CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: September 1, 2026 Revised 08/31/2026 at 9:30am changes in red below

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To:	Honorable City Councilmembers
From:	City Council Liaison to Homeless/City Manager
Presenter:	St. Vincents de Paul Lauren Taylor/Jack Tibbetts 8th Wave Robin Stephani, City Consultant
Department:	City Administration /City Consultant
Subject:	Presentation from St Vincents de Paul on Status of Gravenstein Commons/Status of Community Engagement Meeting and Update on Good Neighbor Policy or Affirmations

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RECOMMENDATION(S): That the City Council receive the informational update and presentation from St. Vincent de Paul (SVdP) and City Consultant Robin Stephani regarding the Gravenstein Commons project. No action is required.

PROCESS OF AGENDA ITEM:
a. Introduction of agenda item by City staff
b. Presentation by St. Vincent de Paul representatives and City Consultant Robin Stephani
c. Questions and discussion from Councilmembers
d. Public comment period
e. Council discussion / receipt of informational item

EXECUTIVE SUMMARY: This informational report provides a current status update on the Gravenstein Commons project, a 22-unit permanent supportive housing (PSH) development located at 845 Gravenstein Highway North in Sebastopol. The project is led by the Society of St. Vincent de Paul of Sonoma County (SVdP) in partnership with the City of Sebastopol and is intended to house highly vulnerable individuals exiting homelessness through a Housing First model with intensive on-site supportive services.

Per SVdP, operations will be provided by the Committee on the Shelterless (COTS), with SVdP retaining overall project responsibility. The City continues to serve as co-applicant under the Homekey award, with SVdP contractually obligated to indemnify the City and fund all City administrative and consultant costs related to the project.

As of the most recent information provided by SVdP (August 2026), construction is approximately 80% complete. Completion is expected by November 1, 2026, with resident move-in immediately following and a target of 90% occupancy by January 28, 2027. SVdP representatives and the City's contract consultant (Robin Stephani / 8th Wave) will present updates on construction progress, funding status, operational planning, community engagement, Good Neighbor protocols, and compliance with Homekey requirements.

BACKGROUND: On May 16, 2023, the City Council directed staff to jointly apply with SVdP to the California Department of Housing and Community Development (HCD) for Homekey Round 3 funding to construct 22 deed-restricted, extremely low-income permanent supportive housing units. The application responded to the significant presence of unsheltered individuals on and near Morris Street. The site at 845 Gravenstein Highway North previously hosted the temporary Horizon Shine safe-parking program.

In February 2024, HCD awarded $6,449,235 in Homekey funds. The City is a required co-applicant and therefore carries potential financial liability under the Standard Agreement..

Following an April 2, 2024 Council decision to withdraw from participation; two Councilmembers requested reconsideration.

On June 18, 2024, the Council reconsidered and ultimately proceeded with the project after additional commitments from SVdP and confirmation of key funding sources. The City and SVdP entered into an agreement to address the risks to the City, under which SVdP: (1) assumes primary responsibility and is in "first position" for any repayment obligations; (2) indemnifies the City against financial liability arising from breach; (3) maintains required capital and operating reserves ($671,215 each); and (4) funds the City's third-party consultant for ongoing compliance, reporting, and oversight for the full 15-year (or longer) term of the project. Construction has proceeded under extended Homekey performance milestones approved by HCD.

Council has received two related briefings that remain relevant to this item:

- August 5, 2025: Informational presentation by Sonoma County Department of Health Services Director Nolan Sullivan, Fifth District Supervisor Lynda Hopkins, and Michael Gause (County Ending Homelessness / Continuum of Care). That presentation covered County homeless-services structure, Housing First, Coordinated Entry, funding, and the relationship between City and County responsibilities as Gravenstein Commons approached construction.
- October 7, 2025: Informational presentation by HomeFirst, the County Coordinated Entry System operator (Hunter Scott and Kaitlin Johnson-Carney). That presentation explained how people are assessed, placed on the Dynamic Housing Roster, matched to housing, and how project eligibility differs from vulnerability-based prioritization. HomeFirst also identified the City's opportunity to request a West County / Sebastopol subregional by-names list as an eligibility criterion for Gravenstein Commons.

DISCUSSION:

CURRENT PROJECT STATUS & KEY UPDATES:

Construction Progress

- Construction percentage complete: approximately 80% (as reported by SVdP).
- Revised expected completion: November 1, 2026.
- First resident move-in anticipated immediately after certificate of occupancy; target 90% occupancy by January 28, 2027.
- Primary historical delay factors included the 2024 temporary withdrawal from the partnership (which postponed foundation work through a full construction season) and a minor utility-location issue requiring a new Caltrans encroachment permit. Building construction itself continued during resolution of the utility matter.

Homekey / HCD Compliance

- Performance milestones have been extended by HCD:
  - Capital Expenditure to 11/30/2026;
  - Construction/Rehab to 10/30/2026;
  - Occupancy to 01/28/2027.
- Required reports (Fiscal Year Expenditure Report, Annual Report) have been submitted on schedule.
- Prevailing-wage labor compliance is tracked monthly and is current.
- The City's consultant continues to coordinate milestone tracking, document review, and HCD communications; all consultant costs are reimbursed by SVdP under the Funding and Reimbursement Agreement.

Funding Status (Capital)

- Homekey award of $6,449,235 remains the primary capital source and is being drawn as eligible costs are incurred.

- SVdP reports notices of award for $1,000,000 Measure O (Sonoma County Department of Health Services) and $200,000 PLHA (Sonoma County Community Development Commission). Funds have not yet been disbursed; SVdP is utilizing available lines of credit as a temporary backstop to complete construction.
- The previously discussed $3 million commitment from the former Director of the Sonoma County Department of Health Services has not been formalized by the County. SVdP continues discussions with County leadership and District 5 Supervisor regarding alternative or supplemental sources.
- Private fundraising and additional NOFA opportunities continue to be pursued. SVdP maintains lines of credit sufficient to bridge remaining capital needs while other awards are finalized.
- All construction costs (and total development costs) are going to be paid by SvDP utilizing the sources at hand; identified sources still anticipated and their lines of credit (see progress report). Construction costs (Change Orders) went up for several reasons and are associated with bidding the project too early (at 50% Construction Documents), delays in the project causing material escalation, unexpected amount of environmental (dirt) clean-up, issue with storm tie-in location which was originally designed to connect in front of project; but new pipe to the nearest inlet had to be installed (to the north of the liquor store), trash enclosure redesign and adding an office for service provider.

<u>Operating Funding & Reserves</u>

- The required $671,215 operating reserve remains intact and available for monitoring by the City.
- Projected annual operating expenses once fully operational: approximately $478,000.
- Operations will be delivered by the Committee on the Shelterless (COTS). Per SVdP, COTS brings established revenue streams and experience operating permanent supportive housing in Sonoma County, reducing reliance on any single voucher source.
- SVdP and COTS will continue to pursue Project-Based Vouchers (anticipated NOFO in 2028), other County/State sources, and private support. HCD operating-reserve funds remain available if needed.

<u>Operations Model, Staffing & Supportive Services</u>

- Service provider: Committee on the Shelterless (COTS). <u>From COTS:</u>
    - *COTS has significant experience operating Permanent Supportive Housing (PSH) programs, managing supportive housing properties, and partnering with property owners and affordable housing developers. COTS currently provides PSH for individuals and families throughout Sonoma County, supported through County, federal, foundations, local governments, and philanthropic funding. Within our existing portfolio of supportive housing, COTS property manages 94 units. In addition to property management, COTS provides supportive services for 189 households residing in PSH. In 2027, COTS is partnering with Burbank Housing to provide supportive services to an additional 70 households, bringing our total to 259. COTS provides supportive services within scattered PSH sites (residential homes and individual apartment units), as well as large PSH developments like Studios at Montero (60 units), Petaluma River Place (15 behavioral health units), Vida Nueva (19 family PSH units), and the Burbank Terraces project currently under development (70 senior- housing PSH units).*
    - *Importantly for the proposed Gravenstein Commons partnership, COTS has extensive experience as a master lessee. COTS leases more than fifteen residential properties throughout Sonoma County, including properties that have been continuously leased for over a decade. Under this model, COTS assumes responsibility for rent payments, routine property oversight, tenant support, inspections, and coordination of non-capital maintenance needs. COTS employes both supportive services staff and maintenance technicians to help residents maintain successful tenancies while protecting the condition of the properties it leases.*
- Planned staffing (approximate): 1.0 FTE live-in Property Manager; 1.5 FTE Care Managers; part-time Resident Services Manager / Housing Director oversight; part-time clinician (LCSW/ASW); part-time maintenance; and professional security coverage (currently budgeted ~32 hours/week on weekends).
- Services (voluntary): case management, employment readiness, benefits advocacy, tenant dispute resolution, healthcare navigation, behavioral-health groups/individual support, AA groups,

transportation assistance, and appointment coordination. Wellness events will be offered only if requested by residents.

Security: on-site staff seven days per week, live-in manager, security cameras throughout the property, and professional security firm coverage during weekend hours when Care Managers are off-site.

Resident selection:
- All placements will be made through the County Coordinated Entry System, consistent with Homekey, fair-housing, and Continuum of Care requirements. Day-to-day selection and placement decisions remain with the operator under Coordinated Entry rules.
- As discussed at the October 7, 2025 Council meeting, eligibility (project-specific rules) is distinct from prioritization (vulnerability ranking). The City may provide input on initial referral / eligibility criteria, including whether a West County or Sebastopol subregional by-names list will be used to screen for local unsheltered individuals.
- HomeFirst previously indicated that referrals would begin approximately 30 days before occupancy. Staff recommends confirming the referral start date, the status of any local by-names-list criterion, and whether a City–SVdP–HomeFirst criteria meeting has been scheduled.

Community Engagement & Good Neighbor Protocols
- SVdP and COTS plan in-person and mailed outreach to neighboring properties prior to opening.
- A citywide community meeting (in-person plus virtual Q&A option) is planned approximately 30–45 days before first move-in. City assistance with listserv and social-media notice is requested.
- Protocols for loitering, trespassing, visitor management, and neighborhood impacts will be enforced through lease provisions, on-site staff, security, and coordination with the Sebastopol Police Department. Anonymized incident logs can be shared with the City on a quarterly basis.
- An Advisory Council is under consideration; timing is to be determined.

Risk Mitigation for the City
- SVdP remains contractually obligated to indemnify the City and to stand in first position for any repayment of Homekey funds.
- Required capital contingency and operating reserves are maintained and subject to City monitoring (including the right to request dated bank statements).
- All City legal, administrative, and consultant costs continue to be funded/reimbursed by SVdP.
- The City's third-party expert (8th Wave) continues to provide specialized Homekey compliance support; the Professional Services Agreement was recently amended to extend through project completion / December 31, 2027 (whichever is earlier), with no net cost to the City.

STAFF ANALYSIS:

- Questions regarding who will be housed at Gravenstein Commons were addressed in detail at the October 7, 2025 HomeFirst briefing. The remaining operational question is whether the City's requested local / West County eligibility screen has been implemented and when Coordinated Entry referrals will begin.
- The project remains on an extended Homekey schedule, with construction now reported at approximately 80% complete. Capital awards beyond Homekey have been noticed but not yet disbursed; SVdP reports that lines of credit are being used as a bridge. Required reserves remain in place, and SVdP continues to reimburse City administrative and consultant costs.

CITY COUNCIL GOALS/PRIORITIES AND/OR GENERAL PLAN CONSISTENCY: This agenda item represents the City Council goals/priorities as follows:

Goal 4: HIGH PERFORMANCE ORGANIZATION Restore public trust, improve public communications, and strengthen collaborative partnerships with outside agencies and service providers.

PUBLIC COMMENT: As of the preparation of this staff report, no public comments have been received on this item. Any comments received after distribution of the report will be provided to the City Council as supplemental materials. Public comment will also be accepted during the meeting.

COMMUNITY OUTREACH: This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date. Related public briefings occurred on August 5, 2025 and October 7, 2025.

FISCAL IMPACT: There is no direct fiscal impact to the City from receiving this informational presentation. Under the existing Funding and Reimbursement Agreement, SVdP continues to pay all City administrative and consultant costs associated with the project. The City's potential contingent liability as Homekey co-applicant remains as previously disclosed and is contractually backstopped by SVdP's indemnification and reserve obligations.

Restated Recommendation: That the City Council receive the informational update and presentation from St. Vincent de Paul (SVdP) and City Consultant Robin Stephani regarding the Gravenstein Commons project. No action is required.

Council Alternative(s)/Option(s):

1. Receive the informational presentation and provide any direction to staff or the consultant as desired.
2. Request additional written information or a follow-up presentation on specific topics (e.g., detailed financial schedules, confirmation of Coordinated Entry eligibility criteria and referral timing, Good Neighbor Policy draft per County PSH standards, community-meeting logistics).

ATTACHMENT(S):

1. SVdP Responses to City Frequently Asked Questions (FAQs) — current as of August 2026
2. SVDP Council Report Submittal to City Council (1)
3. SVDP Council Report Submittal to City Council (2)
4. Most recent Gravenstein Commons Progress Report/Financial Report
5. HomeFirst Coordinated Entry presentation to City Council (October 7, 2025)
6. COTS SOQ
7. Homekey Award
8. Homekey Recorded Use Restrictions
9. SVDP Project Agreement Dated June 11 2024
10. To be Added Once Received: Measure O Funding: Scope of Work/Gravenstein Commons Permanent Supportive Housing Capital Project (Letter to be provided by September 1, 2026 Per the County)
11. DRAFT PSH Standards Attached. ~~The Sonoma County Continuum of Care is still reviewing and will finalize at a future CoC meeting. If finalized prior to this meeting; standards will be attached.~~

APPROVALS:

Department Head Approval: Approval Date: 8-25-2026
CEQA Determination (Planning): Approval Date: 8-25-2026
The City Council finds that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines
General Plan Goal (Planning): Approval Date: 8-25-2026

Administrative Services (Financial) Approval Date: 8-25-2026

Costs authorized in City Approved Budget: ☐ Yes ☐ No XX N/A

Account Code (f applicable) ____________________

City Attorney Approval: Approval Date: 8-25-2026

City Manager Approval: Approval Date: 8-25-2026

1. Construction Status and Timeline

- Current Status
  - The project is currently at approximately 80% completion.
- Primary Causes of Delay
  - The most significant delay resulted from reconsideration of the initial approval of the Homekey application. Reconsideration of the decision delayed construction through one summer and a winter construction season (concrete foundations cannot be poured in winter), which per SVdP led to the loss of Continuum of Care (CoC) HUD Permanent Supportive Housing funding.
  - A secondary, more limited delay occurred due to inaccurate utility maps. This required excavation of an incorrect section of Gravenstein Highway, discovery of an abandoned pipe, backfilling, and re-excavation under a new CalTrans encroachment permit. Building construction continued during resolution of the utility issue.
- Revised Schedule
  - Projected completion: November 1, 2026
  - First resident move-in: Immediately following completion
  - Target 90% occupancy: February 2027

2. Funding Status

- Construction Funding
  - The project is fully funded for construction; however, two awards remain unpaid:
    - $1,000,000 – Department of Health Services (Measure O)
    - $200,000 – Sonoma County Community Development Commission (PHLA Loan)
- Both awards received staff recommendation, review committee approval, and formal notices of award.
- Pending receipt of these funds, SVdP anticipates drawing the full amount of its Line of Credit (LOC) to complete construction—an outcome that will impose significant cost on the organization.
- $3 Million County Commitment
  - The County has taken the position that the prior $3 million commitment made by former DHS Director Tina Rivera would not be honored. SVdP remains optimistic about forthcoming discussions with leadership of the Sonoma County Community Development Commission and District 5 Supervisor Lynda Hopkins regarding alternative funding sources.
- Operating Reserve
  - The planned $671,215 operating reserve remains intact. Construction is funded, and the reserve has not been drawn upon.

3. Operations and Supportive Services

- Service Provider and Staffing Model
  - Committee on the Shelterless (COTS) will serve as the on-site service provider. Acceptance of supportive services by residents is voluntary. Planned staffing includes:
    - 1.0 FTE Property Manager (live-in; candidate identified with 10+ years' experience, Spanish-speaking, community familiarity)
    - 1.5 FTE Care Managers

- Part-time Resident Services Manager and Housing Director (oversight)
- Part-time clinician (LCSW or ASW)
- Part-time maintenance staff
- Part-time security hours

- Projected Operating Expenses
    - Annual operating expenses are projected at $478,000. COTS will utilize multiple revenue streams to support operations. HCD-restricted operating reserve funds may be accessed if needed. SVdP is not currently concerned about operational shortfalls due to the partnership with COTS.

<u>Supportive Services Available from Day One</u>

Services will mirror those provided at other COTS PSH properties and include:

- Case management
- Employment readiness
- Benefit advocacy and applications
- Tenant dispute resolution
- Healthcare navigation
- Behavioral health groups and individual services
- On-site AA groups
- Tenant transportation assistance
- Appointment scheduling and coordination

Wellness fairs will be offered only if requested by tenants; such events are often disruptive during the first six months of tenancy.

4. Security and Neighborhood Impacts

<u>Security Measures (First Six Months)</u>

- Staff on-site seven days per week
- Live-in Property Manager
- Security cameras throughout the property
- Professional security firm: 32 hours per week (12 hours Saturday, 12 hours Sunday, 8 hours overnight Friday)

<u>Addressing Loitering, Safety, and Neighborhood Concerns</u>

- Trespassing will be enforced where applicable. Staff will coordinate closely with Sebastopol Police Department. Care Managers will conduct direct person-to-person engagement. Experience at similar sites indicates that once individuals understand that access is available only through Coordinated Entry, unauthorized loitering diminishes rapidly.

<u>Emergency Service Calls and Protocols</u>

- The volume of emergency service calls in the first year is unknown but is not expected to be high. Tenants receive education on neighborhood etiquette at lease signing. Lease provisions address hoarding, visitor limits, loitering, and other disruptive behaviors. On-site staff and weekend security enforce behavioral rules. Staff receive ongoing training in cultural competency, de-escalation, and crisis intervention.
- Protocols to minimize unnecessary 911 calls include direct engagement, progressive lease enforcement , and incentives for residents to contribute to property maintenance. When 911 response is warranted, COTS staff will initiate the call. Housing individuals currently living on the streets is expected to reduce overall emergency service demand associated with unsheltered homelessness.

Reimbursement for increased emergency response costs**:** SVdP will not reimburse the City. Housing individuals via Coordinated Entry is anticipated to reduce calls that would otherwise originate from unsheltered locations.

Incident logs: Anonymized incident logs can be shared with the City on a quarterly basis. Information identifying specific tenants will not be disclosed.

5. Resident Selection and Placement

- All residents will be referred through the County's Coordinated Entry system. Selection criteria will adhere to County permanent supportive housing standards and funder requirements. Priority may be given to West County residents identified on the By-Names List as units become available. Strict adherence to fair housing laws will be maintained.
- The City may partner with COTS in developing initial Coordinated Entry referral criteria and may later request adjustments as the project stabilizes. Once criteria are established, the City will not have approval rights over individual placements, nor will it receive proposed resident lists in advance. COTS will follow established Coordinated Entry policies and procedures and will protect tenant privacy.
- There is no formal dispute-resolution process for City objections to individual placements after criteria are set. Residents who meet referral criteria and are found eligible under COTS policies will be offered available units.

6. Housing First Model and Sobriety Requirements

- Gravenstein Commons cannot be operated as a sober-living facility. The project was developed with Homekey funding specifically for permanent supportive housing and is subject to fair housing laws and Housing First principles. Requiring sobriety is prohibited.
- COTS addresses substance-related issues through behavioral expectations in the lease: housing decisions are based on behavior and lease compliance, not on active substance use itself.
- On-site AA groups, behavioral health supports, and substance-use interventions will be available.

7. Financial Transparency, Contingencies, and Long-Term Stewardship

Financial Reporting

SVdP understands that the City already receives monthly data on the Line of Credit, capital reserves, and annual audits via the City's consultant, Robin Stephani, who participates in weekly project meetings and works directly with SVdP's Finance Manager. Additional project-specific financials can be provided upon request through the consultant.

Treatment of Public Funds in Event of Failure or Sale

- Project-based vouchers would be readministered by the County Housing Authority; Section 8 vouchers follow the individual.
- HCD/Homekey funding ($6.449 million): HCD may demand full repayment but, in practice with other failed projects, typically seeks a successor nonprofit PSH operator and releases the original grantees (SVdP and the City) from obligations.
- Any sale would be restricted to another provider that continues the intended use. The regulatory agreement requires 55 years of operation as permanent supportive housing; conversion to market-rate housing is not permitted unless the regulatory agreement is amended.

Exit Strategy and Long-Term Plans

SVdP is not considering any exit strategy (sale, refinance, or conversion) after the five-year HCD monitoring period. The plan is to continue operating the property as permanent supportive housing in partnership with COTS indefinitely, consistent with the missions of both organizations and the terms of the public funding.

In the unforeseen event an exit were pursued, written notice would be provided to the City and residents, with opportunity for discussion.

8. Community Outreach and Advisory Council

- Advisory Council: Timeline to be determined.
- Neighbor outreach: SVdP and COTS can begin in-person and mailed outreach. A citywide community meeting (in-person plus virtual Q&A) can be held 30–45 days before move-in. City assistance in distributing notice via the City listserv would be appreciated.

9. Biggest Remaining Challenge

The primary remaining challenge is securing the promised County support. Construction can be completed, representing a significant milestone for both SVdP and the City. However, because the County has not delivered any portion of its $3 million commitment, SVdP is being forced to rely on financial sources that will substantially impact the organization.

The Society of St. Vincent de Paul
District Council of Sonoma County, Inc.

The purpose of this report is to provide a general update on the project - Gravenstein Commons.

General Project Information

The Society of St. Vincent de Paul District Council of Sonoma County (SVdP) is the owner and developer of the 22-studio unit Project, also known as Gravenstein Commons, located at 845 Gravenstein Highway North in the City of Sebastopol.

The Project consists of 22 units in total, all studios, 21 to house chronically homeless individuals with one unit set-aside for a resident manager. The Project consists of three 1-story buildings with a common area at the center of the site, a secure bicycle storage area, and an electric car charging station.

The Project will provide permanent supported housing to households with gross income at or below 30% of Area Median Income (AMI). Primary development funding for the Project is $6,449,235 in HomeKey funding from the State of California, Department of Housing and Community Development. All referrals for tenancy will come through the Sonoma County Coordinated Entry Program as required by the HomeKey funding.

Project Financials

1,024,000	Land Acquisition
9,710,000	Construction Costs
10,734,000	Total Project Cost
5,775,520	Home Key 3 Grant
1,000,000	County of Sonoma Measure O
200,000	Sonoma County Community Development Commission (PHLA)
3,758,480	SVDP
10,734,000	Total Funding Sources

Further details on project financials have been supplied by Robin Stephani, consultant to the City of Sebastopol, throughout the project's entirety.

Construction Update

Estimated construction completion is on track for November 2026 at which time we will begin the process of moving individuals into the new community. The goal for full occupancy is Spring 2027.

Operational Update

The Society of St. Vincent de Paul District Council of Sonoma County (SVdP) will be partnering with Committee on the Shelterless (COTS) to operate the site. The two organizations have signed an Memorandum of Understanding in which COTS will Master Lease the property for an initial term of 5 years. COTS brings a tremendous depth of knowledge and experience in successfully operating Permanent Supportive Housing (PSH) communities. A Statement of Qualifications is provided with this report.

Notable Mentions

COTS, as lessee, would assume all operational duties including leasing to eligible households, property management functions, and the delivery of supportive services to residents. SVdP, as lessor, would retain responsibility for capital repairs and improvements and for meeting reporting requirements with the State of California, the City of Sebastopol, and any other public agency, as required.

Delivery of Supportive Services: Resident support services will be offered by COTS and acceptance of those services by residents is voluntary. The array of services offered by COTS will be essentially the same as other permanent supported housing (PSH) properties supported by COTS. As of entering the MOU, COTS provides supportive services at 188 PSH units located throughout Sonoma County including Petaluma, Rohnert Park, Cotati, Santa Rosa, and Sebastopol. Supportive services provided by COTS include case management, behavioral health services, substance use disorder group sessions, resident wellness events, housing retention counseling, and crisis intervention services.

Resident Eligibility: As required by HomeKey funding, all Project referrals for tenancy will come from the Sonoma County Coordinated Entry (CE) system which prioritizes homeless individuals and households by assessed vulnerability factors. Transfers from existing or newly developed PSH properties will be accepted provided they go through the CE system. Per the HomeKey funding program requirements, all residents must be chronically homeless households with gross income at or below 30% of Area Median Income (AMI).

COTS intended staffing model will look as follows:

- ➢ Property Manager 1.0 FTE (this person will live on-site)
- ➢ Case Manager 1.5 FTE
- ➢ Resident Services Manager .2 FTE
- ➢ Maintenance Tech .2 FTE

Staff will be onsite 7 days per week, with a property manager living onsite. COTS has a Good Neighbor policy that they abide by that includes regular property cleanup, mandated response times, and expectations around noise and loitering for our tenants. Additionally, staff receive ongoing training in areas such as cultural competency, de-escalation, and crisis intervention. Security cameras will be installed throughout the property, and a professional security firm will be onsite based on funding availability.

Tenants are educated about neighborhood etiquette upon signing a lease. There are provisions in COTS leases that also discuss expectations regarding hoarding behaviors, limiting visitors, loitering of visitors, and other disruptive behaviors on property. The onsite property manager and Care Managers work together to address lease violations and disruptive behaviors. If calls to 9-1-1 are warranted, COTS staff will call 9-1-1.

Reasoning For COTS Assuming Operational Responsibility

The project does not currently have Project Based Vouchers, a source of funding that allows for operational sustainability. According to the Sonoma County Housing Authority, the next anticipated Notice of Funding Availability (NOFA) for Project Based Vouchers is not anticipated to occur until 2028, at the earliest.

Simply put, without vouchers, the financial feasibility of operating a Permanent Supportive Housing Community is challenging. Throughout the construction period, SVdP has been exploring funding possibilities - namely the potential availability of Project Based Vouchers. The current administration has made very significant cuts to funding that have negatively impacted the supply of vouchers.

COTS will be utilizing funding that SVdP, and most other homeless services agencies, do not have including HUD Continuum of Care (CoC) funds, CoC Consolidated NOFO funds and CalAIM. The combination of these funds will allow COTS to sustainably operate the site and best serve the individuals and the community.

This partnership with COTS also allows for the project to meet the deadlines agreed upon with HCD, which if not met, could present additional challenges and financial impacts.

Conclusion

The board of directors, leadership and staff at both SVdP and COTS are very enthusiastic about this partnership. We share confidence that this is the best path forward for both organizations, the individuals who will call Gravenstein Commons home and the community as a whole.

Council and Sebastopol constituents can be assured that the project will be completed with no direct financial investment from or impact by the City of Sebastopol. The project has over a half-million dollars in permit related fees; we would welcome the opportunity to discuss how we might embody true partnership by way of discussing potential deferment of those fees.

Additional Mentions

On October 7th, 2025, leadership staff from HomeFirst, the County's operator of the Coordinated Entry System gave a presentation to the Council. The presentation covered the eligibility and referral process related to permanent supportive housing. The slide deck is included, again, for reference at the end of this report.

Future residents of Gravenstein Commons will come via referrals from the West County By-Names-List and cross-referenced with the Coordinated Entry List. Some of the residents that COTS will be placing there will come from other PSH "scattered housing" sites - original referrals were made via Coordinated Entry and thus eligibility and regulatory requirements will be met.

Contact Information

Further questions or comments can be addressed to:

Chris Cabral
CEO of COTS
ccabral@cots.org

and/or

Lauren Taylor
Executive Director of St. Vincent de Paul District Council of Sonoma County
ltaylor@svdp.org

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The Society of St. Vincent de Paul District Council of Sonoma County (SVdP) will be partnering with Committee on the Shelterless (COTS) to operate the site. The two organizations have signed an Memorandum of Understanding in which COTS will Master Lease the property for an initial term of 5 years. COTS brings a tremendous depth of knowledge and experience in successfully operating Permanent Supportive Housing (PSH) communities. A Statement of Qualifications is provided with this report.

Notable Mentions

COTS, as lessee, would assume all operational duties including leasing to eligible households, property management functions, and the delivery of supportive services to residents. SVdP, as lessor, would retain responsibility for capital repairs and improvements and for meeting reporting requirements with the State of California, the City of Sebastopol, and any other public agency, as required.

Delivery of Supportive Services: Resident support services will be offered by COTS and acceptance of those services by residents is voluntary. The array of services offered by COTS will be essentially the same as other permanent supported housing (PSH) properties supported by COTS. As of entering the MOU, COTS provides supportive services at 188 PSH units located throughout Sonoma County including Petaluma, Rohnert Park, Cotati, Santa Rosa, and Sebastopol. Supportive services provided by COTS include case management, behavioral health services, substance use disorder group sessions, resident wellness events, housing retention counseling, and crisis intervention services.

Resident Eligibility: As required by HomeKey funding, all Project referrals for tenancy will come from the Sonoma County Coordinated Entry (CE) system which prioritizes homeless individuals and households by assessed vulnerability factors. Transfers from existing or newly developed PSH properties will be accepted provided they go through the CE system. Per the HomeKey funding program requirements, all residents must be chronically homeless households with gross income at or below 30% of Area Median Income (AMI).

COTS intended staffing model will look as follows:

- ➢ Property Manager 1.0 FTE (this person will live on-site)
- ➢ Case Manager 1.5 FTE
- ➢ Resident Services Manager .2 FTE
- ➢ Maintenance Tech .2 FTE

Staff will be onsite 7 days per week, with a property manager living onsite. COTS has a Good Neighbor policy that they abide by that includes regular property cleanup, mandated response times, and expectations around noise and loitering for our tenants. Additionally, staff receive ongoing training in areas such as cultural competency, de-escalation, and crisis intervention. Security cameras will be installed throughout the property, and a professional security firm will be onsite based on funding availability.

Tenants are educated about neighborhood etiquette upon signing a lease. There are provisions in COTS leases that also discuss expectations regarding hoarding behaviors, limiting visitors, loitering of visitors, and other disruptive behaviors on property. The onsite property manager and Care Managers work together to address lease violations and disruptive behaviors. If calls to 9-1-1 are warranted, COTS staff will call 9-1-1.

Reasoning For COTS Assuming Operational Responsibility

The project does not currently have Project Based Vouchers, a source of funding that allows for operational sustainability. According to the Sonoma County Housing Authority, the next anticipated Notice of Funding Availability (NOFA) for Project Based Vouchers is not anticipated to occur until 2028, at the earliest.

Simply put, without vouchers, the financial feasibility of operating a Permanent Supportive Housing Community is challenging. Throughout the construction period, SVdP has been exploring funding possibilities - namely the potential availability of Project Based Vouchers. The current administration has made very significant cuts to funding that have negatively impacted the supply of vouchers.

COTS will be utilizing funding that SVdP, and most other homeless services agencies, do not have including HUD Continuum of Care (CoC) funds, CoC Consolidated NOFO funds and CalAIM. The combination of these funds will allow COTS to sustainably operate the site and best serve the individuals and the community.

This partnership with COTS also allows for the project to meet the deadlines agreed upon with HCD, which if not met, could present additional challenges and financial impacts.

Conclusion

The board of directors, leadership and staff at both SVdP and COTS are very enthusiastic about this partnership. We share confidence that this is the best path forward for both organizations, the individuals who will call Gravenstein Commons home and the community as a whole.

Council and Sebastopol constituents can be assured that the project will be completed with no direct financial investment from or impact by the City of Sebastopol. The project has over a half-million dollars in permit related fees; we would welcome the opportunity to discuss how we might embody true partnership by way of discussing potential deferment of those fees.

Additional Mentions

On October 7th, 2025, leadership staff from HomeFirst, the County's operator of the Coordinated Entry System gave a presentation to the Council. The presentation covered the eligibility and referral process related to permanent supportive housing. The slide deck is included, again, for reference at the end of this report.

Future residents of Gravenstein Commons will come via referrals from the West County By-Names-List and cross-referenced with the Coordinated Entry List. Some of the residents that COTS will be placing there will come from other PSH "scattered housing" sites - original referrals were made via Coordinated Entry and thus eligibility and regulatory requirements will be met.

Contact Information

Further questions or comments can be addressed to:

Chris Cabral
CEO of COTS
ccabral@cots.org

and/or

Lauren Taylor
Executive Director of St. Vincent de Paul District Council of Sonoma County
ltaylor@svdp.org

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Over the past 38 years, COTS has grown from a volunteer effort into a large, comprehensive housing and supportive services organization serving individuals and families throughout Sonoma County.

COTS' mission is to assist those experiencing homelessness to find and keep housing, increase self-sufficiency and improve well-being. We envision a community where everyone has a place to call home.

Experience
COTS annual revenue is approximately $19M, with multiple departments supporting the success of the organization. COTS has 72 full-time employees, four part-time employees, and utilizes over 200 volunteers annually. Our team is supported by an experienced group of professionals who oversee the following departments: Finance; Compliance; Grants; Development; Facilities; Shelter Services; Housing, and Homelessness Services.

COTS has significant experience operating Permanent Supportive Housing (PSH) programs, managing supportive housing properties, and partnering with property owners and affordable housing developers. COTS currently provides PSH for individuals and families throughout Sonoma County, supported through County, federal, foundations, local governments, and philanthropic funding.

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COTS is approaching this Gravenstein Commons master lease partnership with the same focus on long-standing partnerships and effective financial stewardship. COTS would bring decades of homelessness services experience, established PSH infrastructure, experience staff, and a demonstrated history of strong collaboration with the community. Our goal is to ensure the project is successfully occupied and remains a well-managed, stable community in which residents have the support necessary to maintain their housing, while also remaining a good neighbor to others who call Sebastopol home.

Coordinated Entry System Overview

October 7, 2025

Hunter Scott

Kaitlin Johnson-Carney

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Where Homelessness Ends™

Agenda

1. What is the Coordinated Entry System
2. The Scope of the Coordinated Entry System
3. Prioritization vs Eligibility
4. Housing Match Referral
5. New Housing Providers
6. Contact the CES Team

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Sonoma County Coordinated Entry System

Access Points

Assessment

By-Name-List

Housing Referrals
Prioritized by Need

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Coordinated Entry Vision

The vision of the CES is to provide assessment, prioritization, and matching of people experiencing homelessness to housing and supportive services in the most **transparent**, **person-centered**, **equitable**, and **trauma-informed** way possible.

31 CES Access Point Partners

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Jesus Saves Redwood Gospel Missions

Global Disaster Solutions

Unsheltered Friends Outreach
The Rohnert Park Project

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FACE 2 FACE
ending HIV in Sonoma County

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COTS Est. 1988

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Petaluma Health Center

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Nation's Finest
Guiding Veterans Home Since 1972

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All of us. For all of you.

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Transition Age Youth Housing Programs

Catholic Charities of Northwest California

Corazón Healdsburg

Sonoma CAN
Community Action Network

Family Justice Center Sonoma County

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Accessing Coordinated Care and Empowering Self Sufficiency

La Familia Sana

Dry Creek Rancheria Band of Pomo Indians

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County of Sonoma
Department of Health Services
Behavioral Health Division

Petaluma People Services Center

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Role of HomeFirst as the CES Operator

- CES communications (includes housing packet and newsletter)
- Partnerships development
- Robust CES Case Conference process
- Manage By-Name-List
- CES Data Quality oversight
- HMIS CES Referrals
- CE System Performance Evaluation
- CoC strategic planning engagement

- System-wide training and technical assistance
- CES Grievances, Reasonable Accommodations, and Appeals

- **Does not** refer to shelter
- **Does not** provide homelessness prevention
- **Does not** have control over housing opportunity inflow

CES Training– 50 attendees on average

Basic CES Trainings:

- CES Access Point Training- in person
- Enhanced Assessment
- CES Overview
- CES Housing Provider

Sample Monthly Training Series Topics:

- Trauma Informed Care
- Harm Reduction
- Mainstream Services
- Housing Problem Solving/Diversion
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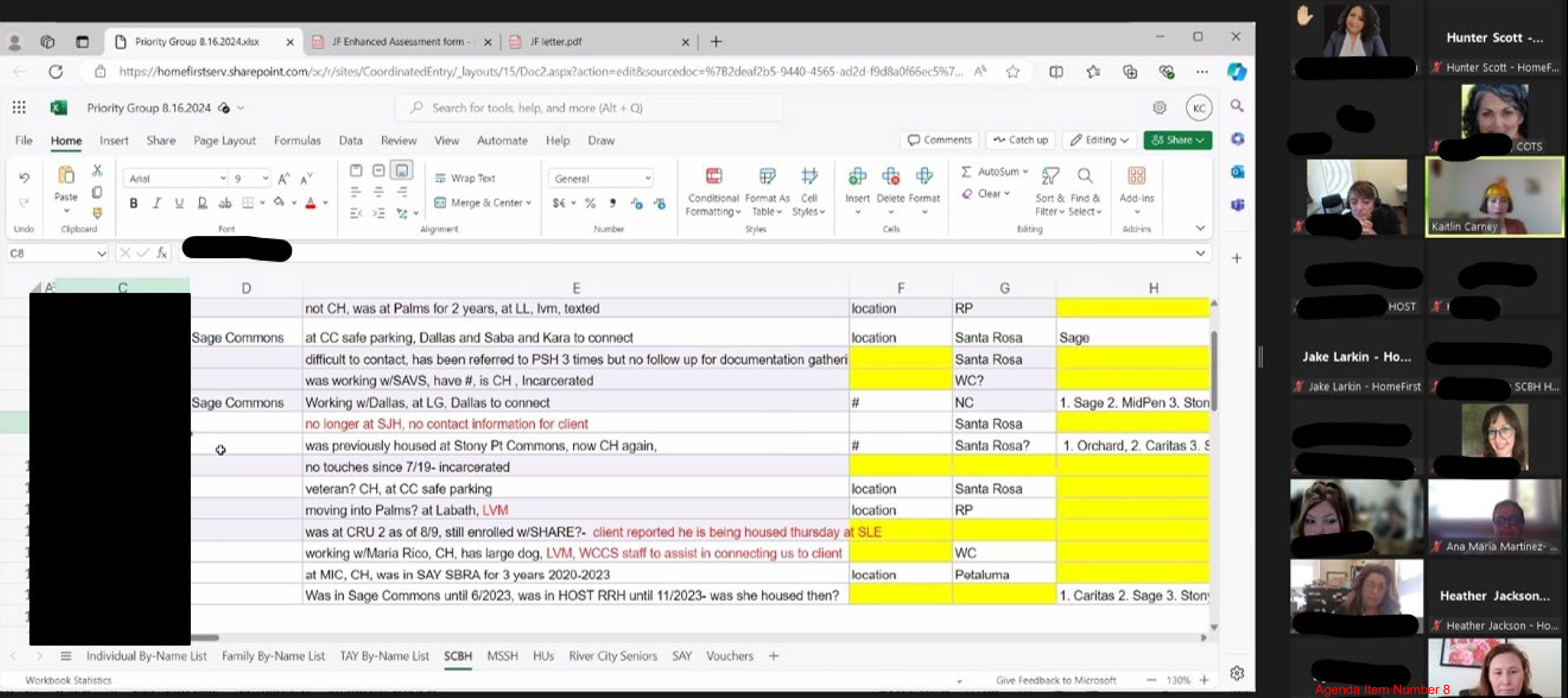
- Sonoma County Behavioral Health Access

Agenda Item Number 8

CES Case Conference – on average, weekly 74 participants from 44 agencies



Prioritization vs Eligibility

Prioritization- the order that households are ranked in to be matched with housing interventions

Eligibility- the criteria each individual housing project sets to screen in prioritized households

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Agenda Item Number 8

Prioritization vs Eligibility

Prioritization

Ranks households based on urgency and vulnerability to allocate housing resources

Current Coordinated Entry Vulnerability Factors:

Length of time homeless
Increased risk of death/ severe health conditions
Increased risk of victimization
Institutional utilization

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Eligibility

Each housing provider has their own list of eligibility criteria based on:

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- Funding stream contract criteria- certain projects have eligibility criteria above and beyond. This could be local funding that requires that all referred matches are high emergency service utilizers, or are enrolled in Sonoma County Behavioral Health services.

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Housing Match Referrals

At CES Case Conference the proposed referral is reviewed and confirmed based on prioritization and known eligibility.
Providers, including clinicians, present at meeting support with assigning staff for eligibility coordination.
Prospective referral rejections will be reviewed for approval.

CE staff send referral to housing provider in HMIS.
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If participant is found ineligible or any other challenge with referral-housing provider brings it back to Case Conference to problem-solve.

If participant is found eligible, referral is in HMIS and participant moves in.

New Housing Providers

- CES and HMIS Training, sometimes Chronic Homelessness training
- CES Housing Provider Checklist
- Housing Packet
- Lease up support

Gravenstein Commons

3-6 months before lease-up:

- CES assists housing provider to complete Housing Checklist steps
- SVDP sends eligibility criteria and details on units being filled
- CES creates Housing Packet entry
- CES contacted to start identifying potential housing match referrals

1-3 months before lease-up:

- CES collects preference and contact information for each identified referral
- CES identifies staff assigned to coordinate each household matched to collect documents
- CES starts sending housing match referrals
- CES assists with problem solving referrals not working out
- CES replaces ineligible referrals

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Agenda Item Number 8

Contact the CES Team

Coordinated Entry Director	Kaitlin Johnson-Carney	Kaitlin.carney@homefirstscc.org	408-655-6915
CE Data Analyst and System Administrator	Manny Galvan	Manny.galvan@homefirstscc.org	707-890-0290
CE Training Coordinator	Claud Rios	claud.rios@homefirstscc.org	707-787-0919
Housing Systems Coordinator	Janae Capeto	Janae.capeto@homefirstscc.org	707-298-8557

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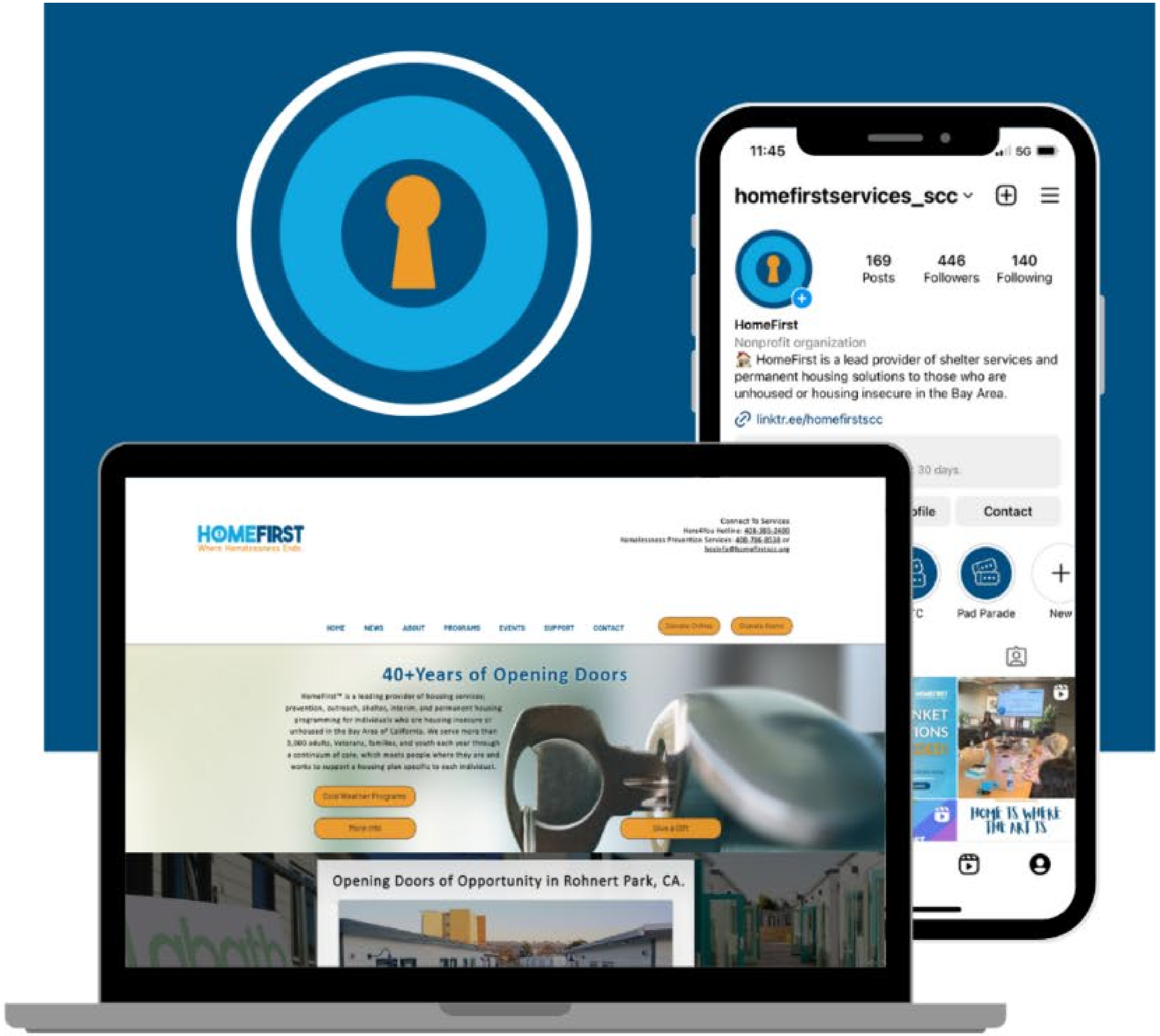

8TH WAVE

DATE: August 21, 2026

TO: Mary Gourley| City Manager
City of Sebastopol | 7120 Bodega Avenue | Sebastopol, CA 95472
Email: mgourley@cityofsebastopol.gov

SUBJECT: Gravenstein Commons Progress Report

PROJECT SCHEDULE UPDATE

- Construction percentage complete: 87%
- Paint, cabinetry, concrete flatwork and landscaping underway
- Community update at City Council scheduled for Sept 1, 2026

HOMEKEY COMPLIANCE (HCD) UPDATE

- Labor compliance ongoing
- HCD Fiscal Year Expenditure Report submitted on 7/30/2026

PROJECT FINANCIALS

Construction Contract: $7,888,119
Current Pay Application: $833,767
Balance of contract remaining: $1,325,705
Measure O Funding pending: $1,000,000
PLHA Funding pending: $200,000
Lines of Credit available as backstop while other funding is secured: $2,128,079
Other funding requests underway: $1,954,697

PROGRESS PHOTO

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October 7, 2025

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Sonoma County Coordinated Entry System

Access Points

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COTS Est. 1988
HOMEFIRST Where Homelessness Ends.
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IFSN

Assessment → By-Name-List → Housing Referrals Prioritized by Need

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LGBTQ CONNECTION Napa • Sonoma Community Driven Action

CENTER for PEACE RESTORING DIGNITY & HOPE

FHANC

LegalAid OF SONOMA COUNTY

Buckelew Programs

Agenda Item Number 8

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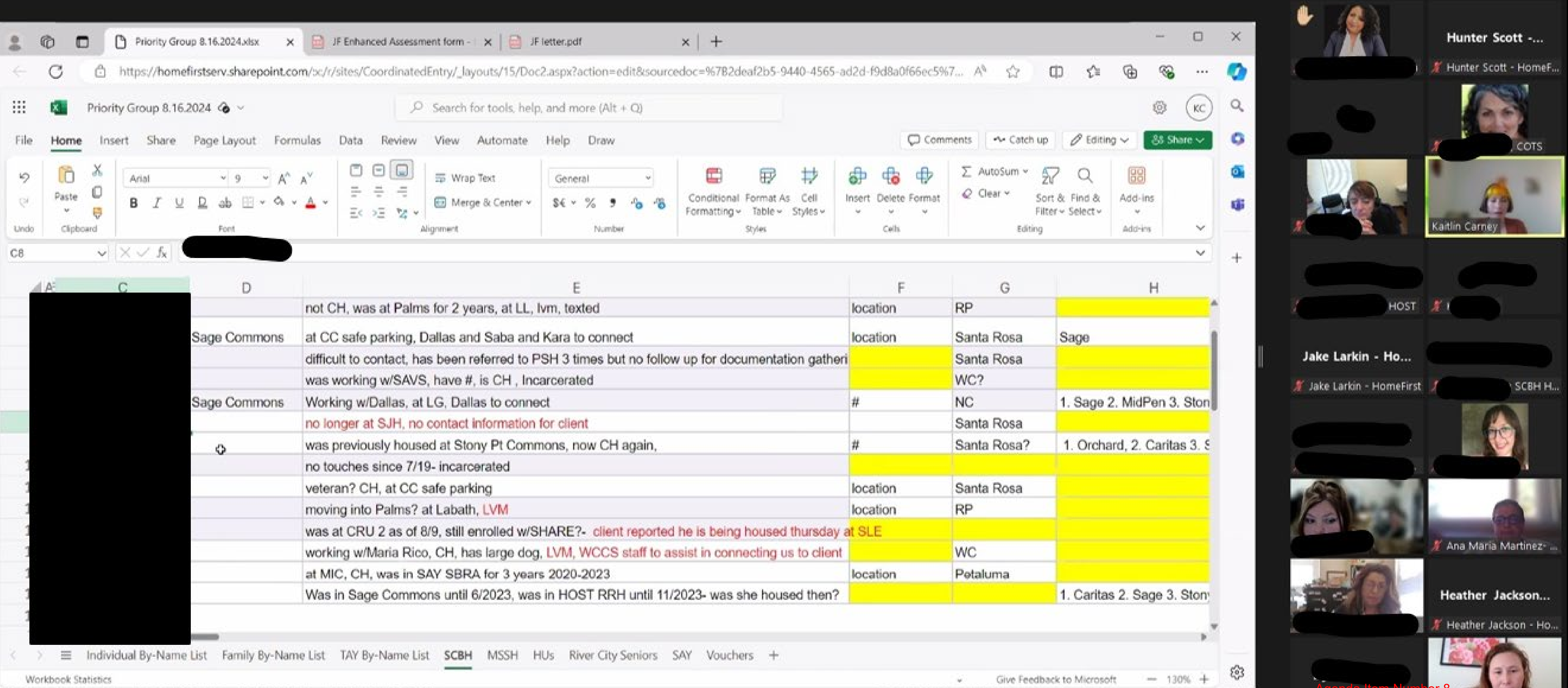

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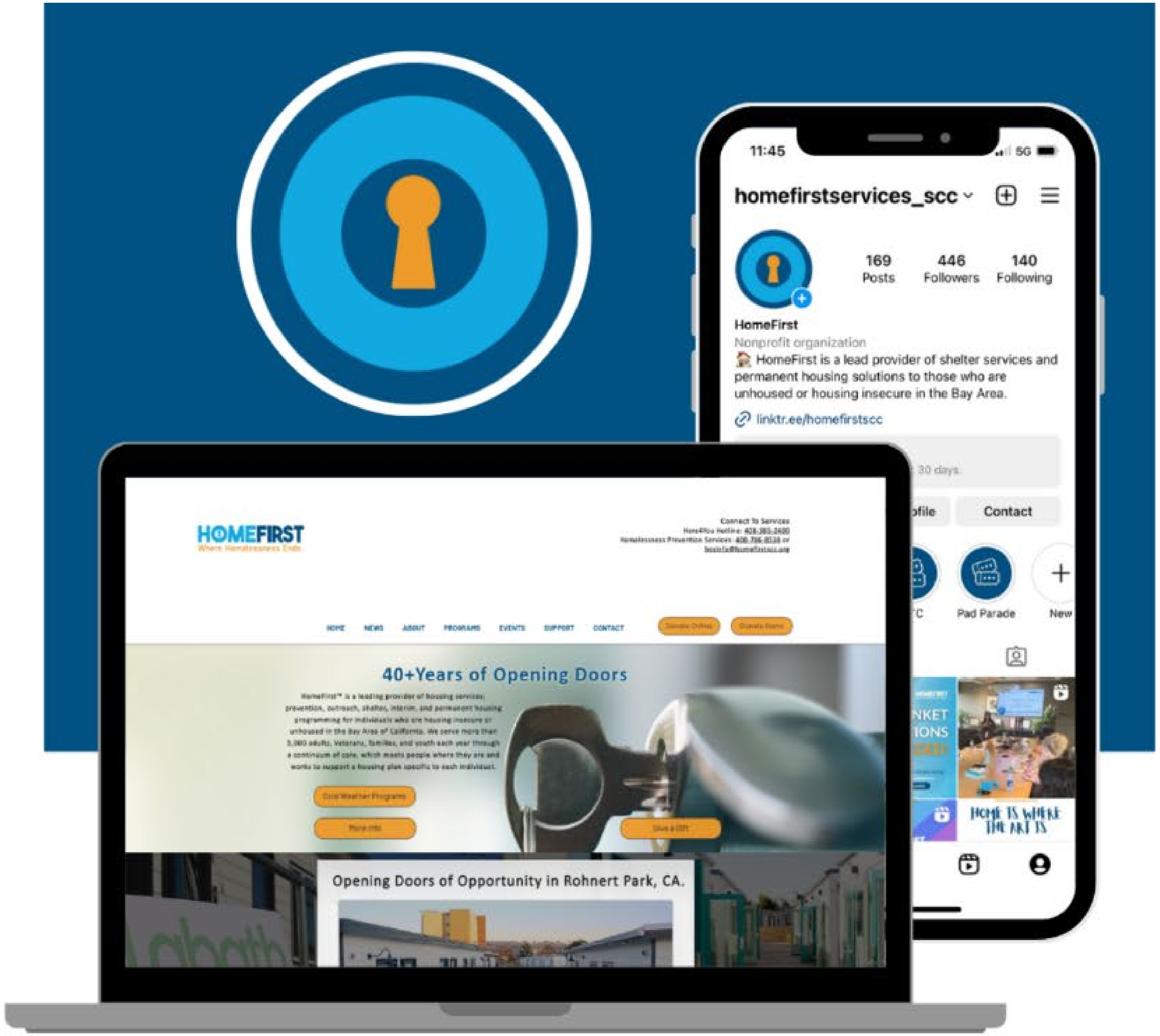

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Agenda Item Number 8

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

SCO ID:

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If applicable)
23-HK-18189	

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
The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated, and City of Sebastopol

2. The term of this Agreement is:

START DATE
Upon HCD Approval

THROUGH END DATE
Fifteen (15) Years from Effective Date

3. The maximum amount of this Agreement is:
$6,449,235.00

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	10
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit C*	State of California General Terms and Conditions	GTC - 04/2017
Exhibit D	Homekey General Terms and Conditions	24
Exhibit E	Project-Specific Provisions and Special Terms and Conditions	9
	TOTAL NUMBER OF PAGES ATTACHED	46

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.)
See Attached

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
See Attached	See Attached	See Attached	See Attached

PRINTED NAME OF PERSON SIGNING	TITLE
See Attached	See Attached

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
See Attached	See Attached

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
651 Bannon Street	Sacramento	CA	95811

PRINTED NAME OF PERSON SIGNING	TITLE
Edona Evans	Contract Services Section Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED
Edona Evans	12/18/2024

California Department of General Services Approval (or exemption, if applicable)

Exempt per, SCM Vol. 1 4.04.A.3 (DGS memo dated 06/12/1981)

CONTRACTOR

The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated
a California nonprofit public benefit corporation

By: ______________________ Date: 12/4/24

Jack Tibbetts
Executive Director

Address:

5671 Redwood Drive
Rohnert Park, CA 94928

City of Sebastopol
a California Government City

By: ______________________ Date: December 3, 2024

Diana Rich
Mayor

By: ______________________ Date: Dec. 3, 2024

Don Schwartz
City Manager

Address:

7120 Bodega Avenue
Sebastopol, CA 95472

Prep Date: 03/04/2024

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AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

California Assembly Bill No. 140 (Chapter 111, Statutes of 2021) ("**AB 140**") added sections 50675.1.3 and 50675.1.4 to the Multifamily Housing Program ("**MHP**") (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Health and Safety Code section 50675.1.3 provides the statutory basis for the Homekey Program – Round 3 ("**Homekey**" or "**Program**"). Health and Safety Code section 50675.1, subdivision (d) authorizes the Department of Housing and Community Development ("**Department**" or "**HCD**") to administer MHP.

The Department issued a Homekey Program Notice of Funding Availability, Round 3 on March 29, 2023 (the "**NOFA**"). The NOFA incorporates by reference the MHP, as well as the Multifamily Housing Program Final Guidelines, dated March 30, 2022 and amended on May 5, 2022 ("**MHP Guidelines**"), both as amended and in effect from time to time. The NOFA, further, incorporates by reference, the Uniform Multifamily Regulations (UMRs) (Cal. Code Regs., tit. 25, § 8300 et seq.), effective November 15, 2017, and as subsequently amended, except to the extent that any UMR provision would be inconsistent with the provisions of the NOFA. Homekey grant funds are derived primarily from the state's direct allocation of the federal Coronavirus State Fiscal Recovery Fund ("**CSFRF**"), which was established by the American Rescue Plan Act of 2021 ("**ARPA**") (Pub.L. No. 117-2). Homekey funds are also derived from the State of California's General Fund.

This STD 213, Standard Agreement ("**Agreement**") is entered under the authority and in furtherance of the Program. This Agreement is the result of an Application by the Grantee, as defined below, for funding under the Program (the "**Grant**"). As such, this Agreement shall be executed by the Grantee. Where the Grantee comprises a Public Entity or Tribal Entity, as defined below, and one or more additional entities, all entities shall execute the Agreement.

This Agreement hereby incorporates by reference the Application, as well as the project report prepared by the Department in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following (collectively, the "**Program Requirements**"), and each of the following, as amended and in effect from time to time, is incorporated hereto as if set forth in full herein:

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A. AB 140;

B. The above-referenced MHP statutory scheme;

C. The NOFA;

D. The MHP Guidelines;

E. The UMRs;

F. ARPA and related federal guidance;

G. The award letter issued by the Department to the Grantee; and

H. All other applicable law.

2. Purpose

The Homekey Program is intended to provide housing for individuals and families who are homeless or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases ("**Target Population**").

Grantee applied to the Department for the Grant in order to conduct one or more of the activities outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of Program Grant funds, the Grantee agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

3. Definitions

Any capitalized terms that are not defined below shall have the definitions set forth in the NOFA, the MHP statutes, and the MHP Guidelines. In the event of any conflict, the definitions in this Agreement and the NOFA are controlling.

A. **"Affordability Covenant"** means the legally binding instrument which **(i)** is recorded in first position against Project real property in consideration for the Homekey Program award to the Grantee; **(ii)** imposes use, operation, occupancy, and affordability restrictions on the real property and improvements; and **(iii)** incorporates the Homekey Program Requirements by reference. Upon

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its execution, the Affordability Covenant shall be binding, effective, and enforceable against all successors, transferees, and assignees, in accordance with Section 208 of the NOFA, after a certificate of occupancy or its equivalent has been issued for the Project, or if no such certificate is issued, from the date of initial occupancy of the Project. Interim Housing Projects, Permanent Housing Projects, and Permanent Housing Projects on tribal trust land shall be encumbered with 30-year, 55-year, and 50-year Affordability Covenants, respectively.

B. **"AMI"** means Area Median Income.

C. **"Application"** means the application for Grant funds that was submitted in response to the Department's NOFA.

D. "**Assistance Listing Number**" (ALN) formerly known as the Catalog of Federal Domestic Assistance (CFDA) Number, is a five-digit number assigned in the awarding document for all federal assistance award mechanisms.

E. **"Assisted Unit"** means a Homekey-funded residential dwelling unit that is subject to rent, income, occupancy, and other restrictions in accordance with Program Requirements. See also "**Youth Assisted Unit**."

F. **"Chronically Homeless"** is defined in accordance with Part 578.3 of Title 24 of the Code of Federal Regulations.

G. **"Co-Applicant"** means the nonprofit corporation, for-profit corporation, limited liability company, and/or limited partnership that applied for an award of Homekey Grant funds with the Eligible Applicant (i.e., a Public Entity or Tribal Entity).

H. **"Date of Award"** means the date on the award letter issued from the Department to the Grantee.

I. **"Designated Payee"** means the Co-Grantee that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.

J. **"Eligible Applicant"** means the Public Entity or Tribal Entity that applied for an award of Homekey Grant funds.

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K. **"Eligible Uses"** means the activities that may be funded by the Homekey Program Grant. Those activities are listed at Paragraph 4 below of this Agreement, and at Health and Safety Code section 50675.1.3, subdivision (a).

L. **"Expenditure Deadline for Capital Funds"** means the date by which the capital expenditure award must be fully expended. This deadline is eight (8) months from the Date of Award. or up to 15 months from the Date of Award if an expenditure deadline extension has been requested and approved by the Department.

M. **"Expenditure Deadline for Operating Funds"** means the date by which the operating subsidy award must be fully expended. This deadline is **June 30, 2026**.

N. **"Grantee or Subrecipient"** means the Eligible Applicant (and, if applicable, the Co-Applicant) that has been awarded funds under the Program, and that will be held responsible for compliance with and performance of all Program Requirements. The Grantee may comprise one or more entities, so long as the Grantee structure includes an "Eligible Applicant," as defined in the NOFA and as set forth above. "**Grantee**" refers, both individually and collectively, to the Co-Applicant and/or the Eligible Applicant that received a Homekey Grant after submitting an Application or a joint Application to the Department. When the Grantee comprises two or more entities, each entity may be referred to as a "**Co-Grantee**." On the STD 213 portion of this Agreement, the Grantee is identified as the Contractor.

O. **"Homeless Youth"** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as "homeless" under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

P. **"Homeless Youth Project"** means a Project that was prioritized to receive set-aside Homekey funds because **(i)** at least 25 percent of its Assisted Units will be restricted to Homeless Youth or Youth at Risk of Homelessness; **(ii)** the Grantee jointly applied and/or partnered with a nonprofit corporation with experience serving the foregoing subpopulation; and **(iii)** the Project will provide Supportive Services for Youth Assisted Units using a Positive Youth Development (PYD) model and trauma-informed care. Such Project may also have been prioritized because it is located within a one-mile radius of youth-centered amenities, such as community colleges, universities, trade schools, apprenticeship programs,

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employment programs, childcare centers for parenting youth, and community centers for youth.

Q. **"Interim Housing"** means any facility whose primary purpose is to provide a temporary shelter for the Target Population and which does not require occupants to sign leases or occupancy agreements.

R. **"Local Public Entity"** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term "**Local Public Entity**" also includes two or more local public entities acting jointly.

S. **"Performance Milestones"** means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Grantee's failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.

T. **"Permanent Housing"** means housing, dwellings, or other living accommodations where the landlord does not limit the tenant's length of tenancy, the landlord does not restrict the tenant's movements, and the tenant has a lease and is subject to the rights and responsibilities of tenancy.

U. **"Program Requirements"** means the legal authority and Program materials listed at Paragraph 1.A – H, above.

V. **"Project"** means a structure or set of structures with common financing, ownership, and management, which provides Permanent Housing or Interim

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Housing for the Target Population, and which is subject to an appropriate Affordability Covenant in accordance with Section 208 of the NOFA.

W. **"Public Entity"** is defined in accordance with Health and Safety Code section 50675.1.3, subdivision (a), and means a city, a county, a city and county, and any other state entity, regional entity, or Local Public Entity, including any council of government, metropolitan planning organization, and regional transportation planning agency designated in Section 29532.1 of the Government Code. For purposes of this Agreement, a "**Local Public Entity**" is defined in accordance with Health and Safety Code section 50079 and as set forth above.

X. **"Scope of Work"** or **"Work"** means the work to be performed by the Grantee to accomplish the Program purpose.

Y. **"Supportive Services"** means social, health, educational, income support, employment, and housing stability services and benefits; coordination of community building and educational activities; individualized needs assessment and case management; and individualized assistance with obtaining services and benefits.

Z. **"Target Population"** means individuals and families who are "homeless" or "at risk of homelessness," as those terms are defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases. The Target Population also includes Homeless Youth or Youth at Risk of homelessness. For Grantees utilizing HOME-ARP funding as match, the "Target Population" also includes individuals and families who are "Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking" and "Other Populations" as defined in HUD Community Planning and Development (CPD) Notice 21-10.

AA. **"TCAC"** means the California Tax Credit Allocation Committee.

BB. **"Tribal Entity"** means an entity that meets any of the following criteria:

1) Meets the definition of Indian tribe under section 4103(13)(B) of title 25 of the United States Code;
2) Meets the definition of Tribally Designated Housing Entity under section 4103(22) of title 25 of the United States Code;

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3) Is not a federally recognized tribe, but is either:
   a) Listed in the petitioner list of the Office of Federal Acknowledgment (OFA) within the Office of the Assistant Secretary – Indian Affairs of the Department of the Interior pursuant to Part 82.1 of Title 25 of the Code of Federal Regulations; or
   b) Is an Indian tribe located in the State of California and identified on the contact list maintained by the Native American Heritage Commission for the purpose of consultation pursuant to Government Code section 65352.3.

CC. **"Unique Entity ID"** (UEI) is a 12-character alphanumeric ID assigned to an entity by www.Sam.gov.

DD. **"Youth Assisted Unit"** means an Assisted Unit serving Homeless Youth or Youth at Risk of Homelessness. See also "**Assisted Unit**."

EE. **"Youth at Risk of Homelessness"** means a child, a youth, or a current or former foster youth through the age of 25 who qualifies as "at risk of homelessness" or "homeless" under any of the relevant definitions set forth or identified at Part 578.3 of Title 24 of the Code of Federal Regulations.

4. Eligible Uses

Grantee shall apply the Program Grant funds to one or more of the following uses. All costs in connection with such Eligible Uses must be incurred on or after March 3, 2021, by the Expenditure Deadline for Capital Funds, and by the Expenditure Deadline for Operating Funds, respectively and as applicable. Grantee's use of the funds and scope of work ("**Scope of Work**" or "**Work**") are specified at Exhibit E of this Agreement.

A. Acquisition or rehabilitation, or acquisition and rehabilitation, of motels, hotels, hostels, or other sites and assets, including apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, commercial properties, and other buildings with existing uses that could be converted to permanent or interim housing.

B. Master leasing of properties for non-congregate housing.

C. Conversion of units from nonresidential to residential.

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D. New construction of dwelling units.

E. The purchase of affordability covenants and restrictions for units.

F. Relocation costs for individuals who are being displaced as a result of the Homekey Project.

G. Capitalized operating subsidies for units purchased, converted, or altered with Homekey Grant funds provided pursuant to Health and Safety Code section 50675.1.3.

5. Rent Standards

A. Permanent Housing. Rent limits for initial occupancy, and for each subsequent occupancy, of an Assisted Unit shall not exceed 30 percent of that Assisted Unit's designated income-eligibility level.

B. Interim Housing. No rent shall be charged to the Target Population residents of Interim Housing.

6. Program Deadlines

A. Acquisition, rehabilitation, and/or construction shall be completed within 12 months of the Date of Award.

B. Grantee shall expend any capital expenditure award by the Expenditure Deadline for Capital Funds.

C. The Homekey-funded portion of the operating award must be disbursed by the Department by June 30, 2025. Grantee shall expend any Homekey-funded operating subsidy award by the Expenditure Deadline for Operating Funds.

D. Full occupancy shall be achieved within 15 months of the Date of Award.

7. Performance Milestones

A. Grantee shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each, a "**Milestone Completion Date**"). The Performance Milestones shall include, but

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not be limited to, any applicable Expenditure Deadline for Capital Funds, Expenditure Deadline for Operating Funds, or occupancy deadline.

B. The Department may, in its sole and absolute discretion, approve an extension of the acquisition, rehabilitation, construction, and/or occupancy deadlines if the Grantee demonstrates, to the Department's satisfaction, that the relevant delay is caused by reasonably unforeseeable events, conditions, or circumstances.

C. In no event will the Department approve an extension request in the absence of Grantee's demonstration of good cause for said extension, along with Grantee's reasonable assurances that the extension will not result in Grantee's failure to meet other Performance Milestones or any Expenditure Deadline under this Agreement. Construction labor shortages and supply chain issues do not constitute reasonably unforeseeable events, conditions, or circumstances for purposes of an extension request.

D. The Department will not grant extensions of the Expenditure Deadline for Operating Funds.

8. <u>Reporting Requirements</u>

A. Grantee shall submit an annual Homekey Program and Expenditure Report, and comply with all additional reporting requirements, as set forth and specified at Section 601 of the NOFA, all in accordance with the Milestone Completion Date(s) set forth at <u>Exhibit E</u> of this Agreement.

B. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department.

C. Upon the Department's request and as specified, the Grantee shall provide progress reports in connection with the development plan and any updates to the timeline for completion of the Project. The development plan should include the Project's completion milestones and any updates or substantial changes.

D. In addition, the Grantee shall submit to the Department such periodic reports, updates, and information as deemed necessary by the Department to monitor compliance and/or perform Program evaluation. Any requested data or information shall be submitted in electronic format on a form provided by the Department.

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9. Department Contract Coordinator

The Department's Contract Coordinator for this Agreement is the Deputy Director of the Division of State Financial Assistance, or the Deputy Director's designee. Unless otherwise informed, Grantee shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address or email to Homekey3SGM@hcd.ca.gov:

California Department of Housing and Community Development
Attention: Homekey Program – Round 3 (Homekey)
State Grant Management Section
2020 West El Camino Avenue, Suite 400, 95833
P. O. Box 952050
Sacramento, CA 94252-2050

10. Grantee Contract Coordinator

The Grantee Contract Coordinator for this Agreement may coordinate with the State Grant Management Section Manager for the Homekey Program. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Grantee Contract Coordinator at the address specified at Exhibit E of this Agreement.

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BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

Grantee has been awarded the Grant amount set forth in this Agreement.

2. Conditions of Disbursement

The Department will disburse the full amount of the Grant award to the Grantee after this Agreement has been fully executed and after the Department receives the Grantee's request for funds, with all required supporting documents appended thereto. The Grantee shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

A. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;

B. An authorizing resolution or set of authorizing resolutions that, in the Department's reasonable determination, materially comports with the Program Requirements (if the Grantee has not already submitted same);

C. Documentary evidence of any eligible costs incurred on or after March 3, 2021 and before the execution of this Agreement;

D. Certification of compliance with California's prevailing wage law, as well as all applicable federal prevailing wage law;

E. A copy of the Department-approved relocation plan for the Project, or a copy of a Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement which has been duly executed by the Grantee and approved by the Department;

F. Evidence of the insurance coverages required under the Program and/or a written acknowledgment of self-insured status;

G. Documentary evidence of capacity to provide operating funds for the Project for at least five (5) years;

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H. A current title report (dated within 15 days of the request for funds); or for tribal trust land, a title status report ("**TSR**") or an attorney's opinion regarding chain of title and current title status;

I. A Draft Covenant or Regulatory Agreement must be submitted to the Department for review and approval;

J. Any forms, certifications, or documentation required pursuant to Paragraph 1.F– Additional Conditions Precedent to Disbursement of Exhibit E of this Agreement; and

K. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant funds.

3. Performance

A. After disbursement of the funds, the Grantee shall meet each Performance Milestone set forth at Exhibit E by the relevant Milestone Completion Date. After satisfaction of each Performance Milestone, the Grantee shall promptly report its progress, in writing, to the Department. Grantee may apply to the Department for an extension of a Milestone Completion Date as allowed by the NOFA and this Agreement.

B. FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLES THE DEPARTMENT TO MANDATE THE GRANTEE TO RETURN TO THE DEPARTMENT ANY FUNDS DISBURSED; IN ANY SUCH INSTANCE, THE DEPARMENT MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO GRANTEE.

4. Fiscal Administration

A. Grantee shall either deposit the Grant funds with an escrow company licensed to do business in the State of California and in good standing or deposit the Grant funds in an interest-bearing checking or savings account that is insured by the Federal Deposit Insurance Corporation ("**FDIC**"). All interest earned from the deposit of Grant funds shall be used for eligible Program activities.

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B. Any capital expenditure award funds that have not been expended by the Expenditure Deadline for Capital Funds must be returned to the Department with accrued interest. Any operating subsidy award funds that have not been expended by the Expenditure Deadline for Operating Funds must be returned to the Department with accrued interest. Checks shall be made payable to the Department of Housing and Community Development and shall be mailed to the Department at the address below, no later than thirty (30) calendar days after the applicable Expenditure Deadline.

Department of Housing and Community Development
Accounting Division, Suite 300
2020 W. El Camino Avenue
Sacramento, California 95833

5. <u>Duplication of Benefit</u>

Homekey funding is not required to be used as funding of last resort. However, Grantee may not use Homekey funding to cover expenditures that have already been funded through other sources. Expenses that have been or will be reimbursed under any federal program are not eligible uses of Homekey funding.

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HOMEKEY GENERAL TERMS AND CONDITIONS

Federal Grant Identification
$435 million of grant funds are derived from U.S. Department of the Treasury FAIN SLFRP3211 (Coronavirus State and Local Fiscal Recovery Fund (CSFRF) established by the Federal American Rescue Plan Act of 2021 (ARPA) (Public Law 11702). CFDA # 21.027 dated 06/04/2021 and $301 million from State General Fund.

1. Effective Date, Term of Agreement, Timing, and Deadlines

A. This Agreement, when fully executed by the Department and the Grantee, is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "**Effective Date**").

B. This Agreement shall terminate fifteen (15) years after the Effective Date, as stated in Section 2 of the STD 213, Standard Agreement (such date, the "**Expiration Date**").

C. Grantee will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B and, as necessary and applicable, under Paragraph 1.F – Additional Conditions Precedent to Disbursement of Exhibit E.

D. Any expenses incurred prior to March 3, 2021, after the Expenditure Deadline for Capital Funds, or after the Expenditure Deadline for Operating Funds, respectively and as applicable, are not eligible for payment under the Program, unless an alternate arrangement is legally permissible and has been approved by the Department in advance and in writing.

E. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department in the absence of an alternate arrangement that has been approved by the Department in advance and in writing.

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2. Termination for Cause

The Department may terminate this Agreement for cause at any time by giving at least fourteen (14) calendar days' advance written notice to the Grantee. Upon such termination, Grantee shall return any unexpended funds to the Department within thirty (30) calendar days of the date on the Department's written notice of termination, unless the Department has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity. Cause shall consist of Grantee's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

A. Grantee's failure to satisfy the conditions precedent to disbursement or to expend Program Grant funds, as specified.

B. Grantee's failure to timely satisfy each or any of the conditions set forth in these Homekey General Terms and Conditions, the Project-Specific Provisions and Special Terms and Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.

C. Grantee's violation of any of the Program Requirements.

D. The Department's determination of the following:

1) Any material fact or representation, made or furnished to the Department by the Grantee in connection with the Application or the award letter, shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or

2) Grantee has concealed any material fact from the Department related to the Application or the Project.

E. The Department's determination that the objectives and requirements of the Homekey Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

In the event of this or any other breach, violation, or default by the Grantee, the Department may give written notice to the Grantee to cure the breach, violation, or

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default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department in its sole and absolute discretion, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

3. Cancellation

A. It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.

B. This Agreement is valid and enforceable only if sufficient funds are made available to the State of California by the United States Government for fiscal years 2021-2022 through 2025-2026 for CSFRF purposes. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

C. The parties mutually agree that if the Congress does not appropriate sufficient funds for the CSFRF, this Agreement shall be amended to reflect any subsequent reduction in CSFRF funds.

D. The Department may cancel this Agreement, in whole or in part, if **(i)** sufficient funds are not made available by the United States Government; **(ii)** Congress enacts any restrictions, limitations, or conditions that impact this Agreement or the funding of this Agreement; or **(iii)** cancellation is otherwise permitted under state contracting law.

E. To cancel this Agreement pursuant to this paragraph, the Department shall give thirty (30) calendar days' advance written notice to the Grantee. The Grantee shall return any unexpended portion of its Grant award to the Department within thirty (30) calendar days from the date on the Department's written notice of cancellation, unless **(i)** the parties have agreed upon an alternate arrangement in advance and in writing; or **(ii)** an alternate arrangement is necessary for one or both parties to remain in compliance with ARPA or other applicable law.

4. Eligible Activities

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Grant funds awarded to the Grantee shall be applied to the eligible uses set forth at Exhibit A and described in greater detail at Exhibit E. Payment for any cost which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee.

5. Performance Milestones

Grantee shall timely satisfy and complete all Performance Milestones, as identified at Exhibit E of this Agreement.

6. Article XXXIV

Per Health and Safety Code section 37001, subdivision (h)(5), article XXXIV, section 1 of the California Constitution ("**Article XXXIV**") is not applicable to Homekey-funded acquisition, rehabilitation, reconstruction, alterations work, new construction, or any combination thereof, of lodging facilities or dwelling units.

7. Appraisals

Grantee shall, at the request of the Department, provide an appraisal of any real property or any interest in real property that is acquired with the Grant funds. Any such appraisal shall be prepared in a form, and by a qualified appraiser, acceptable to the Department.

8. Byrd Anti-Lobbying Amendment

(31 U.S.C. 1352) Grantees, Subrecipients, Co-Applicants, Contractors that apply or bid for an award exceeding $100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

9. Anti-Kickback Act of 1986

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Grantee shall ensure that all contracts comply with the Anti-Kickback Act of 1986 (41 U.S.C. §§ 5158) that prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind.

10. Rights to Inventions Made Under a Contract or Agreement

If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

11. Contracting and Labor Standards

A. **Davis Bacon Act codified at 40 U.S.C. 3141, et seq. (as amended)**
Where funds provided through this Agreement are used for construction work or in support of construction work, the Grantee shall also ensure that the federal requirements of the Davis Bacon Act codified at 40 U.S.C. 3141, et seq. (as amended), pertaining to federal labor standards and compliance, are met and documented. Grantee recognizes that multiple labor standards (both state prevailing wage and federal Davis-Bacon Act) may apply to the project and both standards must be satisfied.

B. **Contract Work Hours and Safety Standards Act of 1962 (40 U.S.C. 3701–3708)**
Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic

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must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

C. For the purposes of this requirement "construction work" includes, but is not limited to, rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Grantee and a licensed building contractor, the Grantee shall serve as the "awarding body" as that term is defined in the California Labor Code. Where the Grantee will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

D. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the California Labor Code Sections 1770-1784, or the Davis-Bacon Wage Determination.

E. Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

F. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of California Labor Code, Chapter 1, commencing with Section 1720, Part 7 [California Labor Code Sections 1720-1743] (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

12. Domestic Preferences for Procurement 2 CFR Part 184 § 70915

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A. As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

B. For purposes of this section:

1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

13. Prohibition of Certain Telecommunications and Video Surveillance Services or Equipment 2 CFR 200.216

Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

A. Procure or obtain;

B. Extend or renew a contract to procure or obtain; or

C. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

1) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security

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purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

2) Telecommunications or video surveillance services provided by such entities or using such equipment.

3) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

D. In implementing the prohibition under Public Law 115–232, section 889, subsection (f), paragraph (1), heads of executive agencies administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

E. See also Public Law 115–232, section 889 for additional information.

F. See also § 200.471.

14. <u>Environmental Compliance</u>

Grantee shall provide a Phase I Environmental Site Assessment ("**ESA**") for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and Grantee desires to proceed with the Project, the Grantee shall provide the Department with a Phase II report and any additional reports as required by the Department and in a form acceptable to the Department. Any remediation work shall be subject to Department approval. Grantee shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Project involves rehabilitation or demolition of existing improvements.

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A. Grantee shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, *et seq.*, as amended, and 33 U.S.C. § 1318 relating to inspection, monitoring, entry, reports, and information, and all regulations and guidelines issued thereunder.

B. Grantee shall comply with the requirements of the Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

C. Grantee shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50 regarding air quality protections, as amended.

D. Grantee shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. §4001). Grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

E. Grantee shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR §570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all Homekey-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.

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F. 2 CFR Part 200.323 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. See § 200.323.

G. Grantee shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. Grantee shall also comply with federal Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

H. Grantee shall comply with all National Environmental Protection Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR Parts 1500 – 1508. The CARES Act provides that funds may be used to cover or reimburse allowable costs of eligible activities to prevent, prepare for, and respond to coronavirus incurred by a Grantee after January 21, 2020. However, Grantee shall not execute this Agreement nor receive reimbursement for pre-agreement eligible activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

I. This Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Grantee of an approval of

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the request for release of funds and certification from the Department under 24 CFR Part 50, 24 CFR Part 58, and 40 CFR 1500 - 1508. The provision of any funds to the project is conditioned on the Grantee's determination to proceed with, modify or cancel the project based on the results of the environmental review. The Grantee will not receive appropriate notice to proceed until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

15. Insurance

A. Grantee shall obtain the insurance coverages identified in the NOFA. Grantee shall maintain such insurance coverages for either the term of this Agreement or the term of any required restrictive covenant or regulatory agreement, whichever applicable term is longer. Grantee shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder. Prior to disbursement of any Grant funds, Grantee shall provide evidence satisfactory to the Department of its compliance with these insurance requirements.

B. If Grantee is self-insured, in whole or in part, as to any of the required types and levels of coverage, the Grantee shall provide the Department with a written acknowledgment of its self-insured status prior to disbursement of any Grant funds. If the Grantee abandons its self-insured status at any time after execution of this Agreement, the Grantee shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

16. Operating Funds

Grantee shall demonstrate its capacity to provide five (5) years of operating funds for the Project. As set forth at Exhibit B of this Agreement, Grantee shall provide documentary evidence of such capacity prior to disbursement of any Grant funds.

17. Relocation

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Grantee shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, in 24 CFR Part 42, 49 CFR Part 24, and 42 U.S. §5304(d) as they apply to the performance of this Agreement. Grantee agrees to comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing grant funds and to the displacement of persons, businesses, non-profit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds.

Grantee must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. To ensure that displaced persons and entities do not suffer a disproportionate impact as a result of Projects which benefit the public, all notices to vacate and relocation services must be provided to them in accordance with applicable law. In addition, before the Homekey award will be disbursed, Grantee must have either:

A. Department-approved relocation plan; or

B. Department-issued Certification Regarding Non-Application of Relocation Benefits and Indemnification Agreement, which has been duly executed by the Grantee and approved by the Department.

18. <u>One-for-One Replacement of Assisted Units</u>

One-for-one replacement of Assisted Units is permissible if approved in advance by the Department per Section 300 of the NOFA, after the Department's determination, in its sole and absolute discretion, that such replacement will not reduce the inventory of units that are already available at affordable rents to households that are at or under 30 percent AMI.

19. <u>Site Control</u>

Unless and except as otherwise expressly approved in writing by the Department or provided at <u>Exhibit E</u> to this Agreement, the Grantee shall have control of the property at all times, and such control shall not be contingent on the approval of any other party. The status and nature of the Grantee's title and interest in the property must be acceptable to the Department. Site control may be evidenced by one of the following:

A. Fee title.

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B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with, and satisfaction of, all Program objectives and requirements, including, without limitation, those set forth in this Agreement. If the Grantee's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require both the lessee and the lessor to execute this Agreement.

C. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.

D. A sales contract, or other enforceable agreement for the acquisition of the property. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).

E. A letter of intent, executed by a sufficiently authorized signatory of the Grantee, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Grantee shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be duly acknowledged by the party selling or otherwise conveying an interest in the subject property to the Grantee. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).

F. Other evidence of site control that gives the Department assurance (equivalent to A-E above) that the Grantee will be able to complete the Project in a timely manner and in accordance with the Program's objectives and requirements, including, without limitation, those set forth or referenced in this Agreement.

20. <u>Adaptability and Accessibility</u>

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility, including, without limitation, the requirements set forth in the NOFA.

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21. Title Status and Reports

Grantee shall provide a current title report for the real property on which the Project is located. If Grantee's interest in the property is leasehold, then Grantee shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, Grantee shall provide a TSR or an attorney's opinion regarding chain of title and current title status. As set forth and specified at Exhibit B of this Agreement, Grantee shall provide such title report or documentation of title status prior to disbursement of any Homekey Grant funds.

22. Title Insurance

Grantee shall provide evidence of title insurance and an ALTA As-Built Survey that are acceptable to the Department. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to Department approval. The policy shall insure that Grantee holds good and marketable title (fee simple or leasehold).

23. Property Management Plan

Grantee shall submit a property management plan to the Department for its review and approval. Such management plan shall be consistent with any representations made in the Application, and it shall meet the Program Requirements (e.g., include the management, maintenance, and repair information required by the MHP Guidelines).

24. Supportive Services Plan

Grantee shall submit a Supportive Services plan to the Department for its review and approval. Such Supportive Services plan shall be consistent with any representations made in the Application, and it shall meet the Program Requirements (e.g., provide for delivery of housing stability services and benefits).

25. Nondiscrimination

Grantee shall adopt a written nondiscrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of

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income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with Homekey funds.

Statutes and regulations prohibiting discrimination are applicable to this Agreement and include, without limitation, the following:

A. Grantee and any of its contractors, subcontractors, successors, transferees, and assignees shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the U.S. Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement;

B. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.";

C. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.); Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance

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with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430). Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development ("**HUD**"). Grantee shall comply with all applicable state and federal fair housing laws;

D. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794); prohibiting recipients of federal funds from discrimination against persons with disability; the Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities; the Age Discrimination Act of 1975 prohibiting age-based discrimination in federally funded activities; Executive Order 11063 prohibiting discrimination in disposition of properties owned or financed with federal funds, as amended by Executive Order 12259; and Executive Order 11246 regarding fair employment, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;

E. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.); prohibiting age-based discrimination in federally funded activities.

Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101 et seq.); Americans With Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities. The State of California nondiscrimination statutes, regulations, and standards set forth and identified in the NOFA and at Exhibit C of this Agreement.

26. Affirmative Fair Housing Marketing Plan and Fair Housing Compliance

A. Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C §2000a, et seq.), and the Fair Housing Act (42 U.S.C. §3601, et seq.), according to 42 U.S.C. §5306, et seq. and in compliance with California statute (Gov. Code sections 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430).

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B. Grantee shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Grantee is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development ("**HUD**"). Grantee shall comply with all applicable state and federal fair housing laws.

27. Grantee Acknowledgment of the Pet Friendly Housing Act of 2017

By executing this Agreement, Grantee acknowledges that the Pet Friendly Housing Act of 2017 (Health & Saf. Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local governmental ordinances related to public health, animal control, and animal anticruelty.

28. Final Certificate of Occupancy

Grantee shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

29. Occupancy

The Assisted Units shall be occupied by the Target Population, and such units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Grantee shall certify, upon occupancy, that it will employ the core components of Housing First (as set forth at Welfare and Institutions Code section 8255) as part of its property management plan and Supportive Services plan.

30. Tenant Selection

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Referrals to Assisted Units shall be made through the local Coordinated Entry System (“**CES**”), or another comparable prioritization system based on greatest need shall be used. All referral protocols for Assisted Units shall be developed in collaboration with the local Continuum of Care and implemented consistent with the Program Requirements.

31. Participation in Statewide HDIS/HMIS

Grantee shall support Continuum of Care participation in the statewide Homeless Data Integration System (“**HDIS**”). As required by and in accordance with state and federal law (including all applicable privacy law), Grantee shall further disclose relevant data to the local Homeless Management Information System (“**HMIS**”) and comparable data collection systems.

32. Affordability Covenant

A. An Affordability Covenant shall be recorded against the Project real property in accordance with Section 208 of the NOFA and this Agreement. For Interim Housing Projects, the Department will prepare, and the Public Entity or Tribal Entity shall cause, a 30-year Affordability Covenant to be recorded against the Project real property.

B. For Interim Housing Projects that will ultimately result in Permanent Housing, the Public Entity or Tribal Entity shall prepare and cause a 30-year Affordability Covenant to be recorded against the Project real property during the interim phase and upon conversion to permanent housing the public entity or tribal entity shall cause a 55-year affordability covenant.

C. For Permanent Housing Projects, the Public Entity or Tribal Entity shall prepare and cause a 55-year Affordability Covenant to be recorded against the Project real property. For Permanent Housing Projects located on tribal trust land, a 50-year Affordability Covenant shall be recorded against the Project real property.

D. The Affordability Covenant shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.

E. The Affordability Covenant shall include occupancy and rent restrictions that maintain the Project’s accessibility to the Target Population over the full term of the Affordability Covenant.

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F. All Affordability Covenants are subject to the advance written approval of the Department, and shall be acceptable to the Department in form, substance, and priority. Project-specific requirements and deadlines are set forth at Exhibit E of this Agreement.

33. Restrictions on Sales, Transfers, and Encumbrances

Grantee shall not, for the duration of this Agreement, sell, assign, transfer, or convey the Project, or any interest therein or portion thereof, without the express prior written approval of the Department.

34. Retention, Inspection, and Audit of Records

A. Grantee is responsible for maintaining records which fully disclose the activities funded by the Grant. Grantee shall retain all records for a period of five (5) years after the expiration of this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.

B. The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records pertaining to performance under this Agreement. The U.S. Department of the Treasury and any authorized oversight body or representative, including, without limitation, the Treasury's Office of Inspector General, the Government Accountability Office, and the Pandemic Relief Accountability Committee, shall have the right of access to such records in order to conduct audits or other investigations. Grantee shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.

C. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Grantee shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent

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auditor's relevant papers, records, and work product.

D. If there are audit findings, the Grantee shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Grantee in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Grantee, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.

E. If so directed by the Department upon the termination or expiration of this Agreement, the Grantee shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

35. <u>Site Inspection</u>

The Department reserves the right, upon reasonable notice, to inspect the Project to determine whether it meets the Program Requirements. If the Department reasonably determines that the site is not acceptable for the Project in accordance with] the Program Requirements, the Department reserves the right to rescind the award and the Grant. Nothing in this paragraph is intended to create or imply any obligation of the Department to inspect the Project.

36. <u>Compliance with State and Federal Laws, Rules, Guidelines, and Regulations</u>

A. Grantee, its agencies or instrumentalities, contractors, sub-grantees, and subrecipients shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the Homekey program.

B. Grantee shall comply with the requirements of 24 CFR 570.480 et seq., the Housing and Urban Development (HUD) 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, as adopted by HUD at 2 CFR 2400, Title II of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. § 12701 et seq.) and all federal regulations and policies issued pursuant to these regulations. The Grantee further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

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37. Updated Information

If there is any change in the information that has been provided to the Department, Grantee shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval. In addition, Grantee shall promptly notify the Department, in writing, of any changes in Grantee or Co-Grantee organization, authorization, or capacity.

38. Survival of Obligations

The obligations of the Grantee, as set forth in this Agreement, shall survive the termination or expiration of this Agreement.

39. Litigation

Grantee 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, the Program Requirements, the interests of the Department, and the objectives of the Homekey Program.

40. Entire Agreement; Severability

This Agreement constitutes the entire agreement between the Grantee and the Department. All prior representations, statements, negotiations, and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

41. Modification or Waiver under AB 1010

The Department reserves the right to waive or modify any requirement under this Agreement, or any Program Requirement, as authorized by and in accordance with Assembly Bill No. 1010 (Chapter 660, Statutes of 2019) ("**AB 1010**"), which is codified

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at Health and Safety Code section 50406, subdivision (p).

42. Waivers

No waiver of any breach, violation, or default under this Agreement shall be held to be a waiver of any other or subsequent breach or violation thereof or default thereunder. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Grantee's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

43. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

This Agreement is subject to the administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities, which are set forth at 2 Code of Federal Regulations part 200.

A. Accounting Standards: Grantee agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300 et seq, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Debarred contractors: It certifies that neither the Applicant or its staff are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal assistance programs, in any proposal submitted in connection with the Homekey program, per the Excluded Party List System located at https://www.sam.gov/SAM/. In addition, the Applicant will not award contracts to or otherwise engage the services of any contractor while that contractor (or its principals) is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction, in any proposal submitted in connection with the Homekey program under the provisions of 24 CFR Part 24.

Single Audit Requirements: Grantee is responsible for complying, as necessary, with the Single Audit Act and its implementing regulation at 2 Code of Federal Regulations part 200, subpart F regarding audit requirements.

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44. Disputes

In the event of any conflict between this Agreement and any Grantee documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department even if the Department provided review or approval of such documents and side agreements.

45. Consent

The parties agree that wherever the consent or approval of the Department or Grantee is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion, or other words of similar import.

46. Grantee Liability

Grantee shall remain liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Grantee shall remain jointly and severally liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the Scope of Work; or the Co-Grantees' identification of a Designated Payee.

47. Defense and Indemnification

Grantee agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), which may arise in connection with Grantee's use of the Grant funds and performance under this Agreement. If any attorney, including the California Attorney General, is engaged by the Department to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Grantee shall, individually or jointly, pay to the Department, immediately upon demand, the amount of all attorneys' fees and costs incurred by the Department in connection therewith.

48. Time Is of the Essence

EXHIBIT D

Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS
Permanent Housing

1. PROJECT-SPECIFIC PROVISIONS

Project Name: Gravenstein Commons

Address: 845 Gravenstein Highway North, Sebastopol, CA 95472

Assessor Parcel Numbers (APNs): 060-261-030-000

A. **Permanent Housing – Award, Disbursement, and Eligible Use(s)**

Grantee received Homekey Program award letter on February 21st, 2024 (the "**Award Date**"). Pursuant to that award letter, the Grantee is receiving Homekey Grant funds in the amount of $6,449,235.00 (the "**Award**"). The Payee of these funds is The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated. Grantee will use the funds to provide Permanent Housing for the Target Population and subpopulations as specified in the unit mix chart included herein. Specifically, the Grantee will apply these funds towards the following eligible use(s):

1) $5,755,520: Acquisition of vacant land and new construction to provide Permanent Housing for the Target Population

2) $671,215: Capitalization of an operating subsidy for the Assisted Units

3) $22,500: Relocation costs for individuals who are being displaced because of the Homekey project. This amount represents one-half of the relocation cost per unit. The Grantee is responsible for paying the balance of all relocation costs necessitated by the Project.

EXHIBIT E

The Homekey Award is comprised of:

Total Award	$6,449,235.00
Capital Award	$5,778,020
Acquisition	$0.00
Rehabilitation	$0.00
Master Leasing	$0.00
New Construction	$5,755,520.00
Affordability Covenants	$0.00
Relocation	$22,500.00
Operating Award	$671,215.00

B. **Unit Mix**

# of Bedrooms	Total Homekey Units	Homekey-funded Manager Units	Homekey-Assisted Units	AMI Income Limit	Target Population or Subpopulation Restriction [At-Risk of Homelessness; Homeless; Homeless Youth or Youth At-Risk of Homelessness; Chronically Homeless]
0 (Studio)	21	0	21	30%	Chronically Homeless
0 (Studio)	1	1	0	n/a	n/a
Totals:	22	1	21		

Grantee must use referrals to the Homekey Assisted Units through the local Coordinated Entry System (CES) or comparable prioritization system based on greatest need. All referral protocols for Homekey Assisted Units must be developed in collaboration with the local CoC and implementation consistent with the requirements set forth in the Homekey NOFA.

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C. **<u>Project Narrative</u>**

1) Gravenstein Commons is a 22-unit new wood frame construction project with 21 studio units, and one studio manager's unit. The project site is currently a vacant lot on level land. The project will consist of three 1-story buildings that include a common area at the center of the site, a secure bicycle storage area, and electric car charging station.
The project site is located within ½ mile of a public transit, within ½ mile radius of a full-scale grocery store, within a 2 mile radius of a hospital/medical clinic, within a 2 mile radius of a library, within 1 mile radius of a pharmacy, and within 1 mile radius of a public park. The project will serve 21 chronically homeless individuals, and will provide permanent housing for households with incomes equal to or less than 30% area median income. Four of the units will exceed Federal and State disability requirements for persons with mobility disabilities; and 3 units will include features accessible to people with hearing or vision disabilities. Each unit will include a kitchenette and a bedroom/living area. All units will be outfitted with a stove/oven, refrigerator, microwave, and hot water heater. All units will be furnished with bed, dresser, table/desk, and chair. An onsite community room will provide private space for residents to meet with health care providers, case management staff, and other community partners providing services.

D. **<u>Scope of Work</u>**

1) **Construction and Rehabilitation Detail:**

The grantee will begin new construction on a single story, wood framed, 22-unit structure that is located on a vacant lot that is already owned in fee by the Applicant. Upon notice to proceed, the new construction development plan will begin with submittals and approvals for windows, architectural finishes, mechanical & plumbing, electrical, fire sprinkler, encroachment permit, and fire alarm. Construction will then continue with site preparation, grading, mobilization, civil/electrical underground, foundations, structural framing/trusses, roofing, PV Installation, interior framing, MEP rough-in, insulation & drywall, painting finishes, flooring finishes, MEP trim-out, architectural finishes, GC inspection and punchout,

EXHIBIT E

parking lot base installation, parking lot lighting, asphalt installation, striping/signage, final grading & landscaping, and then final punchout. A detailed construction scheduled was submitted in the Development Plan within the Project's Homekey Round 3 Application.

2) **Supportive Services and Staffing Detail:**

Grantee shall insure that a case manager ratio for this project will be maintained at 1:10.5 for the Chronically Homeless population. Grantee will manage the property and coordinate with St. Vincent de Paul Sonoma County to provide the 21 Chronically Homeless households with services including: case management, peer support activities, substance use services, behavioral health services, and assistance obtaining benefits & essential documentation. Physical health services will be coordinated through Sebastopol Urgent Care, Providence Health, and Santa Rosa Community Health. Education & employment services will be coordinated with Santa Rosa Junior College and JobLink Santa Rosa. Other services such as housing retention skills, legal assistance, family connection services, will be coordinated through Legal Aid Sonoma County.

E. **Grantee Contract Coordinator**

Authorized Representative Name:	Jack Tibbetts
Authorized Representative Title:	Executive Director
Entity Name:	The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated
Address:	5671 Redwood Drive Rohnert Park, CA 94928
Telephone No.:	(707) 495-7438
E-Mail Address:	jtibbetts@svdp-sonoma.org

EXHIBIT E

Authorized Representative Name:	Diana Rich
Authorized Representative Title:	Mayor
Entity Name:	City of Sebastopol
Address:	7120 Bodega Avenue Sebastopol, CA 95472
Telephone No.:	(707) 823-6167
E-Mail Address:	DianaRich@cityofsebastopol.org

F. **Additional Conditions Precedent to Disbursement**

1) Precedent to disbursement of funds, Applicant shall submit documentation that verifies completion of the recommendations of the Environmental Site Assessment of a surficial soil quality assessment to test for the presence of agricultural chemicals and related metals from past cultivation.

2) Precedent to disbursement of funds, the Department must review and approve a relocation plan in accordance with subparagraph F of paragraph 2 Special Terms and Conditions below.

G. **Budget Detail**

1) Grantee is obligated to cover the Project's development, operations, and service costs for five (5) years. Grantee will satisfy this obligation by leveraging funding commitments, or other reasonable funding assurances, from the following funding sources:

a) Homekey Award Letter dated February 21st, 2024, for a funding commitment of $6,449,235.00 for new construction, relocation costs, and operating expenses.

b) Kenneth C. Martin letter dated December 6th, 2021, in the amount of $720,000.00 for land acquisition.

EXHIBIT E

c) William G. Irwin Charity Foundation notice dated May 25th, 2023, in the amount of $100,000.00 to be used for land acquisition.

d) The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated Letter dated July 5th, 2023, committing $80,000.00 of private philanthropic donation funds to be used for land acquisition.

e) The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated commitment letter dated 01/09/2024 for Construction in the amount of $525,000.00 included in Homekey Round 3 Application.

2) Grantee shall maintain the ongoing affordability of the Project by leveraging the following non-Homekey sources of rental or operating subsidies:

a) The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated Resolution dated 12/04/2023 for $1,257,407.00 for Operating Subsidies.

b) The Society of St. Vincent de Paul District Council of Sonoma County, Incorporated Resolution dated 1/05/2024 for $253,000 to cover a gap in this project's required debt service and replacement reserves.

c) An Intent to pursue funding letter dated 07/26/2024 to Sonoma County Homeless Program Grants funding in the amount of $3,579,583.00.

d) An intent to pursue funding letter dated 07/26/2024 to Sonoma County Project Based Vouchers in the amount of $1,572,480.00.

H. **<u>Performance Milestones</u>**

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Performance Milestones	Milestone Completion Date
Project escrow must be closed and Capital funds must be fully expended.	September 21st, 2025 (This date includes a 7-month extension requested by the Grantee and approved by the Department)
Homekey-funded operating funds must be fully expended.	June 30th, 2026
All Acquisition, Construction and/or Rehabilitation of the Homekey Project must be completed.	February 21st, 2025
Full occupancy by the Target Population must be accomplished in accordance with the descriptions and representations set forth in the Application.	May 21st, 2025
A copy of Grantee's written nondiscrimination policy (in accordance with Exhibit D of this Agreement) must be submitted to the Department.	October 21st, 2024
A Department-approved Affordability Covenant must be recorded against the Project real property after the Departments approval to record, and as specified and described in the NOFA and this Agreement.	90 days from Standard Agreement execution *But not before Department approval
A copy of the Notice of Exemption from the California Environmental Quality Act (CEQA) filed with the Office of Planning and Research (OPR) as applicable.	October 21st, 2024

EXHIBIT E

Performance Milestones	Milestone Completion Date
A Homekey Program and Expenditure Report must be submitted to the Department as specified and described in the NOFA.	January 31 – Each year for five (5) years following the Effective Date of this Agreement.

2. SPECIAL TERMS AND CONDITIONS

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

A. Affordability Covenant

1) The state, regional, local, or tribal Grantee shall ensure that the Project is duly encumbered with a 55-year Affordability Covenant that **(a)** is recorded in first position against the Project for the benefit of the state, regional, local, or tribal Grantee; **(b)** restricts the use, operation, occupancy, and affordability of the Project in accordance with this Agreement and the applicable Program Requirements; **(c)** duly names the Department as a third-party beneficiary with the right and privilege, but not the obligation, of enforcement thereof; and **(d)** is otherwise in form and substance acceptable to the Department.

2) The Affordability Covenant must be recorded against the real property of the Project site by the Milestone Completion Date set forth herein. The Grantee shall obtain the Department's express written approval of the Affordability Covenant prior to the recordation of the same. After recordation, the Grantee shall promptly provide the Department with a conformed copy of the recorded Affordability Covenant.

3) Unless otherwise authorized by the prior and express written approval of the Department, the Affordability Covenant must be recorded as a lien against the Project in first position, and must remain in first position, over

EXHIBIT E

all other Project agreements, covenants, or other matters of record on the real property for the period of affordability required by the Program.

B. Grantee has committed to serve specific sub-populations as per NOFA Section 304, Application Scoring Criteria (3)(a). Grantee shall ensure that 100 percent of the Project's Assisted Units are restricted to occupancy by households experiencing Chronic Homelessness.

C. Grantee has committed to a 55-year use restriction for the Project and has waived any potential accommodation by the Department to increase income limits, as per NOFA Section 304, Application Scoring Criteria, (3)(c), for 100 percent of the Assisted Units.

D. Grantee has committed to the following accessibility details for the Project, as per NOFA Section 304, Application Scoring Criteria, (3)(d), the Project will exceed the state and federal accessibility requirements set forth in the NOFA. At least 15 percent of the Project's Assisted Units must have features accessible to persons with mobility disabilities. At least 10 percent of the Project's units must have features accessible to persons with hearing or vision disabilities.

E. **Supportive Services Plans** required by HCD must be received by HCD no later than 90 days prior to occupancy.

F. **Relocation Law Compliance**

1) Prior to the disbursement of funding under this agreement, the Grantee must develop a written plan to provide all relocation benefits and assistance due to Sonoma Applied Village Services, the displaced former occupant of the Project Site, as required and in the manner prescribed by Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 et seq.), 24 CFR Part 42, 49 CFR Part 24, and 42 U.S.C. § 5304(d).

This document was electronically submitted to the County of Sonoma for recording
Agenda Item Number 8
2025025454
Official Records of Sonoma County
Deva Marie Proto
06/03/2025 12:14 PM
FIRST AMERICAN TITLE INSURANCE COMPANY | SAN
DCLRE 12 Pgs
Fee: $0.00

FREE RECORDING IN ACCORDANCE
WITH CALIFORNIA GOVERNMENT
CODE SECTIONS 6103 AND 27383

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Homekey Program
Department of Housing and
Community Development
P.O. Box 952052
Sacramento, CA 94252-2052

DECLARATION OF RESTRICTIVE COVENANTS

This Declaration of Restrictive Covenants (the "**Declaration**"), dated March 21, 2025 for reference purposes only, by The Society of St. Vincent de Paul District Council of Sonoma Couty, Incorporated, a California nonprofit corporation, and its successors, assigns and transferees (the "**Owner**"), is hereby given to and on behalf of the Department of Housing and Community Development, a public agency of the State of California (the "**Department**").

RECITALS

This Declaration affects that certain real property commonly known as 845 Gravenstein Highway North, Sebastopol, CA 95472 and located in the City of Sebastopol, County of Sonoma, State of California, as more particularly described in the Legal Description attached hereto as Exhibit A and incorporated herein by this reference (the "**Property**") and is entered into based on the following facts and understandings:

1. The Owner and City of Sebastopol (the "City"), (each, a "**Co-Grantee**," and collectively, the "**Grantee**") and the Department entered into an agreement 23-HK-18189 dated November 21, 2023, (the "**Standard Agreement**"), under the Department's Homekey Program ("**Homekey**," "**Program**," or "**Homekey Program**").

2. The Owner and City, as co-applicants, previously submitted an application to the Department for funding under the Program for Permanent Supportive

Housing to be owned and operated by the Owner and located within the jurisdictional boundaries of the City.

3. The statutory basis for the Homekey Program is Health and Safety Code section 50675.1.1. Assembly Bill No. 83 (2019-2020 Reg. Sess.) added sections 50675.1.1 and 50675.1.2 to the Multifamily Housing Program ("**MHP**" or "**MHP Program**") (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).

4. Assembly Bill No. 140 (2021-2022 Reg. Sess.) provided the statutory basis for Round 3 of the Homekey Program by adding section 50675.1.3 to the Health and Safety Code and the MHP Program.

5. The Department issued a Notice of Funding Availability for Round 3 of the Homekey Program on March 29, 2023, (the Notice of Funding Availability as amended shall be referenced herein as "**NOFA**"). The NOFA incorporates by reference the MHP Program, as well as the MHP Final Guidelines ("**MHP Guidelines**"), dated March 30, 2022, both as amended and in effect from time to time. The Round 3 Homekey grant funds are derived primarily from the state's direct allocation of the federal Coronavirus State Fiscal Recovery Fund ("**CSFRF**"), which was established by the American Rescue Plan Act of 2021 ("**ARPA**") (Pub.L. No. 117-2). Additional funding is derived from the state's General Fund.

6. The MHP Program, the NOFA, the MHP Guidelines, ARPA, federal interpretive guidance relating to ARPA, and the Standard Agreement comprise the "**Program Requirements**."

7. Pursuant to the terms of the Standard Agreement, the Department agreed to provide the Grantee with a grant under the Program (the "**Grant**") in an amount not to exceed $6,449,235, which amount includes $22,500.00 of CSFRF money for capital expenditures, and $671,215.00 of State General Fund money for a capitalized operating subsidy.

8. The Standard Agreement requires the Grantee to acquire the Property, and to ensure that it shall be used to provide decent, safe, and sanitary Permanent Supportive Housing (as defined below) for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases.

9. As consideration for the Homekey Program Grant, the Owner agreed to enter into this Declaration to restrict the development, use and occupancy of the

Property to the continued and lawful operation of the Permanent Supportive Housing thereon.

10. The term "**Owner**" as used in this Declaration shall include all successors, assigns and transferees to or of any or all of the Owner's interest in the Property and the Permanent Supportive Housing.

NOW, THEREFORE, in consideration of the Department's Grant to the Grantee and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner hereby covenants, agrees and declares that the Property shall be owned, held, used, maintained, and transferred pursuant to the following restrictive covenants, conditions, restrictions, and limitations ("**Covenants**"). Such Covenants shall be binding upon all of Owner's successors, assigns and transferees to or of the Property, and upon all leases, tenants, contractors, agents, and persons claiming an interest in the Property, or claiming an interest by and through any of the foregoing.

COVENANTS

1. Operation of Permanent Supportive Housing. Owner, for itself and for its successors and assigns, hereby declares and covenants that use of the Property is restricted to the operation of Permanent Supportive Housing, to uses ancillary to such Permanent Supportive Housing, and to such other uses as may be approved by the Department in its sole and absolute discretion. The Permanent Supportive Housing shall include, at a minimum, the number and size of units that are described in Exhibit B, which is attached hereto and incorporated by this reference. Furthermore, such units shall be subject to the occupancy restrictions that are set forth and more fully described in said Exhibit B.

2. Maintenance, Repair, and Improvement of the Property and the Permanent Supportive Housing. Owner agrees:

a. To keep the Property in decent, safe, sanitary, tenantable condition and repair, and to permit no waste thereof;

b. Not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable, except in accordance with these Covenants;

c. Not to construct any buildings or improvements on the Property, other than the buildings and improvements contemplated as part of the Permanent Supportive Housing; or add to, remove, demolish or structurally alter any buildings or improvements now or hereinafter located on the Property;

d. To promptly repair, restore or rebuild any buildings or improvements on the Property that may be damaged or destroyed while subject to this Declaration;

e. To comply with all applicable laws affecting the Property, and not to suffer or permit any violations of any such applicable law, nor of any covenant, condition or restriction affecting the Property;

f. Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without the Department's prior written consent; and

g. Not to alter the use of all or any part of the Property without the Department's prior written consent.

3. <u>Restrictions on Sale, Encumbrance, and Other Acts</u>.

a. Owner shall not, except with the Department's prior written consent, make any sale, encumbrance, hypothecation, assignment, refinancing, pledge, conveyance, or transfer of the Property, the Permanent Supportive Housing, or of any of its interest in either of them.

b. If the Department determines, in its sole and absolute discretion, to grant its prior written consent for a sale, transfer or conveyance of the Property or the Permanent Supportive Housing, such consent may impose terms and conditions, as necessary, to preserve or establish the fiscal integrity of the Property or the Permanent Supportive Housing, or to ensure compliance with the Program Requirements.

4. <u>Charges; Liens</u>. Owner shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property or to the Permanent Supportive Housing, if any, by Owner making payment, when due, directly to the payee thereof. Owner shall promptly furnish to the Department all notices of amounts due under this paragraph, and where Owner makes direct payments, Owner shall promptly furnish to the Department its receipts evidencing such payments. Owner shall pay when due all encumbrances, charges, and liens on the Property or to the Permanent Supportive Housing and shall make payments on notes or other obligations secured by an interest in the Property or Permanent Supportive Housing, with interest in accordance with the terms thereof. Owner shall have the right to contest in good faith any claim or lien, or payment due thereunder, so long as Owner does so diligently and without prejudice to Department.

5. <u>Building Permits</u>. Owner agrees not to apply for or accept any permits for the construction of improvements on the Property that are inconsistent with the lawful operation of the Permanent Supportive Housing, as such Permanent Supportive Housing is described in Exhibit B hereto.

6. Hazard and Liability Insurance and Condemnation.

a. Owner shall keep the Property and the Permanent Supportive Housing insured against loss by fire and such other hazards, casualties, liabilities and contingencies, and in such amounts and for such periods as required by the Department. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to the Department.

b. In the event of any fire or other casualty to the Property or Permanent Supportive Housing, or eminent domain proceedings resulting in condemnation of the Property or Permanent Supportive Housing or any part thereof, the Owner shall have the right to rebuild the Property or the Permanent Supportive Housing, and to use all available insurance or condemnation proceeds therefor, provided that, as determined by the Department in its sole and absolute discretion, **(a)** such proceeds are sufficient to rebuild the Property or Permanent Supportive Housing in a manner that ensures continued operation of the Permanent Supportive Housing in accordance with the Program Requirements; and **(b)** no material breach or default then exists under the Standard Agreement. If the casualty or condemnation affects only part of the Property or Permanent Supportive Housing and if total rebuilding is infeasible, then the insurance or condemnation proceeds may be used for partial rebuilding and/or partial repayment of the Grant. The Department has the right but not the obligation to approve the plans and specifications for any major rebuilding, as well as the right but not the obligation to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement.

7. Covenants Run with the Land. The Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to these Covenants. The foregoing Covenants are intended to constitute both equitable servitudes and covenants running with the land. Owner expressly acknowledges and agrees that the Covenants are reasonable restraints on the Owner's right to own, use, maintain, and transfer the Property and any estate or interest therein and are not and shall not be construed to be an unreasonable restraint on alienation. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall be held conclusively to have been executed, delivered and accepted subject to such Covenants, regardless of whether such Covenants are set forth in such contract, deed, or other instrument.

8. Beneficiaries. HCD (The Department) shall be an express third-party beneficiary with the right and privilege, but not the obligation of enforcement of the Use Restriction for Permanent and Interim to Permanent Projects.

9. Binding Effect. Any purchaser of the Property or of any portion of or interest in the Property, by the acceptance of a deed therefore, whether from the Owner or from any subsequent owner of the Property, or by the signing of a contract or agreement to purchase the Property, shall by the acceptance of such deed or by the signing of such contract or agreement be deemed to have consented to and accepted the Covenants set forth in this Declaration.

10. Term of Declaration. The Covenants in this Declaration shall be binding, effective, and enforceable commencing upon the execution of this Declaration, and they shall continue in full force and effect for a period of not less than fifty-five (55) years after a certificate of occupancy or its equivalent has been issued for the Permanent Supportive Housing by the local jurisdiction or, if no such certificate is issued, from the date of initial occupancy of the Permanent Supportive Housing, regardless of any sale, assignment, transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or any portion thereof.

11. Default, Remedies. A default under this Declaration or the Standard Agreement shall entitle the Department to any rights, remedies, or damages available at law or in equity, including, but not limited to, those that are specified below. The Department's failure to exercise any specific right or remedy shall not be construed as a waiver of that or any right or remedy.

a. Specific Performance. The use, repair, and maintenance of the Property in support of Permanent Supportive Housing is of a special and unique kind and character, so that a breach of any material provision of this Declaration by the Owner would not have an adequate remedy at law. Therefore, the Department's rights may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California.

b. Injunctive Relief. In pursuing specific performance of the Covenants, the Department shall be entitled to petition the court for injunctive relief to preserve the Department's interests in the Property and its rights under this Declaration. Such injunctive relief may include a court order restraining any development of the Property that is inconsistent with the foregoing Covenants.

c. Appointment of Receiver. In conjunction with any other remedy available at law or in equity, the Department may apply to a court of competent jurisdiction for the appointment of a receiver to take over and operate the Property or the Permanent Supportive Housing in accordance with the Program Requirements.

12. Attorneys' Fees. The prevailing party in an action to enforce this Declaration shall be entitled to reasonable attorneys' fees as determined by the trier of fact in that forum.

13. Department Review and Inspection.

a. At any time during the term of this Declaration and upon reasonable notice, the Department or its designee may, but is not obligated to, enter and inspect the Property, and inspect all records pertaining to the operation, repair, and maintenance of the Permanent Supportive Housing. Upon request by the Department, the Owner shall notify occupants of upcoming inspections in accordance with state law.

b. The Department may, but is not obligated to, request any other information that it deems necessary to confirm compliance with the foregoing Covenants. The Owner shall provide such requested information within fourteen (14) calendar days of the Department's written request for the information.

c. The Department shall not, by the fact of making or not making any entries or inspections, or by taking or failing to take any action in response thereto: **(i)** incur or undertake, or be deemed to incur or undertake, any obligation, duty, or liability whatsoever, whether to the Owner, to the Grantee, or to any other person or entity; **(ii)** be deemed as approving or disapproving any matter, action, incident, or condition related to the Property or the Permanent Supportive Housing; or **(iii)** be deemed as approving or disapproving any matter related to the compliance of the Property or the Permanent Supportive Housing with the Program Requirements or other applicable laws. In no event or circumstance shall the Department's exercise or non-exercise of its discretion under this paragraph constitute, or be deemed or interpreted as constituting, any termination, limitation, alteration, or waiver by the Department of any right, benefit, or remedy under or with respect to this Declaration.

14. Owner Representations. Owner represents and warrants to the Department that: **(1)** Owner has sufficient interest in the Property to support the operation of the Permanent Supportive Housing in accordance with the Program Requirements and this Declaration; **(2)** to Owner's actual knowledge and belief, there are no agreements, contracts, covenants, conditions, or exclusions to which Owner (or its predecessor in interest) is a party which would, if enforced, prohibit or restrict the use of the Property in accordance with the terms of this Declaration; **(3)** Owner has the full right and authority to enter into this Declaration; **(4)** this Declaration constitutes a valid and legally binding obligation on Owner, enforceable in accordance with its terms; and **(5)** Owner is duly organized and authorized to do business in the State of California.

15. Amendment, Modification. Owner shall not amend, modify, waive, or release this Declaration, or any part of this Declaration, without the prior and express written consent of an authorized representative of the Department, which consent may be withheld, conditioned, or delayed in the Department's sole and absolute discretion. Any amendment, modification, waiver, or release without the prior and express written consent of the Department shall be void.

16. Severability. Every provision of this Declaration is intended to be severable. If any provision of this Declaration 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.

17. Governing Law. This Declaration shall be governed by and interpreted under the laws of the State of California.

18. Recordation of Agreement. This Declaration shall be recorded in the Official Records of the County of Sonoma. The Declaration shall be recorded, and shall remain, as a lien against the Property in first position over all other agreements, covenants, liens, or other matters of record on the Property.

[signature page follows]

IN WITNESS WHEREOF, the Owner has caused this Declaration to be signed by its duly authorized representative, as of the day and year first written above.

OWNER:
The Society of St. Vincent de Paul District Council of Sonoma Couty, Incorporated

By: ____________________________________

Harrison "Jack" Tibbetts

Its: Executive Director
The Society of St. Vincent de Paul District Council of Sonoma, Incorporated

All signatures must be acknowledged.

ADD NOTARY ACKNOWLEDGEMENT

INDIVIDUAL ACKNOWLEDGMENT

State/Commonwealth of Oregon
County of Lane
} ss.

On this the 26 day of May, 2025, before me,
Day Month Year

Jackie Lynn Balsinger, the undersigned Notary Public,
Name of Notary Public

personally appeared Jack Tibbetts,
Name(s) of Signer(s)

☒ personally known to me **– OR –**

☐ 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 for the purposes therein stated.

OFFICIAL STAMP
JACKIE LYNN BALSINGER
NOTARY PUBLIC - OREGON
COMMISSION NO. 1043974
MY COMMISSION EXPIRES JANUARY 04, 2028

WITNESS my hand and official seal.

Jackie Lynn Balsinger
Signature of Notary Public

Any Other Required Information
(Printed Name of Notary, Expiration Date, etc.)

Place Notary Seal/Stamp Above

OPTIONAL

This section is required for notarizations performed in Arizona but is optional in other states. Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ______

Document Date: ______ Number of Pages: ______

Signer(s) Other Than Named Above: ______

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Sebastopol, County of Sonoma, State of California, described as follows:

Beginning at a point in the middle of a public road leading from Sebastopol to Healdsburg South 31-1/2° East, 13.18 chains from the Southwest corner of Lot 13, as numbered and delineated upon the Map entitled, "Subdivision Map of the Lands of A.W. Thompson near the Town of Sebastopol, Sonoma County," etc., filed in the Office of the County Recorder of Sonoma County on July 20, 1880; thence South 31° 30' East a distance of 291.35 feet to the true Point of Beginning of the parcel of land to be herein described; thence North 52° 20' East a distance of 245 feet; thence South 37° 40' East a distance of 176 feet, more or less, to a point on the Southeastern line of that parcel of land conveyed by Richard Houweling, et ux., to Edward L. Graham, et ux., by deed dated March 2, 1950 and recorded April 24, 1950 in the Office of the County Recorder of Sonoma County in Book 955, Page 123 under recorder's serial No. D-11790; thence South 52° 20' West and along the Southern line of said parcel conveyed to Graham a distance of 245 feet to the center of said public road; thence North 41° 30' West a distance of 58.89 feet; thence North 31° 30' West a distance of 119.87 feet, more or less, to the true Point of Beginning.

Excepting therefrom all that portion thereof conveyed to the State of California in that certain Grant Deed, recorded July 18, 2001, Instrument No. 2001095949, of Official Records.

APN: 060-261-030

EXHIBIT "B"

PERMANENT SUPPORTIVE HOUSING

# of Bedrooms	Total Homekey Units	Homekey-funded Manager Units	Homekey-Assisted Units	AMI Income Limit	Target Population or Subpopulation Restriction [At-Risk of Homelessness; Homeless; Homeless Youth or Youth At-Risk of Homelessness; Chronically Homeless]
0 (Studio)	21	0	21	30%	Chronically Homeless
0 (Studio)	1	1	0	n/a	n/a
Totals:	22	1	21		

Society of St. Vincent de Paul
District Council of Sonoma County, Inc.

Neighbors helping neighbors across Sonoma County ♦ Serving the poor regardless of race, creed, or origin since 1958
♦ An independent non-profit organization founded in 1833 by Blessed Frederic Ozanam♦

6/11/2024

Dear Honorable Members of the Sebastopol City Council,
The Society of St. Vincent de Paul District Council of Sonoma Incorporated (SVdP), writes you this letter to communicate our willingness to stand behind the commitments we previously made during your April Council meeting. Should you choose to move forward with the partnership and project during your meeting on June 18th, 2024, and should the state issue the awarded grant funds, SVdP will uphold the commitments outlined in this document. As of two weeks ago, the Grants Management Division for the California Department of Housing and Community Development emailed requesting our signed documentation to process payment of the grant. Therefore, we believe the grant is active, and we are still eligible to receive funding.

Respectfully,

Jack Tibbetts

Executive Director
(707) 495-7438
jtibbetts@svdp-sonoma.org

PROJECT AGREEMENT
By and Between the Society of St. Vincent de Paul District Council of Sonoma Incorporated
&
The City of Sebastopol

For the Construction and Operation of the "Gravenstein Commons," located at 850 N Gravenstein Highway by and between The City of Sebastopol and The Society of St. Vincent de Paul District Council of Sonoma, Inc.

1. Background

On May 16th, 2023, The City of Sebastopol ("City") directed staff to jointly apply for funding from the California Department of Housing and Community Development (HCD), along with the Society of St. Vincent de Paul District Council of Sonoma, Incorporated (SVdP), to construct twenty-two, deed-restricted, extremely low-income housing to ameliorate homelessness within the city by passing Council Resolution 6533-2023. The initiative was a direct response to the explosion of houseless people living on Morris Street and the surrounding area. The City then began working with service providers to temporarily relocate the homeless to 850 N Gravenstein Highway. This safe parking site was intended to be temporary and serve as a stopgap until SVdP could construct permanent supportive housing at the location. In support of that goal, the City jointly-applied for $6,449,235 to construct the units and, on February 26th, the City and SVdP were awarded the funds.

On March 19th, 2024, Sebastopol City Manager, Don Schwartz, brought this contract to the Council to affirm the City's willingness to continue forward with the project as a joint-applicant and assume all of the liabilities therein. This contract was prepared by Jack Tibbetts, Executive Director of the Society of St. Vincent de Paul District council of Sonoma, Inc., and represents the nonprofit organization's warranties to the City, and financial obligations, for the life of the project.

2. Parties

The City of Sebastopol ("The City") is a city located in Sonoma County, California.

The Society of St. Vincent de Paul District Council of Sonoma, Incorporated ("SVdP") is a nonprofit organization that serves Sonoma County, Mendocino County, and Lake County. The organization has a budget of $3.2 million per year, and an asset value of over $15 million. The organization has been in existence since 1963 in Sonoma County, and its mission is to "end poverty, one person, and one family, at a time."

3. Purpose

The parties do hereby enter into an agreement ("Agreement") regarding the 22-unit development, located at 850 N Gravenstein Highway, in Sebastopol, California, and the joint partnership governed by California Department of Housing and Community Development's Standard Agreement. This contractual agreement shall bind the parties for the entire term of this project, or until said parties submit a mutually-executed amendment.

4. Term

The term of this agreement shall commence when both parties dually-execute this contract, and the contract shall not terminate before the full 15-year period the California Department of Housing and Community Development (HCD) will hold the parties liable for any breach of contract to the Standard Agreement. This contract can only be voided through mutual agreement, or through a cancellation of the Standard Agreement. Once the 15-year timeline is complete, and the Standard Agreement expires, the parties no longer share any liability in the project, the Standard Agreement will be null and void and, as a result, so will this agreement.

5. City of Sebastopol's Responsibilities

5.a. The City of Sebastopol shall execute the Standard Agreement and subject itself to any and all financial liability associated with a breach of contract to said Standard Agreement. In the event of a breach of contract, he City of Sebastopol could be liable for up to $6,449,235 - the total amount of the grant funds awarded - but the City also understands that SVdP shall be in first position to refund the grant in the event of a breach of contract.

5.b.The City of Sebastopol shall make reasonable efforts to expedite the planning and permitting process so that the parties have every opportunity to reach completed milestones, as required by HCD's Standard Agreement.

6. SVdP's Responsibilities

6.a. SVdP shall always be the primary party "in first position" responsible for repaying any fees, damages, or refunds associated with the project.

6.b. SVdP agrees to indemnify the City of Sebastopol for any financial liability associated with the project the City could incur as the result of a breach of contract.

6.c To sufficiently guard against financial default during the construction phase of the project (construction phase shall be defined as from the time of execution of the Standard Agreement until the City issues a certificate of occupancy), SVdP shall maintain a capital reserve, or line of credit, of $671,215, which shall serve as a project contingency to cover any construction cost overruns.

6.d. To ensure ongoing operational capacity for the full 15-year term of the project, SVdP agrees to immediately deposit $671,215 (the operating subsidy) into an operating account, which the City will be able to monitor at any time. At the end of the first operating year, SVdP shall determine the year-end budget actuals and any deficit that may have been incurred. Whatever said deficit amount is, SVdP will pull from its unrestricted, general operations account, and deposit into the project's operating account to pay for the subsequent operating year. Once complete, SVdP shall submit to the City a copy of the budget, budget actuals, and despot slip to cover the subsequent year's operating loss. This process shall be repeated every year, for 15 years, or until the Standard Agreement becomes void.

6.e. To help offset costs for the City of Sebastopol, SVdP agrees to fund contract staff support for the City. Funding shall be limited to submitting reports to HCD, as requested or required by HCD (e.g. milestone reports and milestone extension requests), annual project budget submissions and actuals, development of the regulatory agreement, and execution of the standard agreement. This commitment shall remain in effect for the full 15-year life of the project.

7. General Provisions

I. Entire Agreement

The agreement constitutes the entire agreement between the Parties. The agreement may only be amended by mutual consent in the form of a dually-executed amendment to this agreement. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof; any such waiver shall be valid if set forth in writing by such party.

II. Notice

All notices and other communication hereunder shall be in writing and delivered to the addresses set forth on the signature page.

III. California Law

The Agreement and all disputes or controversies arising out of, or relating to, the Agreement or contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of California.

IV. Non-assignment

Neither the Agreement, nor any of the rights, interests or obligations thereunder, may be assigned, in whole or in part, by operation of law or otherwise, by either party without the prior written consent of the other party. The Agreement will be binding upon the Parties and their respective successors and assigns.

V. Non-severability

If any provision or portion of this Agreement is held to be invalid, illegal or unenforceable in any respect, under any applicable law, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Signed:

By Mary C Gourley

Name: Don Schwartz FOR
City Manager, City of Sebastopol

Date: ______________

By ______________

Name: Jack Tibbetts
Executive Director, SVdP

Date: 6/11/24

Permanent Supportive Housing Program Standards

Draft Version - August 4, 2026

Contents

Permanent Supportive Housing Program Standards

Introduction

What is Permanent Supportive Housing (PSH)

The Department of Housing and Urban Development (HUD) defines Permanent Supportive Housing (PSH) as a housing model that provides non-time-limited, affordable housing, combined with long-term supportive services to help formerly homeless individuals and families achieve and maintain housing stability.

Goals of the Permanent Supportive Housing Standards

The goal of these standards is to inform site developers of considerations that may strengthen effectiveness of PSH projects in Sonoma County. Site planning considerations early in the process can result in supportive service offerings better to address the needs of vulnerable populations utilizing these opportunities.

Applicability of Standards (Project types and funding sources)

These PSH standards apply to all PSH projects under development in Sonoma County. The design of PSH housing should promote shared understanding of the target population and have consistent practices countywide. A well-designed project site supports the provision of services through planning efforts that consider the needs of the population served, as well as the service providers who conduct daily operations at PSH projects. Developers should communicate with local jurisdictions to understand, reference, and adopt these standards when PSH developments are proposed in their communities.

Overview of PSH

PSH projects offer stable housing and supportive services for formerly homeless people experiencing high service needs to access and maintain housing. These projects serve individuals and households with the highest vulnerability, and services support independence, health, and long-term stability.

Service providers and property management staff at PSH projects engage with tenants to create a recovery-based environment which encourages community involvement and promotes long-term housing stability. PSH projects support project participants' physical and mental health needs through the teaching of skills of Activities of Daily Living (ADLs) and foster a sense of belonging and community of peers among residents. Typical outcomes in service provider Funding Agreements include housing retention, increasing income from benefits and employment, and Homeless Management Information System (HMIS) data quality.

PSH projects help local communities reduce impacts of homelessness on emergency services and improve health outcomes for residents. Data collected focuses on health, well-being, and housing outcomes of residents. Data is used to support the long-term sustainability and viability of PSH projects.

Guiding Principles

Housing First

The Housing First approach prioritizes the provision of permanent housing to people experiencing homelessness, focusing on client choice in housing selection with supportive service offerings that support a client to increase their chance of success in housing.   PSH projects do not require an individual to be sober, participate in treatment, or require “housing readiness” to proceed with securing a unit, and avoids rejection based solely on poor credit, rental history, or records unrelated to tenancy. Housing First policies are required by the State of California in all of its funding streams.

Housing First is based on the principle that everyone has the right to a safe and stable home regardless of their previous housing history, employment status, or health conditions.   Unlike traditional models, Housing First does not require individuals to demonstrate “housing readiness” or complete treatment programs before project entry. This approach emphasizes access to safe, permanent housing as the first step toward resolving homelessness, improving an individual’s health, reducing harmful behaviors, and increasing income. Supportive services help individuals live independently and participate in their communities to the fullest degree possible. (HUD)

The Housing First strategy should be considered in the planning and development of PSH, as well as in the development of service offerings to program participants. Access to PSH projects should not have unnecessary barriers to housing and should define tenancy with ordinary and typical provisions found in leases standard to the greater community. with eligibility for PSH may vary based on the project’s marketing and tenant selection plan. Housing First also values client choice in selecting housing and supportive services, recognizing that choice increases the likelihood of housing retention and personal success.

Trauma-informed care

The term “Trauma-informed care” refers to a strengths-based approach that recognizes the impact of trauma on individuals while emphasizing safety, empowerment, and healing. Trauma informed responses emphasize safety, trustworthiness, transparency, peer support, collaboration, and empowerment as core principles of the approach.

The target population for PSH projects are formerly homeless people who, due to their history of homelessness, are likely to have experienced trauma. Therefore, trauma-informed care should be a key consideration for developers and service providers at PSH projects. Project design should consider trauma informed elements such as multiple common areas that encourage social engagement with services and empower residents to live independently. Trauma-informed approaches incorporated in the planning of PSH projects should consider safety needs, client choice, and personal empowerment when planning the physical site as well as service provision to ensure safety, privacy, and an overall calming environment.

Service delivery modalities at PSH projects should empower residents to be independent, engage with their community, and consider safety, dignity, and recovery in their design, with efforts to prevent an individual from experiencing re-traumatization. Housing staff should provide physical and emotional safety, respond compassionately to residents’ needs, and promote trust through transparency, consistency, and collaboration. When possible, licensed professionals may assist in identifying trauma histories.

Trauma-informed care should be practiced by all staff, including property management and maintenance. Projects should incorporate these principles into staff training. This approach also involves meeting residents where they are, reducing barriers to housing, and supporting informed decision-making for all residents.

Equity

Equity in Permanent Supportive Housing recognizes that homelessness and housing instability is experienced differently based on perceived race, disability, gender, gender identity, age, and other protected or marginalized characteristics and that site and service design can be responsive to address those differences. PSH programs should work to remove systemic barriers, ensure equitable and consistent access to housing and services, and tailor supportive services so that all residents have a meaningful opportunity to achieve long-term housing stability.

Cultural Responsiveness and Equity Considerations

Programs support equitable access to housing and services and recognize the diverse identities and experiences of tenants. Culturally responsive practices, including language access, interpretation, and culturally meaningful service options should be offered. Staff should be trained on anti-racism, LGBTQ+ inclusion, disability access, trauma-informed care, and implicit bias. Such information and training should recognize historical and systemic inequities which contribute to homelessness, and responses should support intentional strategies to mitigate disparities. Adaptation of engagement and service approaches to align with cultural norms, traditions, and communication styles is an important consideration in engagement with the individual.

Development of PSH Projects

Project Development Communication

During the development stage, the operating agency should engage proactively with the local jurisdiction and the surrounding community to build trust, provide accurate information, and address neighborhood questions and concerns about the project. Engagement may include early outreach to the community, businesses, and community businesses including informational meetings or open houses to explain project goals and services, as well as distribution of clear, accessible materials that describe the purpose of PSH and the expected benefits to the neighborhood. Suggestions from community members will be considered during final planning, provided they do not compromise resident safety, privacy, or core Housing First principles. A designated staff person should be assigned and available for inquiries, and communication channels will be shared with the public.

Development of PSH projects may entail the construction of new buildings or the renovation of existing structures. In all cases, developers should communicate plans with the Sonoma County Homeless Coalition (SCHC), Department of Health Services (DHS), Permit Sonoma, the local jurisdiction where the project resides, and other relevant agencies. Communication with the public is also an important effort in development of PSH projects.

An understanding of homelessness in Sonoma County, expectations of funders, and local strategic initiatives will support design decisions in the development of projects. Such information may be useful during the planning of the physical sites and can inform design decisions to best serve future residents.

Early coordination with service providers who may provide supportive offerings on-site can strengthen service alignment and offer a setting which best meets the needs of the target population.

The Ending Homelessness Team (EHT), a section of the Behavioral Health Division of the Department of Health Services, manages the administration and organization of the local Homeless Services System of Care in Sonoma County. Oversight of the work of the EHT is through the Homeless Coalition which acts as the Continuum of Care for Sonoma County. Through the EHT NOFA processes, State and local dollars may be allocated to support homeless services for qualifying 501(C)(3) nonprofit organizations and local governmental entities.

Contact information

- Sonoma County Behavioral Health: (707) 565-4850
- Community Development Commission: (707) 565-7501
- Permit Sonoma - **https://permitsonoma.org/**

Tenant Selection and Marketing Plan

Each PSH project should have a Tenant Selection Plan (TSP) that is reviewed by the jurisdiction or entity overseeing the project before the 120-day milestone of accepting referrals for lease up. In addition, a marketing plan would also be reviewed to ensure alignment with community resources and partners. A TSP ensures compliance with expectations with policies of the project. HUD guidance offers a description of items necessary for a TSP including Marketing, Waiting List Management, and Selection of Tenants from the Waiting List. Projects not utilizing Coordinated Entry may require a more detailed Tenant Selection Plan, and for projects who do referrals, the plan will be reviewed by the Coordinated Entry operator.

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Community Engagement Lease-up Activities

Project partners should coordinate with jurisdictional staff and local elected officials within the jurisdiction of the PSH site to identify appropriate forums for community engagement. These forums should be used to provide clear and accurate information about the project, including the population to be served, the supportive services that will be available, and contact information for both property management and supportive service providers. Permitting and planning processes should be identified and followed in each jurisdiction and should be done simultaneously with community engagement processes.

In addition, PSH developers and supportive service providers should make reasonable efforts to engage with other public agencies operating within the jurisdiction, including public safety agencies. These engagements are intended to share information about the project, establish communication channels, and plan for any potential impact on service delivery.

Expectations for Coordination and Communication

Weekly coordination meetings should include on-site property management staff and supportive service providers. These meetings are intended to address day-to-day operational issues, with a focus on housing stability and health and safety concerns. Topics may include, but are not limited to, lease violations, move-in and move-out updates, unit inspections, and community events. Property management and supportive service providers are expected to collaboratively develop meeting agendas. These meetings should include discussion of specific resident situations, as appropriate, ensuring privacy (HIPPA, Personal Identifying Information) and result in clear action steps and follow-up responsibilities.

Monthly management-level meetings should be attended by supervisory or leadership staff, such as property management managers and supportive services program managers or directors. These meetings are intended to address higher-level concerns, including residents at risk of losing housing, ongoing safety issues, and opportunities to improve project operations and coordination.

Coordination with Local Governmental Entities

Project partners benefit by coordinating with jurisdictional staff and local elected officials within the jurisdiction of the site to identify appropriate forums for community engagement. These forums should be used to provide clear and accurate information about the project, including the population to be served, the supportive services that will be available, and contact information for both property management and supportive service providers. Permitting and planning processes should be identified and followed in each jurisdiction and should be done simultaneously with community engagement processes.

In addition, PSH developers and supportive service providers should make reasonable efforts to engage with other public agencies operating within the jurisdiction, including public safety agencies. These engagements are intended to share information about the project, establish communication channels, and plan for any potential impact on service delivery.

Use of MOUs and Operating Agreements

Property management and supportive service providers at Permanent Supportive Housing sites should sign a Memorandum of Understanding (MOU) that clearly outlines the roles and responsibilities of each party. The MOU establishes expectations for coordination, communication, and day-to-day operations to support housing stability and effective project management.

At a minimum, an MOU includes key elements such as defined roles and responsibilities, communication protocols, coordination meeting structures, crisis response expectations, information sharing guidelines, and processes for addressing lease violations and other tenancy-related issues. These elements are intended to promote clarity, consistency, and collaboration between partners.

All MOUs must acknowledge that the standards outlined in this document serve as the minimum operating standards for the project. A sample MOU template will be provided in the addendum to support projects in developing this agreement.

Ongoing Communication with Neighbors and Local Stakeholders

Once the project opens, property management and services providers will maintain regular communication with neighborhood groups and local stakeholders to support ongoing trust and collaboration. This includes providing updates about property operations, holding office hours, and having staff available to respond to questions or concerns. A “Good Neighbor Policy” should be drafted which describes expectations of the project and addresses concerns of the local area.

Responding to Community Concerns

Community concerns will be acknowledged promptly and addressed through a consistent, and transparent process. Project operators will respond to inquiries within a reasonable timeframe and document concerns so they can be tracked and addressed systematically. Concerns related to resident behavior will be handled in a manner that respects confidentiality and comply with fair housing laws. Operators will provide accurate information to counter misconceptions about PSH or its residents and will collaborate with external partners, when appropriate, to help resolve issues while maintaining a trauma-informed, Housing First approach.

Roles and Responsibilities

Project Developer Roles

Project developers see PSH projects through from initial concepts to physically occupied buildings where housing and services are offered to formerly homeless residents. Developers bridge the gap between real estate development, government and private funding to support the unique needs of vulnerable unhoused populations to be served. Identifying site location for new construction or rehabilitation projects, address permitting, construction activities, and reporting are important milestones to bring new PSH projects online.

Property Management Roles:

The primary role of property management at PSH projects is to administer leases, maintain the physical site, and uphold housing policies in a fair and consistent manner. Property management services at PSH sites should be typical of those found at apartment complexes and rental situations in the larger community. This includes, but is not limited to, management of rental units, collection of rent, and responsibility for the upkeep of the property. Property management staff are responsible for the day-to-day operation of the site, ensuring that the property is maintained in a safe, functional, and well-managed condition. Other responsibilities of property management typically include lease signing, tenant onboarding, rent collection, enforcement of lease terms, addressing security concerns, and responding to maintenance requests.

Case Management Roles:

Case Management services at PHS projects provide services tailored to meet residents' needs and goals. Services are tailored to offer clients an opportunity to improve on activities of daily living (ADL), communication strategies, as well as conflict prevention and resolution skills. In all instances, supportive services are voluntary and designed to help residents to live independently in the community, and refusal to meet with case management staff should not impact a resident's tenancy.

Supportive service providers often help communicate issues raised by property management that can impact housing stability, including behavioral health needs, substance use, financial instability, or difficulties adjusting to the housing milieu are primary services delivery focuses. While service providers support residents to maintain their housing, the enforcement of lease terms or administering of property management functions should be communicated by property management, and service providers can join in on discussions to clarify and build understanding of how these items impact a resident's tenancy.

The effort to prepare residents for increasing independence also focuses on documentation readiness, benefit applications, and other necessary items in anticipation of potential housing vouchers, benefits, or other assistance. Education offerings should increase participants' ability to positively participate in the community, socialize with peers, learn Activities of Daily Living (ADL), and communicate with and understand the terms of their lease.

Overlap of Service Provision and Property Management

The separation of services, delivery and property management is considered best practice as these roles are distinct and different from one another.   However, case management staff can support residents to establish and maintain good communication with property management while ensuring these roles are clearly delineated. These may include shared protocols for crisis response, as well as other supportive services such as rental-arrears, situational problem solving, and any services that help participants to maintain housing.

Effective PSH operations rely on regular communication between property management and supportive service providers. The separation of supportive services and property management roles is an important aspect of all PSH projects. This bifurcation helps participants to understand the PSH environment and be able to get housing related needs met without fear of retaliation or eviction. Property management staff should avoid conversations outside of the scope of property management responsibilities and be aware of referring to case management discussions to service provider staff, and services should refer all property management issues accordingly. Communication should maintain confidentiality and professional boundaries to maintain a clear division of the two roles.

While property managers are not responsible for providing supportive services or clinical care, they often serve as a key point of contact for residents and may identify issues that require coordination with supportive service providers. Training of property management staff should emphasize strategies to serve the needs of the client, while still observing the requirements of the lease. To these ends, property management strategies should utilize a trauma-informed approach, with communication of terms of tenancy discussed upon lease signing.

Behavioral Health Roles

Sonoma County Behavioral Health (SCBH) provides mental health and substance use disorder services for eligible residents in the community through the Department of Health Services. Behavioral Health offerings are voluntary, and PSH residents cannot be compelled to accept Behavioral Health services as a contingency of PSH participation. While not all residents living in Permanent Supportive Housing are connected to SCBH services, and may not meet eligibility requirements, participation in Behavioral Health services is based on an individual's willingness to engage in services.

Behavioral Health services do not intend to replace or substitute on-site supportive services provided at PSH projects. Mobile Support Teams, SAFE, and In-Response teams are designed to respond to behavioral health crises and provide crisis intervention when needed and are not intended to provide ongoing case management within a PSH site. Ongoing case management and housing stability support remain the responsibility of the project’s supportive service provider. Both the Behavioral Health and the supportive service providers should maintain regular communication to coordinate services and prevent individuals from losing behavioral health services.

Lead Agency and County Roles

The Department of Health Services serves primarily as a funder and the Lead Agency for the local homelessness response system.   The Lead Agency may provide technical assistance to PSH providers and may help connect projects with community resources, system partners, or best practices when requested. The Lead Agency acts as a system coordinator and convenes partners working to address homelessness and often funds services at projects. It is recommended that all PSH projects operate using HUD guidance to the greatest degree possible. Services at PSH projects funded through the Lead

Agency are monitored annually for performance and adherence to Department of Housing and Urban Development (HUD) guidance stated at [24 CFR 578].

The Lead Agency can provide information about funding and supportive services available in the community. Responsibilities of this team are to enter service contracts with nonprofit providers, monitor those projects, and ensure that regulations and contracted expectations are met. While unfunded projects are not required to use Coordinated Entry for referrals, all PSH projects can choose to receive referrals from that system, ensuring that clients meet typical eligibility such as chronic homelessness, and have a documented disabling status.

Permanent Supportive Housing projects require ongoing coordination between property management, supportive service providers, and other partners, including Behavioral Health when applicable. All partners are expected to maintain positive, collaborative working relationships that support housing stability, resident well-being, and effective project operations.

Regular communication is a core component of successful PSH implementation. At a minimum, projects are expected to establish routine meeting structures that include weekly on-site coordination meetings and monthly management-level meetings. Weekly coordination meetings should include on-site property management staff and supportive service providers. These meetings are intended to address day-to-day operational issues, with a focus on housing stability and health and safety concerns. Topics may include, but are not limited to, lease violations, move-in and move-out updates, unit inspections, and community events. Property management and supportive service providers are expected to collaboratively develop meeting agendas. These meetings should include discussion of specific resident situations, as appropriate, ensuring privacy (HIPPA, Personal Identifying Information) and result in clear action steps and follow-up responsibilities.

Monthly management-level meetings should be attended by supervisory or leadership staff, such as property management managers and supportive services program managers or directors. These meetings are intended to address higher-level concerns, including residents at risk of losing housing, ongoing safety issues, and opportunities to improve project operations and coordination. Clear and consistent communication protocols are necessary to reduce role confusion, ensure timely responses to issues, and support coordinated decision-making.

Referral and Intake Process

The sections that follow will include descriptions of roles and responsibilities for communication across common situations encountered in PSH. Property management staff and supportive service providers are required to follow these protocols to ensure consistency and accountability in project operations.

Working with Coordinated Entry

Coordinated Entry (CE) sets vulnerability criteria to prioritize referrals to housing and transfers when necessary. The system ensures fair access and transparent decision-making. All referrals for PSH as well as any project transfers must be routed through Coordinated Entry for review and approval.

Coordinated Entry may also help identify the most appropriate placement if the current program is no longer able to meet the participant’s clinical or behavioral needs. Providers are encouraged to consult Coordinated Entry if a participant’s needs have changed significantly or if a transfer request reflects broader service or placement concerns.

Coordinated Entry notification is not required for Inter-program transfers, but providers must ensure that documentation supports accurate unit and bed inventory. Inter-project transfers must be submitted to Coordinated Entry using standardized forms and documentation to confirm ongoing chronic homelessness status or new qualifying need. Despite not being subject to a Coordinated Entry referral, providers must report changes to maintain accurate unit counts in the Homeless Management Information System (HMIS) and Coordinated Entry By Names Lists.

Coordinated Entry Referrals

Most PSH projects receive referrals through the Sonoma County CE. This process includes following prioritization and documentation requirements at lease-up (including chronic homelessness, disability status for PSH). PSH referrals will follow CES policies and procedures as approved by the Homeless Coalition.

The use of Coordinated Entry as the sole referral source is a requirement of projects funded through the Department of Health Services, Community Development Commission, or other departments of the County of Sonoma. Eligibility criteria and prioritization policies are stated in the **Coordinated Entry Policies and Procedures** which ensures that available housing resources are allocated to individuals and households with the highest vulnerability and need. PSH projects that receive referrals from Coordinated Entry must operate in full compliance with all applicable Coordinated Entry Policies and Procedures, including eligibility determination, prioritization, and referral processes.

Prior to receiving referrals through Coordinated Entry, the service provider organization and property management agency each sign a Memorandum of Understanding (MOU) with the Lead Agency. This agreement outlines the roles, responsibilities, and expectations related to the referral process and ongoing coordination. Adherence to Coordinated Entry policies is required to ensure equitable access to housing resources, and consistency in referral practices in alignment with the broader homelessness response system. Additional requirements and procedures stated in the **Coordinated Entry Policies and Procedures** should be referenced for implementation.

Participant Eligibility

Eligibility criteria for Permanent Supportive Housing (PSH) projects are established by the Department of Housing and Urban Development (HUD) guidance stated at **24 CFR 578** and in the **Coordinated Entry Policy and Procedures**. Eligibility and needs of the target population should be understood during the development phase by the project development team and by potential service providers when seeking funding for services to be delivered at PSH projects. Specific requirements related to referrals at PSH projects such as **chronic homeless status**, verified disability, or other programmatic priorities, are stated in HUD guidance and local policies. PSH projects should not establish additional screening criteria or processes that conflict with Coordinated Entry policies, local standards, or Housing First principles as to avoid or create unnecessary barriers to housing.

Initial Service Engagement

The evaluation and assessments conducted prior to, and after housing placement is tailored to meet the specific needs of the individual. Towards these ends, service providers conduct strength-based assessments, provide site and unit orientation; and co-create an initial Housing Stability Plan focused on the clients' immediate goals. Participation remains voluntary but should be attempted and offered on the first day of residence.   Initial engagement includes:

- **Care coordination:** Establish routine communication between program participants and service providers ensuring clear understanding of service offerings, shared protocols for crisis response, rent-arrears problem-solving, and eviction prevention.
- **Program Agreement:** Should be signed by the client stating their understanding of the project rules and services offered as part of participation and should be given to participants.
- **Benefits & health linkages:** Rapidly connect residents to SSI/SSDI, Medi-Cal, behavioral health, primary care, and transportation; document consents and referrals.
- **Tenant-driven goals:** Use motivational engagement; no preconditions or mandated services.. Adjust service intensity based on tenant preference and need.
- **MOU's and ROI:** Signed consent(s) for service coordination and data sharing (as applicable), initial Housing Stability Plan, crisis/safety plan, and referral logs, HMIS and Coordinated Entry ROIs, and IMDT ROI.

Confidentiality and Information Sharing

Protecting participant privacy is vital to building trust and complying with regulations. Each service provider and property management team should have an approved policy describing the expectations to comply with all applicable laws including HHIPA and local HMIS privacy standards. A policy should describe privacy expectations as well as for sharing of information through signing of Release of Information (ROI), and the like. Staff shall not share any personally identifiable information (PII) or protected health information (PHI) with outside agencies without a signed, time-limited ROI form from the tenant. Policies should also describe securing of physical client files, and digital Security.

Leasing Considerations

Leases are signed between Property Management and residents of PSH projects who are referred through the Coordinated Entry System. Property management staff are responsible for communicating directly with clients regarding lease terms, documentation requirements, application status, and any decisions related to acceptance or denial. Service providers can support the individual when needed to overcome issues that may come up in the process while maintaining a clear boundary between property management and service provision. The following sections describe the referral and leasing expectations at PSH projects.

Tenant Rights

Permanent Supportive Housing ensures that tenants enter with the same rights and responsibilities as any other resident, with clear, trauma-informed explanations of their protections and expectations. Leases are designed to reflect standard rental agreements, containing no special stipulations beyond what is typical for the public. The program focuses on supporting everyone to live as independently as possible while fostering a tolerant and understanding environment for those managing disabilities or challenges associated with transitioning out of homelessness. By balancing legal equity, personal autonomy, and compassionate support, Permanent Supportive Housing creates a stable and respectful setting that empowers tenants to thrive.

Warm handoffs

Warm handoffs establish positive working relationships from provider to the new provider to build trust with case managers and clients. For unsheltered people transitioning from homelessness to housing, a warm handoff helps deepen engagement with their new housing provider and property management and may lessen confusion that may occur in the new environment. A coordinated and person-centered approach may include the participant's current case manager in the intake and pre-lease engagement process whenever possible. This collaboration helps ensure continuity of care, supports accurate information sharing (with appropriate consent), strengthens alignment between service providers during the housing transition, and offers an understanding of individuals' service needs.

Pre-Lease Engagement and Orientation

Both service providers and property management staff develop relationships with participants and set clear and reasonable expectations for participation in PSH projects. Property management should identify and reduce barriers to housing placement and prepare tenants for a smooth move while honoring Housing First principles. Service providers work in tandem with property management to support potential residents to become "document ready", ensuring that items such as identification cards, income statements from benefits or employment, and other items are collected. Service providers help with any items such as utilities set up or the like. One-time expenses associated with move in can utilize available flexible funding when necessary. Information should be provided in plain-language and should cover topics related to tenant rights, fair housing, reasonable accommodations, and VAWA protections including notices of occupancy rights, emergency transfer plan and an overview of terms of leases.

Staff can offer potential residents tours of project sites and available units, make introductions to property management staff, and gain an understanding of client needs that may require reasonable accommodation requests. Communication with interested tenants can inform clients of general terms of tenancy and unique offerings of the project. A preorientation meeting and site tour with case management and property management team supports participants to understand the housing and services.

Service providers are responsible for informing the potential residents of on-site service offerings, development of goals, and completion of client file paperwork items. Staff should describe the delineation of services from property management to help applicants understand the process of paperwork and document collection required for move-in and entry into services.

Property management is responsible for conducting the orientation and offering a tour of PSH describing amenities and services offered on site as part of tenancy. PSH projects should consider limiting the number of project entries into the project on any single day, to offer staff enough time to process paperwork and orient clients to the project. In addition, lease up should avoid project entries that occur late in the week, if possible, doing so can offer a supported transition to housing.

Lease format

In accordance with California State law, leases should be standard landlord-tenant leases and not program agreements. Leases must reflect full tenant rights; service participation is voluntary and not a condition of tenancy and should include all lease addenda: VAWA, lead paint, asbestos, mold, pest and bed bug abatement, and other expectations based on funder expectations. There should be no conditions stated in a lease that are not typical of a lease found in the general rental market for the area.

Violence Against Women Act (VAWA) Lease Compliance

Lease terms should state the items considered for the Violence Against Women Act (VAWA), and include references to the following: **HUD-5380 (Notice of Occupancy Rights)** and **HUD-5382 (Certification).** Confidentiality protocols should be consistent with **24 CFR 5 Subpart L.** However, a separate VAWA lease Addendum is required to be signed in addition to language in the lease, even if the Addenda does not contain additional information to that which is stated in the lease.

Emergency transfer information should also be attached in the following documents: **HUD-5381** and **HUD-5383**, or an equivalent local plan, and an explanation of how to request a safety transfer without penalty should be given at lease signing.

Fair housing and reasonable accommodation information should also be communicated, and information on how to request accessibility modifications or policy adjustments should be offered to the residents. Additionally, Landlords should brief tenants on the State of California tenant protections such as "just-cause and rent-cap framework (**AB 1482** and **SB 567** amendments) as applicable to the property, and should note exemptions and local overlays; provide required disclosures where relevant.

Program Agreement

Permanent Supportive Housing service providers may ask that a participant sign a Program Agreement which is separate and distinct in scope and purpose from a lease signed for housing. Such Program Agreements describe expectations for participating in services, and reflect Housing First principles, describe voluntary supportive services, and community participation, and describe offerings of flexible community-based support. The Program Agreement addresses participation in the service milieu and will not substitute for or add additional requirements to the provisions of the lease.

Fair Housing Compliance

All PSH projects are required to operate in strict compliance with the federal **Fair Housing Act**, **Title VI of the Civil Rights Act**, **Section 504 of the Rehabilitation Act**, and the **Americans with Disabilities Act (ADA).** Therefore, it is important that PSH projects not discriminate based on protected classes such as race, color, national origin, religion, sex, familial status, disability, sexual orientation, or gender identity.

Project Based Vouchers

Project-Based Vouchers (PBV) are site-bound subsidies that reduce the rent for participants who live on the project. PBV's are typically tied to a specific building or apartment unit rather than a specific person and are not portable when a client exits the project. If housing vouchers are offered as part of project participation, once eligibility criteria is met, the service provider will apply on behalf of the potential residents to the Housing Authority. The potential resident cannot move in until the unit passes the Housing Authority inspection which occurs after the Housing Authority approves the move-in and before leasing up of the unit. If vouchers are not included in participation, then a rent schedule is created, and the client is informed of their obligation as part of tenancy.

Housing Vouchers

Unsheltered person may have received Housing Vouchers prior to moving in through waiting list strategies at Housing Authorities. These vouchers should be treated similarly to PBV's, and service providers can support the referred resident to utilize the voucher at the PSH project like PBV's, however these vouchers have portability after six months of leasing.

Ongoing Tenancy and Housing Stabilization

Voluntary Supportive Service Model

Supportive services are offered using a voluntary, person-centered approach grounded in Housing First principles. Participation in services is not a condition of tenancy, but providers may proactively offer support, information, and resources, emphasizing housing choice, personal autonomy, and respect for individual goals.

Behavioral Health Access, Collaboration, and Care Coordination

Supports should help tenants to access behavioral health services, including mental health and substance use treatment and should employ a harm-reduction, and recovery-oriented approach. Screening for behavioral health needs or existing enrollment in a behavioral health program should occur at project entry and regularly thereafter and should not create barriers to housing. If needed a referral to behavioral health services can be made. Service providers should work towards warm handoffs to behavioral health providers and support the client to navigate, schedule, and attend appointments with county mental health, substance use disorder (SUD) programs, Federally Qualified Health Centers (FQHCs), and other crisis response systems. Team communication protocols should work to protect tenant privacy while supporting integrated care. Behavioral health challenges and symptoms should result in trauma informed responses, which are non-punitive responses within the housing environment.

Communication: Tenants, Property Management, and Services

Coordination between property management and service providers should work to preserve tenant rights, privacy, and housing stability. A clear delineation of the roles of property management enforces lease terms; service providers offer support but should not focus on rule enforcement. Service providers and property management should hold regular cross-team communication meetings to discuss property-level issues while protecting individual tenant confidentiality.

A process for coordinated responses to concerns such as lease violations, wellness checks, or unit conditions should also be clearly stated and documented with a shared commitment to problem-solving that focuses on preserving tenancy and preventing eviction. All parties will make efforts to ensure transparent communication with tenants about how information may be shared and what their privacy rights are under HIPAA and HUD standards.

Community Building and On-Site Engagement

PSH environments promote safety, belonging, and positive community culture while respecting tenants' autonomy and privacy. PSH sites should offer a location for voluntary social activities, groups, and events that foster connection and reduce isolation. Service providers should support the organization of events and offer opportunities for tenants to provide feedback and shape community offerings. Service providers should identify and support peer leadership, tenant councils, or advisory groups where possible. The promotion of shared norms that support safety, mutual respect, and conflict resolution should be emphasized. Services should offer connections to broader community resources, cultural events, vocational activities, and social support.

Feedback from Tenants and Community

PSH programs must provide structured opportunities for tenants and community members to share feedback about program operations, housing experience, and quality of services. In addition, participants should have the ability to submit grievances. Such feedback may be received through various strategies including anonymous surveys, suggestion boxes, or focus groups with tenants, and should contain clearly stated appeal and grievance processes. Residents may request support to complete and submit feedback, grievance, or appeal form.

Grievance, Appeals, and Tenant Protections

Tenant Grievance Procedures

Residents at PSH projects have the right to file an official grievance regarding housing conditions, staff behavior, or perceived unfair treatment without fear of retaliation or threat of reduction in services. Each PSH provider and property management service should have an approved grievance procedure, posted and accessible to project participants. Grievance forms must be readily available, easy to access, and provided in languages and formats that are understandable to all program participants, including individuals in their chosen language or accessibility needs. Grievance forms should be provided to participants with the signed Program Agreement, provided to participants upon request, and available in a common area of the project location.

Program participants should be able to submit grievances directly to service provider staff and/or property management staff without fear of retaliation. Grievances may be submitted verbally to a staff member, and in those instances, staff should support the participant to state their concerns, and accurately record the complaint, without prejudice. All submitted grievances must be addressed to a degree where program participants have a sense of resolution of their issues. A grievance should not be investigated or decided by the person whose conduct or decision is being challenged. If the grievance concerns the Program Manager, Property Manager, service provider, or property-management company, it will be assigned to a supervisor, agency representative, or other impartial reviewer who was not involved in the original matter. Both property management and service providers may participate in the property management appeals process as a check and balance. Residents have the right to refuse to have support services involved in the property management Appeals process.

If possible, counseling may informally resolve the issue using active listening and problem solving. Where specific action is necessary to resolve the grievance, documentation of steps towards resolution including any changes in procedures is required. Grievances without merit should be addressed to the extent possible, and a clear understanding of the reasons for such a determination should be clear to the program participant as well as documented in the resident file.

Informal Grievance Process

Program participants may reach out to service providers or property management staff to raise a complaint or to request an issue be resolved. The informal grievance process may be completed easily with minimal actions required to resolve the issue. Participant file notes should document the issue raised and what led to the resolution. If the resolution is not achieved, staff should encourage the use of the formal grievance process.

Formal Grievance Process

A program participant may utilize the formal grievance process for any items they wish to address at any time, and without any requirement to have engaged in the informal process. The resident has a right to have a support person that may include legal representation, tenant advocates, or an outside ombudsperson, be present during formal grievance meetings. Documentation is important to ensure that program participants are treated fairly, and if grievance is found to be without merit, discussions with participants, iterative strategies for resolution, and stated understandings of why grievance was not resolved should be described. Staff will ensure that the resident will have a written copy of the response and any other communication within five business days or less after the meeting.

1. **Filing**: If the informal process fails, the tenant may submit a written Grievance Form to the Program Manager and Property Manager about the initial incident. Staff must assist the tenant in writing the form if requested.
2. **Investigation**: The Program Manager will review the claim; interview involved parties and gather evidence.
3. **Written Decision**: The Program Manager will issue a formal written decision to the tenant within five (5) business days of receiving the form.

Appeals of Program Decisions

Tenants and program participants have the right to appeal any formal administrative decision that negatively impacts their housing status or program participation. This includes program termination, transfer denials, or changes to rental subsidy calculations. Housing First principles dictate that termination from the program is a last resort.   The process entails the property management and service provider to convene a committee to review the initial determination and Request for Appeal.

Addressing Lease Violations and Housing Instability

Early Identification of Risk

Permanent Supportive Housing services staff and property management will collaborate to proactively identify signs of housing instability or potential lease violations as early as possible, and work towards supporting the individual to rectify issues before receiving a lease violation from property management. Routine monitoring of potential indicators of upcoming challenges, such as missed rent payments, neighbor complaints, repeated maintenance calls, behavior changes, or expressed concerns from other residents, may indicate the need for early intervention and counseling. Doing so helps to prevent escalation of the issues to lease violations, supports housing retention, and promotes resident well-being, and community standards. Staff will use non-punitive, person-centered engagement strategies, document all observed concerns and actions taken in the client record, and support residents in communicating with property management

Progressive Engagement and Problem-Solving

When risks or lease violations are identified, staff will apply a progressive engagement approach. This involves offering the least restrictive, most effective level of support first, and increasing interventions only as needed. Problem-solving will be collaborative, emphasizing the resident’s strengths, preferences, and goals. Interventions may include coaching and reminders, budgeting and rent support, mediation with neighbors, assistance with unit care, and referrals to specialized services. Staff will seek to resolve issues in the least disruptive manner while maintaining housing stability.

Role of Services in Preventing Evictions

Supportive services help residents to remain housed through supporting participants to maintain housing, further their recovery, learn and improve upon Activities of Daily Living (ADL), and participation in their community. Service staff will work closely with property management to address behaviors and tenancy-related issues before they result in lease violations, or potential eviction actions. Services may include case management, mental health support, substance use services, life skills coaching, and connections to community resources. Service staff are responsible for outreach and engagement but cannot mandate participation. To encourage engagement, the use of motivational interviewing, trauma-informed responses, harm-reduction strategies, and voluntary involvement in services are recommended.

Reasonable Accommodations and Fair Housing Requirements

All actions taken under this policy must comply with federal, state, and local fair housing laws, including requirements related to reasonable accommodations and disability rights. Residents may request reasonable accommodation at any time and providers should engage in an iterative process to support reasonable understanding and limitations, while seeking accommodation that is seen as satisfactory to the participant. Staff must ensure Reasonable Accommodation requests are received, documented, and reviewed in accordance with program procedures. Examples may include modifications to communication methods, flexibility around timelines, or adjustments to policies necessary for equal access. Staff will work collaboratively with property management to ensure compliance and support the residents' right to fair and equitable treatment. Denials of Reasonable Accommodation requests should occur only after negotiations are concluded and when accommodation is not reachable after an iterative process. Documentation of any denials should detail all steps in the negotiations. If Reasonable Accommodation is agreed to by the participant, property manager, and service provider, documentation need only note the request and agreement.

Documentation and Communication Protocols

Case management staff should document any incidents, concerns, engagement attempts, and interventions clearly, objectively, and promptly in the client record. Client notes should use a prescribed strategy such as PIRP notes: (Problem, Intervention, Response, and Plan) for follow up, or a similar strategy to ensure engagement and ongoing relationship building. Communication between service staff and property management must follow established protocols, ensuring confidentiality and compliance with applicable privacy regulations. Information sharing should focus on tenancy-related issues and will always respect the residents' rights and consent parameters.

Behavioral Health Crisis Response

When staff identify an individual experiencing a behavioral health crisis, the project's crisis-response protocol will be followed and documented in the client chart. Documentation should include any issues that threaten good standing in tenancy, de-escalation efforts, contact with mobile crisis teams, coordination with medical or psychiatric providers, and ensuring the immediate safety of the participant as well as any other resident. Eviction or punitive actions will not be solely used as a response to behavioral health crises. Project specific Eviction Policies should be referenced if incidents related to behavioral health crisis may warrant an eviction. Eviction, discharge, or other punitive actions will not be used as a response to behavioral health crises except in situations involving significant property damage, threats to safety, or harm to another resident, staff member, or community member. A resident may consider use of an "owner's permission to vacate form" to support an individual when eviction is imminent, and after multiple notices have been served. After a crisis, staff will conduct follow-up contact, safety planning, and care coordination to support stabilization and prevent future incidents.

Transfers and Unit Changes

Transfers may occur in either of two ways: External or Internal. Whether a client requires an inter-program transfer, or a change to a new PSH project, the overarching priority of any transfer of a client is to maintain stability, ensure safety, and reinforce the participant's long-term success in housing. Coordinated Entry may evaluate whether the requested transfer aligns with prioritization policies, including a determination of if the participant remains eligible for PSH, and whether an available unit in another PSH project fits the participant's assessed needs.

Safety Planning:

The importance of safety planning in service continuity planning is highly important, including VAWA or crisis-related transfers. Communication should include any specialized safety protocols including key contacts and emergency instructions. In all situations the receiving provider must meet the participant upon move-in and begin supportive services immediately to ensure support towards service continuity.

Service Continuity Planning

Permanent Supportive Housing (PSH) programs are designed to promote long-term housing stability, but participants' needs and circumstances may change over time. The efforts to support program participants with exit planning ensures that all transitions, voluntary or involuntary, are handled in a manner that upholds participant dignity, honors housing choice, follows harm-reduction principles, and maintains continuity of care. Staff must approach exits with transparency and a commitment to minimizing the risk of future homelessness.

Prior to any tenant transferring to a new project, a meeting should be arranged with the participant and the new service provider prior to moving in. This meeting should provide a review of the service plan, a discussion of recent success and challenges, support the identification of needs related to medications, benefits, behavioral health needs, and other topics relevant to the transfer. Participants should be encouraged to sign a Release of Information course prior to the initial meeting, and this should state that both organizations allow for sharing and transferring relevant case records. Clear communication on timelines related to moving, expectations of new housing provider, services offered, and other assistance available should be clearly stated and signed up for by the client and service provider. Previous housing providers should do their best to ensure that the new service provider is communicated with by the client and avoid splitting.

Continuity of Services during Transfers

Service continuity is essential to ensure that participants experience stability and remain successfully housed during transitions. Transfers should include proactive service planning to prevent gaps in care, and in that process the original service provider retains responsibility for services until the receiving provider has confirmed an assumption of service delivery. Warm handoffs are considered best practice to best support housing stability during transition and to prevent gaps in service. HUD requires that handoffs and service coordination during all PSH transfers be facilitated with strong communication and planning, and that the current and future providers work to ensure a seamless transfer of responsibilities

Participants are encouraged to participate with the transfer process, communicate with receiving and sending providers, and encourage clients to sign a Release of Information to allow for case notes, assessment history, and details on benefits, medications, and behavioral health needs to be reviewed by the receiving organization. Housing providers should ensure that accountability for rental assistance is maintained until the tenant moves or lease transfers occur.

Transfers between PSH Projects (External Transfers)

When deemed necessary by a service provider, or as requested by the participant, transfers may be granted to support the individual to be successful. Transfers between PSH projects may occur based on the participant's needs, circumstances, or if preferences change in ways that cannot be adequately addressed within their current program. The transferring PSH provider will be responsible for the support of the client until the receiving provider conducts a warm handoff and confirms services are underway.

All transfer requests must be reviewed for alignment with Coordinated Entry (CE) policies to maintain transparency and fairness. Providers are responsible for preparing the participant for the transfer process, supporting documentation, and ensuring that all eligibility criteria are confirmed prior to acceptance by the receiving program. Both sending and receiving providers should maintain open communication to agree on a transition timeline, coordinate logistics, clarify expectations, and confirm service responsibilities. No transfer is considered complete until the participant is safely housed in their new unit and has received a documented service handoff to the new provider.

Transfers may be initiated by a service provider if it is identified that another PSH project may better support the participant's housing stability, health, or safety. However, client choice in housing should be respected, and residents have the right to deny a suggested transfer, even if service providers believe the transfer may support ongoing housing stability. Reasons for inter-program transfers may include but not limited to, accessibility requirements, behavioral health needs, proximity to medical or family supports, safety concerns such as domestic violence, or changes in household size.

Transfers requested by a program participant due to changing life circumstances, or those caused by challenges in the milieu, that are not able to be rectified through case management staff or by communication with property management staff, should be well documented in client records. If an issue or challenge in the current housing situation cannot be rectified, staff will request a transfer based on documented information. All transfers should be communicated to both the previous and new housing provider.

Emergency (VAWA) transfers must follow guidance stated by HUD. Participants facing imminent harm due to domestic violence, dating violence, sexual assault, or stalking are eligible for expedited emergency transfers, as detailed in HUD's VAWA rule (**24 CFR 5, Subpart L**)

When deemed necessary, in collaboration with property management, service providers will work to ensure that deposit, first month rent, and paperwork is completed in the process of supporting the client to transition to a new unit. Deposits for new units, and costs taken out of previous deposits, and new leases may be necessary, along with new deposits

Previous deposits cannot be counted on to pay future rents as expenses may be taken out. A disposition of deposit must be sent to the residents leaving within 21 days of exit in accordance with California State law.

Inter-program Transfer (Internal Transfer)

Inter-program transfers occur within a single PSH project and may be allowed due to changes in a participant's circumstances. Inter-program transfers occur when a participant's needs change but can be addressed within the same physical project. Reasons may include needing accessible units, responding to household composition changes, avoiding safety issues, or repairing units. The overarching priority of any transfer is to maintain stability, ensure safety, and reinforce the participant's long-term success in housing. However, unit changes within the same site or program must be based on availability, and property management and service providers should have written internal policies describing the process for allowing requests for moves by an individual, or suggesting a change initiated by a service provider.

Unit changes may be requested using the Reasonable Accommodation request process. Situations warranting an internal transfer may include an increased need for accessibility features, improved safety or privacy for the tenant, a change in household composition, or the need for a unit with characteristics that serve the individual better. Service providers should work to coordinate moves efficiently and ensure continuity of tenancy and services. A client may receive an Interproject transfer if their needs are no longer met by the current unit location. Unit availability may delay transfers, and new leases and deposits may be required.

Providers must have internal policies detailing timelines, documentation requirements, and prioritization criteria for internal transfers. A clear and consistent policy should be on file describing the evaluation of internal transfer requests, including timelines for responding to requests, the documentation required, and the process for prioritizing internal moves. Transfers should focus on minimizing the disruption to the participant and addressing any situational issues which do not support the client's success, or if other actions can help to avoid the need for a transfer. Internal transfers should not require participants to vacate the program or reapply for PSH services. PSH providers may hold a unit during short-term absences), such as medical absences, and other situations including when transitioning participants between units but should have a written policy to guide decision making and ensure transparency and fairness.

Transfers requests should be documented in client files and any denial and further negotiations leading to an approval or denial should be clearly described with dates and names of staff making the decision. Case notes should describe the reasons behind decision making including timelines, iterative discussions, and prioritization criteria required for approval of the transfer. Whether approved or denied, follow-up with the participant should be solution oriented and facilitative of the individuals' ability to maintain housing. Denials of any Reasonable Accommodation requests, including Inter, should result in counteroffers.

Voluntary Exits and Move-On Planning

A voluntary exit occurs when a participant chooses to leave PSH or when they have achieved the stability necessary to transition to a lower-acuity housing option. Program staff should support this process through proactive, person-centered planning and ongoing assessment until the day of the transfer to the new housing opportunity, and coordination with property management will help to support a smooth transition. Service delivery should support ongoing participation and modalities such as harm reduction and other strategies should be employed to support the individual to avoid involuntary exits.

An assessment of participant readiness for independent housing or alternative programs should be conducted, so that service providers can support a participant's housing goals. Evaluations should review requirements of the less intensive housing option, and ongoing assessment and goal setting should indicate what needs are to be addressed to best support the client. Case management discussions should identify anticipated challenges, participant's current progress and challenges towards achieving independent housing, and identify needs and strategies to overcome these in the new environment. Early and ongoing conversations about long-term housing goals, including assessments of participant needs, and access to supportive offerings should continue until transfers occur.

When a participant chooses to move on, staff should coordinate with property management and community partners to facilitate a smooth transition, and to the extent possible assist the client to secure the new housing opportunity, including the use of housing vouchers or other affordable housing benefits. Such efforts may ensure that participants remain connected to benefits, behavioral health services, and other support necessary for their stability. Staff should also provide clear instructions on how participants may access assistance again, including the Coordinated Entry system, should their needs change in the future.

Non-Voluntary Exits

Non-voluntary exits occur only when all reasonable efforts to preserve the participant's housing have been exhausted and should be generally behaviorally based. Such exits may result from extended inability to contact the participant, issues that pose safety risks to staff or other residents, or a determination that the individual is no longer eligible for the program. Efforts to avoid involuntary exits should be made and case conferencing with supervisory staff and, when appropriate, multidisciplinary partners should be ongoing during the process. Non-voluntary exits must never be used as a behavior-based "consequence" or for violations that do not threaten safety or tenancy.

Documentation of the necessity of a non-voluntary exit should be detailed and efforts to help the individual to preserve housing should be clear in case notes. All efforts to engage the participant, including outreach attempts, communication with collateral contacts, and case conferences with supervisors or multidisciplinary partners should be noted and include staff names, times of contact, and what information was given to the individual that supported their understanding of the issues to be rectified to preserve housing. Programs must employ a harm-reduction framework and avoid using non-voluntary exits as punitive measures for non-compliance or behaviors that do not directly threaten tenancy or safety. When possible, participants should receive a written explanation of the reasons for exit and be offered a warm handoff to other supportive offerings or services. If alternative housing is needed, program staff should work to offer a warm handoff to other services to the extent possible.

Non-voluntary exits occur only after all reasonable efforts to resolve issues, ensure safety, and maintain housing stability have been exhausted. These exits may occur for reasons such as prolonged inability to contact the participant, safety threats, or program ineligibility.

Eviction Prevention Requirements

Eviction prevention is a core responsibility within PSH programs and requires a proactive, trauma-informed approach supporting individuals to understand concerns of potential ramifications of actions that lead to loss of housing. Staff must consistently assess for early indicators of housing instability, such as emerging rent arrears, unit habitability concerns, or conflicts with property management. When issues arise, staff engage participants quickly to identify solutions, provide intensive case management, and work collaboratively with property managers to maintain housing stability rather than resort to punitive action. Program staff should develop individualized Housing Stability Plans with clients as part of eviction prevention efforts including developing, addressing income or benefit gaps, coordinating with legal or mediation resources, and assisting participants in accessing financial support when applicable.   Intensive case management service focused on prevention should be focused on problem-solving and harm reduction Collaboration with property management that emphasizes proactive solutions rather than punitive action and must be thoroughly documented in the participant's file.

The program must implement a comprehensive strategy for eviction prevention strategies that prioritize stability and minimize legal actions. All eviction prevention actions must be documented in the participant record along with notes on any referrals to Legal Aid, or other services supporting the eviction prevention efforts.

Exit Planning and Transitions

Permanent Supportive Housing (PSH) programs are designed to promote long-term housing stability, but participants' needs and circumstances may change over time.   The efforts to support program participants with exit planning ensures that all transitions, voluntary or involuntary, are handled in a manner that upholds participant dignity, honors housing choice, follows harm-reduction principles, and maintains continuity of care. Staff must approach exits with transparency and a commitment to minimizing the risk of future homelessness.

Evictions and Legal Considerations

When eviction cannot be avoided, the PSH program must ensure that all actions strictly follow federal, state, and local laws, as well as all relevant fair housing protections. Eviction should only proceed after all interventions have been attempted and documented, and staff must clearly communicate the process to participants in an accessible and trauma-informed manner. While staff cannot provide legal advice, they are responsible for helping participants connect to legal aid, tenant advocacy groups, or mediation services. Programs must collaborate with property management to reduce unnecessary trauma, allow sufficient time for re-housing planning, and maintain a focus on minimizing the risk of the participant returning to homelessness. Participants must receive clear, accessible communication about their rights, expected timelines, and potential support. Staff should coordinate with property management to ensure the process avoids unnecessary trauma and allows time for re-housing planning. A re-engagement/referral plan must be developed to minimize the risk of the participant re-entering homelessness. Programs should consult agency legal counsel for guidance on local requirements.

Re-Engagement with Coordinated Entry After Exit

Participants who exit PSH remain eligible to reconnect with the homelessness response system if they experience housing instability in the future.   At the time of exit, staff must provide participants with clear guidance on how to access Coordinated Entry and should offer direct assistance to make that connection whenever feasible. Documentation from the PSH program should be accurate and complete so that Coordinated Entry staff can understand the participant's history and needs if they seek services again. Participants must be welcomed back to the system without penalty, stigma, or discrimination. For individuals who are difficult to reach after exit, staff may coordinate with outreach teams to support reengagement if signs of instability emerge, ensuring continuity of care and maintaining the participant's connection to available resources.

Participants who exit PSH remain eligible to reconnect with the local homelessness response system if they experience housing instability in the future. Re-engagement should prioritize continuity of care and emphasize the participant's right to access services without discrimination or judgment.

Payment of Rent and Income Considerations

Service providers assist tenants to seek out and apply for benefits, and increase income to meet rental obligations, recognizing that financial instability can jeopardize tenancy. But rental amounts can be based on income and may be used on a sliding scale, or charge zero rent, should the individual lack income from any source. Assistance applying for and maintaining benefits (SSI/SSDI, CalFresh, VA benefits, General Assistance, Housing Choice Vouchers, etc.) should be supported by the service provider.

Staff should work to identify potential late payments, missed payments, or income disruptions. Service providers should coordinate with property management to address rent issues before they escalate and support the client during recertification processes and income changes. When significant income changes, coordination between property management and case management should support the individual to avoid nonpayment or late payment of rent. Communication with client and property management should facilitate and normalize for incidents where rent may be paid late, emphasizing the benefits of open and timely communication.

Deposits and First month Rent

In California, and in Sonoma County, a landlord can legally charge rent and a security deposit at a permanent supportive housing (PSH) project. Tenants in PSH sign standard leases and typically pay a percentage of their income (often around 30%) for rent, while security deposits are subject to state caps and often covered by supportive programs. One month's rent for most housing providers is allowable under **California Civil Code § 1950.5.**

Utilities include water, garbage, heat and electricity. As a matter of general policy to keep the unit habitable, permanent supportive housing projects should ensure that all utilities are paid for, either as part of the rent (preferred) or directly paid by the provider. Agencies may make a local decision to pay utilities to ensure the unit remains habitable; this may also be accomplished through a representative payee service. For cases where utilities are not included in the rent, the Sonoma County Housing Authority determines utility allowances annually based on consumption data, tariff rates and information from the municipalities in Sonoma County. Allowances vary based on bedroom size of unit, type of utility (gas, propane, electricity), and whether the unit is attached to another unit or a detached unit. Current utility allowances are listed at http://www.sonoma-county.org/cdc/s8utilityallow.htm. Utilities may include a basic telephone for individuals affected by domestic violence or individuals with disabilities. Reasonable accommodation may be requested.

Documentation and HMIS Requirements

Accurate and timely HMIS entry ensures that data collection and reporting meet current HUD HMIS Data Standards and CoC policy, protects privacy, offers an understanding of project level and system level participation and supports system performance improvement.

Entry of HMIS data is guided by **the Sonoma County HMIS Policies and Procedures,** HUD's **2026 HMIS Data Standards** and **Data Dictionary** support the efforts of service providers who collect and enter required Universal and Project-Specific data elements into HMIS to meet expectations. These offer information on standards for topics such as project setup and descriptors, project entry and movement workflows, privacy and security, data quality management, use of comparable databases, and minimum documentation expectations

HMIS and Data Quality Expectations

All Permanent Supportive Housing (PSH) service providers must participate in the HMIS system and should be trained and have signed HMIS User Agreements on file to enter and view data in the system. Providers are responsible for ensuring that all client-level information is entered within the locally established timeframe of five (5) days from project entry, annually, or at exit. Data entry should be complete, accurate, and compliant with federal, state, and local data standards, and should be accurate to the correct enrollment and exit dates, service transactions, and housing move-in dates. Service providers and HMIS lead will conduct a regular review of data entry. Data quality issues flagged through system-generated reports or CoC-issued data quality dashboards should be addressed regularly. HMIS entry should maintain compliance with HUD data standards, privacy and security protocols, and any local HMIS policies.

Performance Measures and Outcomes

PSH projects are expected to contribute data supporting system-wide reporting that demonstrates individual project performance including client's housing stability. Data reporting shows the level of housing stability such as the percentage of participants who remain stably housed, or who exit to another permanent destination, and client income from benefits and/or employment. System wide the HMIS system should be utilized to report the number of returns to Homelessness within 6–24 months across all projects after a client exit, and Engagement in Services over time showing historic participation in the Homeless Services System of Care. Utilization Rates should be tracked to ensure occupancy is maximized for available housing resources. Performance outcomes are reviewed annually and may be used to inform technical assistance, resource allocation, or corrective action.

Housing retention, increasing or maintaining income, or health outcomes such as reductions to emergency room visits, and other metrics may be able to be captured through data tracking systems. Incident reports can be used to help track emergency room visits that originate on site.

Monitoring and Compliance

To ensure high-quality service delivery, PSH projects funded with public dollars will undergo annual Project Monitoring through the jurisdiction contracting with the service provider organization. Monitoring intends to observe the HMIS entry and quarterly reporting against contracted outcome, and related client record keeping which should back up data entered the HMIS system. Other focuses of Monitoring may include desk reviews of HMIS data, policies, procedures, and financial documentations, evaluation of service delivery, physical condition and habitability of the housing offered to clients, participant files, and adherence to Housing First principles. Client files should have eligibility documentation, rent calculations, habitability standards, and compliance with funder requirements. Reviewers may also review staff training records, grievance procedures, reasonable accommodation requests, and client confidentiality practices.

Continuous Quality Improvement (CQI)

PSH providers should have strategies for self-evaluation and ongoing quality improvement efforts aimed at enhancing program performance and participant outcomes that include regular review of internal program data, trends, and performance gaps. Self-evaluation should use HMIS reports, evaluation results, and participant feedback to drive changes to policies or service models. Conducting periodic case conferencing, team meetings, or case reviews to assess client progress and barriers should occur at regular intervals. Service providers should self-analyze performance and implement strategies to support improvement in housing retention, client engagement, and coordination with health and behavioral health systems. Documenting quality improvement activities should be ongoing throughout the project lifespan despite funding or lack of funding supporting the service provision to support processes that promote learning, consistency, and ongoing refinement. Tools such as SWOT analysis or other strategies that support the effort to identify and address quality improvement needs may be employed.