authorized continued use of those National Guard armories that have previously been operated as emergency shelters for the 1999-2000 winter. In addition, State budget funding for the equivalent of 100 nights of shelter was allocated directly to the National Guard. The National Guard also reviewed their

BOARD OF SUPERVISORS

November 9, 1999

Emergency Winter Shelter Program

operating costs, resulting in a reduction of the nightly rental fee from \$450 to \$395. A related effort resulted in legislation (AB612) that authorized the use of the National Guard armories for emergency winter shelter indefinitely and provides supplementary funding for emergency shelter. It is not clear at this time if supplementary funding will be available for Santa Cruz County. The winter shelter program proposed in this letter does not rely on these supplementary funds. If additional funds become available, representatives of the contributing jurisdictions will be convened to discuss any necessary changes to program contributions.

On October 27, 1998, your Board authorized the Human Resources Agency to apply for Emergency Housing Assistance Program (EHAP) funds to assist with winter shelter facilities costs for the 1999-2000 fiscal year. At the same time your Board authorized the Human Resources Agency Administrator to execute the agreement with the State for the revenue. The County was awarded \$14,624, the complete EHAP allocation for the community for this purpose. The final State approved agreement for these funds is included with the supporting fiscal documents accompanying this letter.

Proposed Winter Shelter Program for 1999-2000

The Winter Shelter Program in Santa Cruz County is operated by the Homeless Service Center/Interfaith Satellite Shelter Program (ISSP) and the Salvation Army. The program continues to coordinate the efforts of local churches and will operate again this year in sites at local churches, the Watsonville Salvation Army, and the Santa Cruz Armory. Staffing and transportation costs are provided through Federal grant funds. The churches provide meals and volunteer staff.

A budget of \$108,661 for facilities costs has been prepared (Attachment 1). This budget includes an increase in the security and supervision category in North County to address concerns about those issues at **the** shelter sites, but represents a reduction in overall **costs** from **last** year's budget. The budget provides for 137 shelter nights between November 15, 1999 and March 31, 2000.

The increase in State resources for emergency winter shelter means that, this year, the funding contributions needed from local communities for shelter facilities has decreased by about 50%. The cost share proposal for local contributions is based on the same formula developed last year by the Winter Shelter Advisory Committee. The cost share proposal and contributions from the cities and County were reviewed by members of the Winter Shelter Advisory Committee at the August meeting. The proposal recommended by the Committee provides for **an** equitable distribution of winter shelter facilities' costs among local jurisdictions. The following chart outlines the proposed financing for the Winter Shelter Program for FY 1999-2000 and compares this year's recommended funding contributions to those for the previous year.



FUNDING SOURCE	1998-1999	1999-2000	CHANGE
State of California	\$0	\$54,124	\$54,124
Armory Rental Assistance	\$0	\$39,500	
EHAP Grant	\$0	\$14,624	
Local			
City of Santa Cruz	\$42,784	\$22,879	(\$19,905)
City of Scotts Valley	\$530	\$458	(\$72)
City of Capitola	\$3,673	\$3,203	(\$470)
City of Watsonville	\$16,774	\$4,390	(\$12,384)
County of Santa Cruz	\$47,567	\$23,607	(\$23,959)
Total Local Contribution	\$111,328	\$54,537	(\$56,791)
TOTAL	\$111,328	\$108,661	(\$2,667)

This cost share proposal has been presented to the City Councils of Santa Cruz, Scotts Valley, Watsonville and Capitola. All of these jurisdictions have approved their share of the Winter Shelter Program costs.

The proposed County share of the Emergency Winter Shelter Program costs is \$23,607, a substantial reduction from last year's amount. This contribution includes proportional contributions to the winter shelter facilities costs in both North and South County. Adequate funds were set aside in the FY 1999-2000 Human Resources Agency budget to cover the County's share of the funding for the Emergency Winter Shelter Program this year, and no additional appropriation of funds is required. Based on the State's renewed commitment to supporting local use of the armories for emergency winter shelter, it would be appropriate to assume that the current level of County funding will be needed in subsequent fiscal years.

In order to operate the Emergency Winter Shelter Program for the 1999-2000 fiscal year it is necessary to execute a license agreement with the National Guard for the use of the Santa Cruz Armory for winter shelter this year, as well as contracts with the ISSP and Salvation Army to operate the shelter facilities. The licenses and contracts contain similar provisions as previous year's agreements and are in the process of final preparation. These agreements specifically

BOARD OF SUPERVISORS

November 9, 1999

Emergency Winter Shelter Program

include:

- A license agreement with the National Guard, including a provision to cover the total costs of the 37 nights of shelter not covered by the State allocation, even though a portion of these costs are paid by other jurisdictions. The license agreement with the State will not exceed \$14,615, and the actual costs will be will be paid by the ISSP with funds from all of the jurisdictions.
- A contract with the ISSP in an amount not to exceed \$27,956.
- A contract with the Salvation Army in an amount not to exceed \$10,276.

These contract amounts with the ISSP and the Salvation Army reflect the County's share of the program costs and pro-rated portions of the \$14,624 EHAP grant. The necessary action to accept the grant revenue is included in the recommendations of this report.

Winter Shelter Advisory Committee

The Winter Shelter Advisory Committee was originally established by resolution to develop alternatives to use of the Santa Cruz and Watsonville National Guard Armories for winter shelter as required by SB255. As you know, an alternative site, the Salvation Army facility, has been found for the Watsonville Armory. In addition, the committee completed the required report to the State in June, 1998 (Attachment 2) which details the challenges of identifying a feasible and cost effective alternative emergency shelter site in our community. The report also presents the critical need for State funding assistance if a site were to be identified. Since that time the Governor's office has reaffirmed the importance of the National Guard Armories as emergency winter shelter. In addition, further State actions, as noted earlier, will insure that the armories will be available for emergency winter shelter in the foreseeable future and will provide support to local communities in providing that shelter.

Because the original purpose of the Committee has been fulfilled, and the State funding and support of winter shelter is relatively secure, Committee representatives will no longer meet as an officially designated body. Local jurisdictions are committed to the collaborative funding of winter shelter facilities in the future, and the HRA Administrator will convene staff from local jurisdictions on an as needed basis to insure that support of this essential program continues.

Conclusion and Recommendations

The County Board of Supervisors can be justifiably proud of the fact that, through collaborative efforts, no homeless adult, family, child, senior citizen or disabled person has ever been turned

away from shelter in the winter. In addition, only when basic needs like shelter and food are addressed, can homeless families and individuals make the best use of the programs and services that will make a permanent change in their lives. Winter shelter provides a fundamental humanitarian service, and is the first stepping stone in the path out of homelessness. The actions recommended in this letter will provide for the continuation of the necessary funding to support and maintain emergency winter shelter facilities in our community.

The City Councils of Santa Cruz, Capitola and Scotts Valley have approved funding their share of the Emergency Winter Shelter Program costs. The City of Watsonville will also be considering the funding request on November 9, 1999. **IT IS THEREFORE RECOMMENDED** that your Board take the following actions:

1. Approve the attached resolution accepting unanticipated revenue in the amount of \$14,624 to Index 391200 for FY 99-00;
2. Authorize the Human Resources Administrator to execute a license agreement with the National Guard for use of the Santa Cruz Armory in an amount not to exceed \$14,615;
3. Authorize the Human Resources Agency Administrator to execute a contract with the Interfaith Satellite Program for the provision of winter shelter facilities for FY 1999-2000 in an amount not to exceed \$27,956;
4. Authorize the Human Resources Agency Administrator to execute a contract with the Salvation Army for the provision of winter shelter facilities for FY 1999-2000 in an amount not to exceed \$10,276; and
5. Authorize the Human Resources Agency Administrator to and take any other necessary actions related to the provision of emergency winter shelter in the 1999-2000 fiscal year.

Very truly yours,



CECILIA ESPTNOLA
Human Resources Agency Administrator

Attachments

CE:SG:sg:n\admin\wntrshel99.bos

BOARD OF SUPERVISORS

November 9, 1999

Emergency Winter Shelter Program

RECOMMENDED



Susan A. Mauriello

County Administrative Officer

cc. Auditor-Controller
Health Services Agency .
Winter Shelter Advisory Committee

Attachment 1

ESTIMATED BUDGET FOR WINTER SHELTER FACILITIES 1999-2000 OPERATING BETWEEN NOVEMBER 15-MARCH 31 137 NIGHTS		
	1999-2000 PROPOSED	COMMENTS
NORTH COUNTY		
JANITORIAL	6,165	
SECURITY/ SUPERVISION	27,262	Includes \$10,000 for additional security and supervision to address concerns identified last winter.
RENT	55,615	\$395/NIGHT for armory; \$1,500 for nights when armory is not available due to drill dates
ADMIN	4,954	
SUBTOTAL	93,996	
SOUTH COUNTY		
UTILITIES	2,684	
MAINT	1,210	
S H O W E R S	0	
SECURITY/ SUPERVISION	9,438	
ADMIN	1,333	
SUBTOTAL	14,665	
TOTAL	\$108,661	
EHAP GRANT	\$14,624	HRA received grant funding
STATE ARMORY RENTAL ASSIST.	\$39,500	The State is directly funding the National Guard for 100 shelter nights at the Santa Cruz Armory
TOTAL LOCAL COST	\$54,537	



County of Santa Cruz

0218

WINTER SHELTER ADVISORY COMMITTEE

(408) 454-4062

FAX (408) 454-4642

1000 Emeline St., Santa Cruz, CA 95060

DATE: June 19, 1998

TO: Governor Wilson
Senate Committee on Governmental Organization
Assembly Committee on Local Government
Senate Budget Committee
Assembly Budget Committee

FROM: Cecilia Espinola, Chairperson, Santa Cruz County Winter Shelter Advisory Committee

SUBJECT: SANTA CRUZ COUNTY REPORT ON PROGRESS TOWARDS PROVIDING ALTERNATIVE EMERGENCY SHELTERS IN LIEU OF THE ARMORY TEMPORARY EMERGENCY SHELTER PROGRAM

As required under SB 255, I am writing to provide Santa Cruz County's report on progress towards providing alternative emergency shelters in lieu of the Armory Temporary Emergency Shelter Program.

Current Status of Armory Usage

Santa Cruz County has two National Guard armories, one in Santa Cruz and one in Watsonville. For nine years (prior to FY 97/98), both armories have been utilized to provide winter shelter. A total of up to 200 individuals were sheltered each night at the two armories during the cold winter months. Because the armories are less than ideal shelter facilities, over the years local governments and community agencies have attempted to identify alternative shelter sites to replace the armories, but without success. Major obstacles to replacing the armories include the lack of funding to develop new shelter facilities, as well as a lack of appropriate sites.

In FY 97/98, the State shifted most of the cost of armory shelter facilities to local communities. In the fall of 1997, Santa Cruz County's local jurisdictions and service providers again reviewed potential shelter sites to determine whether a less costly alternative could be identified. In Santa Cruz, where the armory shelters 100 to 150 people per night, no suitable alternative could be identified in the time available. Therefore, the armory was again utilized as the Santa Cruz winter shelter site for FY 97/98. Armory facility costs were \$580 per day, including the \$450 armory rental fee paid to the State, \$90 for a licensed security guard, and \$40 for licensed janitorial service, as required by State law beginning in FY 97/98. The armory was used for 13 1 nights between November 1, 1997 and March 31, 1998, at a cost of \$75,980. (This represents

only the facility cost and does not include program operations, which are paid from other sources.)

In Watsonville, where the armory typically sheltered 40 to 65 people per night, the City Manager's office worked with the Salvation Army to provide a temporary alternative shelter site at the headquarters of the Salvation Army. The Salvation Army facility was not an ideal shelter site as it is much smaller than the armory, and is divided into smaller rooms, which made supervision more difficult. However, because of the new costs required by the State in order to use armories in FY 97/98, a decision was made to adopt the Salvation Army instead of the armory as the Watsonville winter shelter site for FY 97/98. The shelter operator (the Interfaith Satellite Shelter Program) provided mats and blankets to be rolled out on the floor for sleeping, in an arrangement similar to that used at the armory. The Salvation Army shelter site was used for a total of 151 nights between December 1, 1997 and April 30, 1998. Shelter facility costs, including security, utilities, rental of portable showers, maintenance and repairs, were approximately \$28,000 (not including program operations).

Efforts to Identify Alternative Shelter Facilities

Santa Cruz County, together with local cities, private philanthropies, community-based agencies, businesses and individuals, has for the last decade aggressively pursued the development of housing and services for the local homeless population. Several long-term collaborative projects have been undertaken, and shelter beds and services have been significantly expanded during that period of time. A Continuum of Care Coordinating Group, with representation from 20 public and private agencies, operates to assess needs, coordinate services, develop new initiatives, and pursue funding opportunities. In particular, our community is focusing on the development of transitional housing and supportive services designed to assist homeless persons to become self-sufficient and obtain permanent housing, thereby reducing the number of individuals who remain dependent on emergency shelter.

In Santa Cruz County, emergency shelter is provided by seven different programs operated by nonprofit organizations. During the winter months, the total number of shelter beds available is 428. Nearly half (200) of these beds historically have been provided at the Santa Cruz and Watsonville armories--thus, the armories (and, in FY 97/98, the Watsonville Salvation Army headquarters) have served as the community's primary shelter sites during the winter months.

As required by SB 255, in FY 97/98 the Board of Supervisors established a Winter Shelter Advisory Committee to coordinate the community's efforts to investigate potential alternative shelter sites to replace the armories. The Advisory Committee includes representatives from all local jurisdictions, the National Guard, law enforcement, local government planning departments, the business community, and homeless service providers and advocates. The Advisory Committee is currently engaged in an effort to identify alternative shelter sites to replace the armories in the winter of FY 98/99 and beyond. The Committee is working with local government planning departments to review all known sites that are potentially appropriate for the provision of homeless shelter. Currently, we are focusing on a review of buildings in industrial areas that might be adapted for homeless shelter, as well as nonprofit camps that are

rarely used in the winter and might be available and appropriate as winter shelter sites. If a more suitable site is not identified, it is likely that the Salvation Army headquarters will again be utilized as the Watsonville site for winter shelter. In Santa Cruz, the National Guard armory will again be utilized if a more cost-effective site cannot be arranged, and if funds are available to cover the armory rental and related expenses.

Obstacles to the Provision of Winter Shelter in FY 98/99

The State's decision to shift winter shelter facility costs to local governments has made the provision of winter shelter far more difficult for our community. In FY 97/98, Santa Cruz County received \$60,000 in State EHAP-242 funds to offset approximately half of the new expenses. The City and County of Santa Cruz provided funds to cover the remainder of the new expenses (for armory rental, security, maintenance, and related facility costs at the Santa Cruz armory and the Salvation Army). In FY 98/99, it is our understanding that the State does not plan to continue the EHAP-242 set-aside that was provided to armory counties last year. EHAP funds will be distributed according to a formula which significantly disadvantages Santa Cruz and other non-urban counties. Under this system, the Department of Housing and Community Development has informed us that Santa Cruz County will receive \$45,000 less in EHAP funds than we received in FY 97/98. Thus, from our County's perspective, it appears that the State's actions will create even greater obstacles to the provision of winter shelter in FY 98/99. We are currently working with our State legislators in an effort to restore funding to the FY 97/98 level. If this effort is unsuccessful, our ability to continue to provide winter shelter, whether at the armories or at alternative sites, will be very much in question.

Obstacles to the Development of Permanent Shelter Facilities

To replace the armories permanently would require two large facilities, one in Watsonville and one in Santa Cruz, that are accessible to the client population but have minimal neighborhood impact. Local agencies have searched for facilities that would meet these criteria but have been unable to identify them. Forty local churches currently rotate during the winter months to provide up to 75 beds per night in their social halls and other church facilities. Church participation has already been expanded to the maximum level that is practicable.

The lack of funding to develop new shelter facilities is another major obstacle. Santa Cruz County is already making the maximum possible use of the primary public funding source for homeless shelters--Federal Emergency Shelter Grants. Although we are not an FESG entitlement jurisdiction, we have been successful each year since 1989 in competing for grants from the State's allocation. Service providers in the County and local cities receive approximately \$450,000 per year in FESG grants which provide operating funds for existing shelter and transitional housing programs. As you are aware, most other public sources of homeless funding are either not available for emergency shelter (e.g., HUD Continuum of Care Assistance) or are available only in very small amounts (e.g., the EHAP Program). It is important to note that Santa Cruz County is not a CDBG entitlement jurisdiction.

Local governments annually provide significant general fund contributions to existing emergency shelter programs, and are unable to increase these contributions in the face of diminishing resources. As you are aware, the transfer of property tax revenue from counties to the State over the past five years has severely reduced discretionary funds available to counties. In Santa Cruz County, \$14 million in property taxes are transferred to the State annually.

Thus far, the County of Santa Cruz has been unable to identify a source for the major infusion of new funds that would be required to establish two permanent mass shelter facilities to replace the Santa Cruz and Watsonville armories. If SB 1950 passes in the current Legislative session, \$20 million will be available through the EHAP program for the development of new shelter facilities in the State. We are strongly in support of this legislation, and we hope to make use of the resulting funds to develop additional shelter capacity in Santa Cruz County in the future. As mentioned earlier, we are currently investigating potential shelter sites for FY 98/99 and beyond.

Concerns Regarding Changes in State Policy

Santa Cruz County, local cities, and community agencies are gravely concerned about the State's withdrawal of support for the armory program without providing sufficient resources to replace the armory shelters. Our community does not have the financial resources to replace the armories with permanent shelter facilities as the current law requires. We would prefer to return to the former system of use of the National Guard armories, under which the State provided funding for shelter facilities and local communities provided shelter operating costs. This system was extremely cost-effective, well accepted by the community, and provided a vital public resource for up to 200 Santa Cruz County residents per night, who would otherwise be at critical risk to their health and safety during the coldest part of the year.

Our State legislators are well aware that the armory shelter program or its equivalent is vital to our community, as it is to other communities throughout California. Unless the State makes significant new funding available for the development of alternative emergency shelters, it is our intention to continue to work closely with our legislative representatives in an effort to extend the armory program as long as it is needed, and to restore State financial support for the use of armory shelter facilities. At the same time, Santa Cruz County is willing to work towards providing alternative shelter sites, but cannot do so without significant State funding. We believe that it is vitally important to reverse the recent erosion of the State's commitment to provide winter shelter, in order to safeguard the health and safety of our community.

cc: Michael Cohen, Legislative Analyst's Office
Tom Bettencourt, Department of Housing and Community Development

CE/JY/n:\admin\wntrshlt\armor255.rpt

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

0222

On the motion of Supervisor _____
duly seconded by Supervisor _____
the following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is a recipient of funds from State Department of Housing, and Community for Emergency Shelter Program program; and -Development.

WHEREAS, the County is recipient of funds in the amount of \$ 14,624 which are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County: and

WHEREAS, pursuant to Government Code Section 29130(c)/29064(b), such funds may be made available for specific appropriation by a four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller accept funds in the amount of \$ 14,624 into

Department HRA-Homeless Assistance

T/C	Index Number	Revenue Subobject Number	Account Name	Amount
001	391200	0894	ST-other	14,624

and that such funds be and are hereby appropriated as follows:

T/C	Index Number	Expenditure Subobject Number	PRJ/UCD	Account Name	Amount
021	391200	4 4 9 0		FESG-Satellite shelters	14,624

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been) (will be) received within the current fiscal year.

By *William Alcorn*
Department Head

Date 10-27-99

COUNTY ADMINISTRATIVE OFFICER

⁶⁶ Recommended to Board

0223

Not Recommended to Board

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____ 19____ by the following vote (requires ~~four-fifths~~ vote for approval):

AYES: SUPERVISORS
N O E S : SUPERVISORS
ABSENT: SUPERVISORS

Chairperson of the Board

ATTEST: .

Clerk of the Board

APPROVED AS TO FORM:



County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

Auditor-Controller

Distribution:
Auditor-Controller
County Council
County Administrative Officer
Originating Department

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

0224

TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: Human Resources Agency (Dept.)

[Signature] (Signature) 10/27/99 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the County of Santa Cruz Human Resources Agency (Agency)
and Department of Housing and Community Development (Name & Address)

2. The agreement will provide Emergency Housing Assistance Program grant to provide
emergency winter shelter facilities throughout the County.

3. The agreement is needed, to implement the Emergency Housing and Assistance Grant # 98-EHAP-1868

4. Period of the agreement is from July 1, 1999 to June 30, 2000

Revenue
5. Anticipated cost is \$ 14,624 (Fixed amount; Monthly rate; Not to exceed)

6. Remarks: authorization to execute the grant agreement approved on October 27, 1998

Revenue
7. ~~Appropriations~~ are budgeted in 391200 (Index#) 0894 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Revenue
Appropriations are available and have been encumbered. Revenue Contract No. _____ Date _____
are not available and will be _____

GARY A. KNUTSON, Auditor - Controller

By _____ Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the
HRA Agency Administrator to execute the same on behalf of the County of Santa Cruz

Human Resources Agency (Agency).

Remarks: GS (Analyst)

County Administrative Officer
By [Signature] Date 10/31/99

Agreement approved as to form. Date _____

- Distribution:
- Bd. of Supv. - White
 - Auditor-Controller - Blue
 - County Counsel - Green
 - Co. Admin. Officer - Canary
 - Auditor-Controller - Pink
 - Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

30
APR 29 1995

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____ County Administrative Officer
_____ 19____ By _____ - Deputy Clerk

CONTRACTOR'S COPY

STANDARD AGREEMENT

APPROVED BY THE
ATTORNEY GENERAL

STD. 2 (REV.5.91)

CONTRACT NUMBER 98-EHAP-1868	AM. NO.
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER	

THIS AGREEMENT, made and entered into this 4th day of March, 19 99, in the State of California, by and between State of California, through its duly elected or appointed, qualified and acting

0225

TITLE OF OFFICER ACTING FOR STATE <u>Director</u>	AGENCY <u>Department of Housing and Community Development</u>
--	--

, hereafter called the State, and

CONTRACTOR'S NAME <u>County of Santa Cruz</u>
--

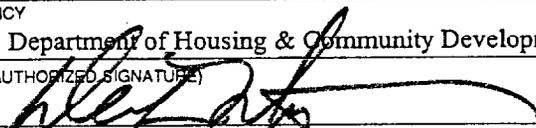
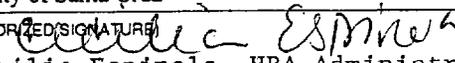
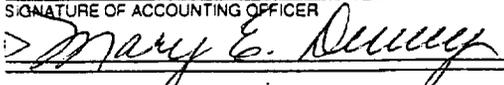
, hereafter called the Contractor.

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows: (Set forth service to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.)

- A. **Authority and Purpose.** The Emergency Housing and Assistance Program (herein after "EHAP") is authorized pursuant to Section 50800, et seq., of the California Health and Safety Code and Title 24, California Administrative Code Section 7950, et seq., and is administered by the State of California Department of Housing and Community Development (hereinafter "State") for the purpose of assisting entities that are providing shelter for the homeless.
- B. **Nature of Services.** Contractor will perform those tasks, services, and activities specified in Attachment A, which is attached to and made a part of this Agreement, in accordance with the Contractor's application, the representations contained therein, and any subsequent written alterations submitted by the Contractor and approved by the State, all of which are hereby incorporated into this Agreement by reference as if set forth in full. Such tasks, services and activities are herein referred to as the "Program".
- C. **Grant Amount.** This Agreement shall not exceed **\$14,624.00**.

CONTINUED ON 12 SHEETS, EACH BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER.

The provisions on the reverse side hereof constitute a part of this agreement.
IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA		CONTRACTOR				
AGENCY <u>Department of Housing & Community Development</u>		CONTRACTOR (If other than an individual, state whether a corporation, partnership, etc.) <u>County of Santa Cruz</u>				
BY (AUTHORIZED SIGNATURE) 		BY (AUTHORIZED SIGNATURE) 				
PRINTED NAME OF PERSON SIGNING <u>Dennis L. Montgomery</u>		PRINTED NAME AND TITLE OF PERSON SIGNING <u>Cecilia Espinola, HRA Administrator</u>				
TITLE <u>Manager, Business Management Branch</u>		ADDRESS <u>1000 Emeline Street, Santa Cruz, CA 95060</u>				
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 14,624.00	PROGRAM/CATEGORY (CODE AND TITLE) (OPTIONAL USE)	FUND TITLE EHAF		Department of General Services Use Only Exempt from Department of General Services approval JUN 28 1999		
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ -0-	ITEM <u>2240-604-0985</u>	CHAPTER <u>1691</u>	STATUTE <u>1984</u>			FISCAL YEAR <u>98/99</u>
TOTAL AMOUNT ENCUMBERED TO DATE \$ 14,624.00	OBJECT OF EXPENDITURE (CODE AND TITLE) <u>2207/40063 - \$14,624.00; 661706 Grants-Nongovernmental-Other misc. payments & service</u>					
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.			
SIGNATURE OF ACCOUNTING OFFICER 		DATE <u>5/14/99</u>				

STANDARD AGREEMENT

STD. 2 (REV. 3-91) (REVERSE)

County of Santa Cruz

98-EHAP-1868

Page 2 of 9

1. The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work services, materials or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Contractor in the performance of this contract.
2. The Contractor, and the agents and employees of Contractor, in the performance of the agreement, shall act in an independent capacity and not as officers or employees or agents of State of California.
3. The State may terminate this agreement and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. The cost to the State shall be deducted from any sum due the Contractor under this agreement, and the balance, if any, shall be paid the Contractor upon demand.
4. Without the written consent of the State, this agreement is not assignable by Contractor either in whole or in part.
5. Time is of the essence in this agreement.
6. No alteration or variation of the terms of this contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
7. The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

8. Work to be Performed

The State recipient, if any, hereinafter "Contractor" agrees to fully perform the work described in Attachment A, Section 1, (hereinafter "the work") and more fully described in the Application. The State reserves the right to review and approve all work to be performed by the Contractor in relation to this Agreement. Any deviation from the work description in Attachment A, without express written permission from the State, is prohibited. In the event work is to be performed by a subrecipient, the subrecipient shall be required to comply with all requirements of this Agreement.

9. Grant Amount

For the purposes of performing the work, the State agrees to pay to Contractor the amount specified in Attachment A. In no instance shall the State be liable for any costs for the work in excess of this amount, nor for any unauthorized or ineligible costs.

10. Commencement and Term

The effective date of this Agreement is the date of approval by the State. Contractor agrees that work shall not commence prior to the effective date of this Agreement. Contractor agrees to commence the work no later than sixty days (60) (or six (6) months for capital development grantees) from the effective date of the Agreement. Contractor agrees that the work shall be completed by the expiration date specified in Attachment A, Section 2b and that the services be provided for the full term of the Agreement. This Agreement shall expire on the date set forth in Attachment A, Section 2b.

11. Special Conditions

The Contractor agrees to fully comply with the special conditions, if any, contained in Attachment B.

12. Method of Payment

- A. To receive payment for the work performed, or to receive an operating advance, the Contractor shall submit, on forms provided by the State, a duly executed Request for Disbursement and any required supporting documentation. The Contractor shall submit all Request for Disbursements to the Department of Housing and Community Development, Emergency Housing and Assistance Program, 1800 Third Street, P.O. Box 952054, Sacramento, California, 94252-2054, or any other address of which the Contractor has been notified in writing.
- B. The Contractor may submit a Request for Disbursement and required supporting documentation to obtain an advance of operating funds in an amount not to exceed fifty percent (50%) of the grant amount. The advance may not be used for site acquisition, construction, rehabilitation, conversion or equipment. The request for an advance must be submitted within sixty (60) days of the effective date of the Agreement. All subsequent Requests for Disbursement submitted will be for reimbursement of additional costs incurred by the Contractor.
- C. Contractor shall comply with disbursement conditions contained in Attachment C, if applicable.
- D. Contractor shall submit its **final** Request for Disbursement no later than sixty (60) days after the date of expiration of this Agreement. Any funds not requested within this period will revert to the State and Contractor will be deemed to have waived any right to obtain disbursement.

- E. Any funds not expended by the Contractor by the expiration of this Agreement, including any interest earned on EHAP funds, must be returned to the State. Checks shall be made out to the "Department of Housing and Community Development" and shall be mailed within sixty (60) days of the date of expiration of this Agreement

13. Grant Termination

- A. The State may terminate this Agreement at any time for cause by giving at least ten (10) days notice in writing to the Contractor. Cause shall consist of: Violations of any terms and/or special conditions of this Agreement; unsatisfactory performance of the work; or violation of the regulations contained in the California Code of Regulations commencing with Section 7950. Upon termination of this Agreement, unless otherwise approved in writing by the State, any unexpended funds received by the Contractor shall be returned to the State within thirty (30) days of the Notice of Termination.
- B. The State shall be liable only for approved obligations and expenditures to the date of termination. Contractor shall have thirty (30) days to submit a final Request for Disbursement after the date of termination of this Agreement.
- C. The State retains the right to either terminate this Agreement under the ten-day cancellation clause or to amend the Agreement to reflect withdrawal of the State's expenditure authority or any reduction of funds.

14. Reports

The Contractor shall submit within thirty (30) days after the end of the State-designated report period, on formats provided by the State, a Quarterly Narrative Report and other reports as may be required by the State. The quarterly reporting periods begin on the first day of January, April, July and October. For Agreements which have a lien period, an annual report shall be submitted by the Contractor within thirty (30) days of the anniversary date of the expiration date of the Agreement until the security instrument is released. No funds will be disbursed by the State unless the Contractor has submitted all required reports.

15. Fiscal Administration

- A. The Contractor agrees to establish and maintain fiscal controls and accounting procedures in accordance with generally accepted accounting principles and any guidelines prescribed by the State. The Contractor shall ensure that EHAP funds are properly disbursed, are adequately controlled, and are accounted for separately from all other funds controlled by Contractor. The State may at its discretion, require Contractor to maintain EHAP funds in a separate checking account.
- B. The Contractor further agrees to keep records that fully disclose the amount, date, purpose, payee and disposition of the proceeds of the grant; the total cost of the Program for which the grant is awarded; and the amount and disposition of that portion of the total costs provided by other sources. The procedure developed by the Contractor must provide for the accurate and timely recordation of the receipt of funds, expenditures, and unexpended balances.

16. Audit/Retention and Inspection of Records

- A. Contractor agrees that the Department of Housing and Community Development (HCD) or its delegatee will have the right to review, obtain, and copy all records pertaining to performance of the contract. Contractor agrees to provide HCD or its delegatee with any relevant information requested and shall permit HCD or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees 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 PCC § 10115 et seq., GC § 8546.7 and 2 CCR § 1896.60 et seq. Contractor further agrees to maintain such records for a period of three (3) years after final payment under the contract.

Contractor shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC § 10115.10.

- B. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the State or its designee by the Contractor. Expenditures for work not described in Attachment A shall only be deemed authorized if the performance of such work is approved in writing by the State prior to the commencement of such work.
- C. Absent fraud or mistake on the part of the State, the determination by the State of the allowability of any expenditures shall be final.
- D. If requested by the State, the Contractor shall cause an audit to be performed by a qualified State, local or independent auditor. Contractor shall notify the State of the auditor's name and address immediately after the selection has been made. The contract for audit shall include a clause which permits access by the State to the independent auditor's working papers.
- E. If an audit is requested by the State, three copies of all required audit reports for local government grantees shall be submitted to the State Controller's Office, and for nonprofit grantees shall be submitted to the HCD Internal Audit Unit, P.O. Box 952050, Sacramento, CA 94252-2050, within six months (6) of the close of the required audit period.

17. Nondiscrimination Clause

During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.) The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

This contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

18. Americans with Disabilities Act (ADA) of 1990

By signing this contract, Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

19. Construction Contractor

- A. The Contractor, shall not enter into any Agreement, written or oral, with any construction contractor without the prior determination by the State of the construction contractor's eligibility. A construction contractor or subcontractor is not eligible to receive grant funds if the contractor is not licensed in good standing in the State of California, or is listed on the federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.
- B. The Agreement between the Contractor and any construction contractor shall require the construction contractor and its subcontractors, if any, to:
- 1) Perform the Work in accordance with Federal, State and Local housing and building codes as are applicable.
 - 2) Comply with the Labor Standards described in Attachment D of this Agreement as are applicable. In addition to the requirements of Attachment D, all construction contractors and subcontractors must comply with the provisions of the California Labor Code as are applicable.
 - 3) Maintain at least the minimum State-required worker's compensation insurance for those employees who will perform the work or any part of it.
 - 4) Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the contractor or any subcontractor in performing the work or any part of it.
 - 5) Comply with all applicable terms of this Agreement and to include all the applicable terms of this Agreement in each subcontract.

20. Inspections

- A. Contractor shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable, State and/or Local requirements, and this Agreement.
- B. The State reserves the right to inspect any work performed, program records or financial records, to see that the work is being and has been performed in accordance with the applicable, State and/or Local requirements, and this Agreement.
- C. The Contractor agrees to require that all work found by such inspections not to conform to the applicable requirements be corrected within specified time periods, and to withhold payment under the subcontract until it is so corrected.

21. Compliance with State and Local Laws and Regulations

The Contractor agrees to comply with all State and Local laws and regulations that pertain to planning, zoning, construction, health and safety, labor, fair employment practices, relocation, historic preservation and all other matters applicable to the Contractor, its subrecipients, and the work.

22. Environmental Requirements

This agreement is subject to the provisions of the California Environmental Quality Act (CEQA). Contractor assumes responsibility to fully comply with CEQA's requirements including hazardous material requirements regarding the work. The Contractor shall not use EHAP funds for the acquisition, lease, rehabilitation, or the conversion, of any site or property in which there is reason to believe that there has been a significant release of hazardous materials within two thousand (2,000) feet of the property, without a study and adoption of a mitigation plan if called for by the study, which is acceptable to the State.

0237

23. 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 State 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 State to enforce these provisions.

24. 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 State, 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 State immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the State 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 State.

25. NLRB Certification

The Contractor warrants by execution of this Agreement and does swear-under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal Court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a Federal Court which orders the Contractor to comply with an order of the National-Labor Relations Board.

26. Amendment Clause

- A. This Agreement may be amended in writing upon the mutual written agreement of both parties hereto; however, such amendment shall not take effect until approval by the State and may not have retroactive effect.
- B. Contractor may not transfer by assignment, subcontract, or novation the performance of this Agreement or any part thereof except with the prior written approval of the State and a formal amendment to this Agreement to effect such assignment, subcontract, or novation.
- C. No modification of the budget in excess of the lesser of \$5,000 or 10% of the total contract amount shall be valid without amendment to this Agreement. Such amendments shall only be approved if:
 - 1) The total changes during the term of this Agreement do not exceed the regulatory limitations.
 - 2) Total expenditures for Administrative costs do not exceed five percent (5%) of the total grant amount.
 - 3) The reallocation would not detrimentally affect the prior competitiveness of the project funded.
- D. A Budget Revision of amounts less than five thousand dollars (\$5,000) or ten percent (10%) of the total contract amount may be approved in writing by the State without amendment to the Agreement.

27. Insurance

- A. Unless otherwise approved in writing, Contractor shall have and maintain in full force and effect during the term of this Agreement liability insurance in an amount not less than \$1,000,000 per occurrence with the State named as an additionally insured. Prior to drawdown of funds, the Contractor shall provide to the State Coordinator for review and approval a valid certificate of insurance.

0232

- B. If the activity **funded** by this Agreement includes construction/rehabilitation/conversion work, during the term of this Agreement, Contractor shall obtain, carry, and maintain in force -- or cause to be obtained, carried, or maintained in force -- comprehensive general liability insurance in the amount of not less than one million dollars (\$1,000,000) for injury to or death of one person, one million (\$1,000,000) for injury to or death of more than one person in one accident, two million (**\$2,000,000**) for injury to or death of more than one person in one accident in buildings with elevators, and adequate property damage insurance.
- C. Contractor will ensure that the State of California and its **officers** and employees are named as additional named insured on the general liability insurance policy required by subdivisions (a) or (b) for purposes of any litigation arising at any time during or **after** the term of this Agreement with respect to the performance of this Agreement or any act or omission thereunder. That policy also shall provide for notice to the State in the event of any lapse of coverage and in the event of any claim thereunder. Prior to **drawdown** of funds, the Contractor shall provide to the State Coordinator for review and approval a valid certificate of insurance.
- D. The Contractor shall indemnify and save harmless the State of California and all officers and employees thereof connected with the work or program assisted by this Agreement, from all claims, suits, or actions of every name, kind and description, brought forth, or on account of, physical or other injuries to or death of any person including but not limited to workers and the public, or damage to property resulting from the performance of this Agreement, except as otherwise provided by statute. The duty of the Contractor to indemnify and save harmless includes the duties to defend as set **forth in** Section 2778 of the Civil Code.

28. Drug-Free Workplace

By signing this contract, the contractor or grantee hereby certifies under penalty of perjury under the laws of the State of California that the contractor or grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The person's or organization's policy of maintaining a drug-free workplace;
 - c. Any available counseling, **rehabilitation**, and employee assistance programs; and,
 - d. Penalties that may be imposed upon employees for drug abuse violations.
3. Every employee who works on the proposed contract will:
 - a. Receive a copy of the company's drug-free workplace policy statement; and
 - b. Agree to abide by the terms of the company's statement as a condition of employment on the contract.

0233

29. State Coordinator

The State Coordinator of this Agreement for the State is the Program Manager for the Emergency Housing and Assistance Program, Division of Community Affairs, or the Homeless and Housing Assistance Unit Chiefs designee.

Any notice, report, or other communication required by this Agreement shall be mailed by first class mail to the State Coordinator at the following address:

EHAP Program Manager
Department of Housing and Community Development
Division of Community Affairs/Emergency Housing and Assistance Program
P.O. Box 952054
Sacramento, California 94252-2054
Phone: (916) 445-0845

ATTACHMENT A

Section 1 - Work Description

A. The Contractor in this Agreement is: 0234

County of Santa Cruz

B. The Contractor shall perform the work of an OPERATING FACILITY GRANT as described in the approved application which is on file with the Department of Housing and Community Development.

C. The Grant of \$14,624.00 shall consist of :

<u>Activity</u>	<u>EHAP Funds</u>
Operations	\$14,624.00

D. The following activities are funded by the Operations Line Item:

Operations Detail	Funded
Staff Providing Services Directly to Clients	
Counseling Clients and Supervising the Counseling Services	
Utilities	
Office Supplies, Document Duplication, Printing and Mailing	
Routine Maintenance and Repairs	
Rent	X
Taxes and Insurance	
Other	

E. Project/Shelter Description
 Project/Shelter ISSP Emergency Shelter Program National Guard Armory
 is at 30 1 Armory Road
 In the city of Santa Cruz, in the County of Santa Cruz.
 This Project/Shelter will provide Emergency Shelter.

Section 2 - Commencement and Term

A. The estimated time schedule for EHAP fund drawdown will commence with the effective date of this contract.

B. The contract will expire 14 months from the effective date. In accordance with Section 7970(c)(I), no extension of this contract shall be granted.

ATTACHMENT B

Special Conditions

0235

- A. EHAP funds paying for staff working with children may only be used to allow parents to participate in self-sufficiency development services or to seek employment or permanent housing.
- B. EHAP funds for domestic violence shelters may not be used to pay for hotline expenses.
- C. EHAP funds shall not be released for debt reduction until the state has reviewed and approved the Promissory Note and Deed of Trust for the debt.

ATTACHMENT C

0236

Disbursement Conditions

- A. Prior to incurment of any EHAP costs for any service or materials contract, Contractor shall provide evidence satisfactory to the State and obtain State approval of the following procedures:
- 1) Contractor shall maintain and make available to the Department detailed records and accounts of contracts for services and or the purchase of materials.
 - 2) All subcontracts entered into shall comply with all requirements of this Agreement; included within their terms, or by reference and attachment, the applicable terms and provisions of this Agreement; and contain a provision that the records of the contracting parties shall be subject to audit by the State for a period of five (5) years after the **final** payment under the contract.
 - 3) Contractor shall have **written** bidding procedures and invite bids for the services and/or materials from as many **prospective** bidders as is practical.
 - 4) Contractor shall award the contract to the lowest responsible bidder or shall reject all bids.
 - 5) Contractor shall establish a method of contract monitoring.
- B. Prior to incurment of any EHAP predevelopment costs, including but not **limited** to architectural, engineering, and consultant fees; escrow costs (local lender or contractor control **firm**); and related activities, the Contractor must submit the following items, if applicable, for prior **written** approval by the State: evidence of site control; agreement for architectural services; consultant contract; control services **contract**; preliminary **workplan** and budget; and evidence satisfactory to the State of adequate **or** necessary financing in excess of the grant amount to ensure project completion.
- C. Prior to incurment of any EHAP rehabilitation or conversion costs, Contractor must provide to the State, if applicable: evidence of site control; all building department approved plans and permits; planning department approval for site use; the construction/rehabilitation/ conversion contract; a detailed estimate of the project's construction cost and method of project monitoring; approvals of all changes as required by the State; and other evidence required by the State which demonstrates that the activities **funded** by the grant are within the terms of this Agreement and are in compliance with the Program statutes and regulations, and all applicable Federal, State, and Local laws; and evidence satisfactory to the State of adequate or necessary financing in excess of the grant amount to ensure project completion.
- D. With regard to rehabilitation or conversion, the construction/rehabilitation/conversion contract shall include provisions for the method of payments and for retaining an amount of not less than ten percent (10%) **from** each progress **payment** until such time as the lien-free completion of the project is ensured. For contracts of **twenty-five** thousand dollars (\$25,000) or greater, the Contractor shall require the provision by the building contractor of a performance and payment bond or equivalent security (such as a letter of credit) approved in advance by the State; this security shall be in an amount equal to one hundred percent (100%) of the construction contract. Alternate forms of security may be utilized upon approval of the State.

ATTACHMENT C

0237

- E. Prior to incurment of any EHAP costs for site acquisition (purchase), Contractor must provide evidence satisfactory to the State and obtain State approval of all the following, to the extent applicable: evidence of site control; a plot map; comparables or an appraisal; planning department approval of use; engineer's or building contractor's **evaluation** of the site/ facility; title insurance; adequate or necessary financing in excess of the grant amount to ensure acquisition; and a standard policy of hazard insurance in an **amount** no less than one hundred percent (100%) of the replacement cost of the facility or the total amount of all liens against the property, whichever is greater.
- F. Prior to incurment of any EHAP costs for lease, Contractor must provide evidence satisfactory to the State and obtain State approval of all of the following, to the extent applicable: site control and lease; comparables or an appraisal; planning department approval of use; engineer's or building contractor's evaluation of the site/facility; adequate or necessary financing in excess of the grant amount to ensure continuation of the lease for the required term; and included in the lease an **assignment** clause which provides for State operation of the facility as a shelter for homeless persons as designated in this Agreement, in the event that the Contractor defaults on the Agreement.
- G. With regard to site acquisition (purchase), rehabilitation, or conversion, Contractor must execute and provide the State, to the extent applicable, evidence of recordation of a Security Agreement and Lien in the Office of the Recorder in the county in which the real property is located.
- H. Prior to incurment of any EHAP costs for purchase of any item of equipment with a value greater than one thousand dollars (\$1,000), or multiple units of the same item with a combined value greater than one thousand dollars (\$1,000), Contractor must provide evidence satisfactory to the State and obtain State approval of all of the following, to the extent applicable: a description of the bidding or price comparison procedure; a manufacturer's description of each item; a detailed comparison and rationale **in any** case where the price selected by the Contractor is not the lowest price available or bid for a similar item; and location where equipment shall be installed.
- I. With regard to equipment purchase, Contractor must provide the State with a completed Uniform Commercial Code-Financing Statement (UCC-1 Form) for items with a unit value of two hundred fifty dollars (\$250) or greater as required by the State.
- J. Other disbursement conditions may apply to this Agreement and Attachments.

ATTACHMENT D

0238

Labor Standards

All construction contractors and subcontractors shall give the following certification to the Contractor and forward this certification to the Contractor within 10 days after the execution of any contract or subcontract.

- A. "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this contract."
- B. "It is further agreed that, except as may be provided in Section 1815 of the California Labor Code, the maximum hours a worker is to be employed is limited to eight hours a day and 40 hours a week and the subcontract shall forfeit, as a penalty, \$25 for each worker employed in the execution of the subcontract for each calendar day during which a worker is required or permitted to labor more than eight hours in any calendar day or more than 40 hours in any calendar week and is not paid overtime."