

**OPERATING PROGRAM AGREEMENT BETWEEN  
SAN LUIS OBISPO COUNTY DEPARTMENT OF SOCIAL SERVICES  
AND  
FAMILY CARE NETWORK, INC (FCNI)**

This Operating Program Agreement (OPA) is entered into between County of San Luis Obispo Department of Social Services, hereafter referred to as "County", and Family Care Network, Inc., hereinafter referred to as Subrecipient, a California 501(c) 3 non-profit corporation.

The purpose of this OPA is to establish the roles and responsibilities for providing housing for eligible homeless families participating in the CalWORKs Homeless Services Program (HSP) and homeless families participating in Child Welfare Services (CWS) through San Luis Obispo County ("County").

**A. Population to be Served**

This agreement is designed to serve homeless individuals and families who meet criteria as determined by County and may include individuals and families who meet CalWORKs eligibility or are involved with Child Welfare Services. County will identify persons to refer to FCNI for services under this agreement, hereinafter referred to as "Recipients".

**B. Funding**

1. Funding for Purchase of Properties. The County is the recipient of a 2014-15 CalWORKs Housing Support Program grant from the California Department of Social Services which was accepted by the County Board of Supervisors on October 7, 2014 to provide housing for homeless recipients of benefits from CalWORKs (hereinafter, "CalWORKSs HSP funds"). The County Department of Social Services has created the 1991 Realignment Trust consisting of unspent sales tax realignment funds from the California State Controller that are carried over from fiscal year to fiscal year and may be reinvested for Child Welfare Services, CalWORKS, In-Home Supportive Services, CalFresh and other programs administered by the Department of Social Services ("DSS"), (hereinafter referred to as "1991 Realignment Trust Funds"). The County intends to utilize a combination of CalWORKs HSP funds and 1991 Realignment Trust Funds to fund FCNI's purchase and renovations of two apartment complexes located at [REDACTED] [REDACTED] CA (collectively referred to as the "Property"). FCNI will purchase the Property pursuant to the "Agreement to Fund Acquisition of Real Properties on [REDACTED] entered into on May 5, 2015 between FCNI and the County (hereinafter, the "Acquisition Agreement").

2. Funding for Ongoing Maintenance and Repair of Property. Once the Property is acquired under the Acquisition Agreement, the County will reimburse FCNI for various expenses incurred related to repairs and maintenance, as described in Attachment 1 (Property Income & Expense Projections) attached hereto and incorporated herewith. County agrees to reimburse FCNI for the expenses outlined in Attachment 1 in an amount not to exceed the Total Expenses per fiscal year. The Total Expenses will be offset by rents collected from tenants over and above the \$200 per month Tenant Independence Set-Aside fund and based upon actual reasonable costs incurred.

3 Funding for Improvements.

- a. Funding for Improvements. Once the Property is acquired under the Acquisition Agreement, FCNI shall complete all safety improvements to the Property within one year, as identified in Attachment II ("Improvements"), necessary for initial placement of Recipients, and obtain final permit approval as necessary from the City of Atascadero for the initial safety Improvements so that they will be available for occupancy by Recipients. Additional property improvements (identified in Attachment II) will be completed within one year of the Acquisition Date, and all necessary permits and approvals will be obtained from the City of Atascadero. The estimated cost for the Improvements is not to exceed \$300,000, and the County will reimburse FCNI for costs incurred up to \$300,000. FCNI shall maintain current, accurate and complete records relating to the construction of the Improvements, including, without limitation, any change order requests. If FCNI determines that the costs associated with the Improvements might exceed \$300,000, the parties shall meet to discuss an appropriate course of action to cover the anticipated excess costs prior to FCNI's expenditure of any overage. FCNI shall complete the Improvements using a staggered approach, completing one unit in each property at a time, which will enable remaining units to be occupied during rehabilitation, ensuring maximum occupancy
- b. The County shall have the opportunity to review and comment on all bids received from each contractor/subcontractor prior to FCNI's acceptance and execution of any agreements to perform the Improvements. FCNI shall be responsible for selecting, contracting, and oversight of a licensed architect, engineer, contractor or other professional, as needed, to complete the Improvements. Construction of the Improvements, including the plans and specifications, shall comply with all applicable federal, state and local statutes, rules and regulations including, without limitation, those laws regarding the payment of prevailing wages because the Improvements are being funded with public funds.
- c. FCNI shall submit monthly progress reports to the County describing the progress made towards the Improvements. The reports shall be submitted to the Director within 15 days after the end of each month. FCNI shall submit a request for payment to the DSS Director within 15 days following final completion of the Improvements ("Payment Request").

The Payment Request shall include an itemized list of improvements and supporting documentation reflecting payment of invoices.

4. Funding for Tenant Relocation. Current tenant relocation estimated cost is \$40,000, as described in Attachment II attached hereto and incorporated herewith. FCNI shall comply with all requirements of the Uniform Relocation Act (URA) of 1970: California Relocation Law (Government Code, Section 7260 et Seq.) and the regulations promulgated thereunder at California Code of Regulations (CCR), Title 25, and Section 6000 et seq. regarding the relocation of tenants of the Property because they do not qualify as eligible individuals and families ("Tenant Relocation"). FCNI shall submit an acceptable Relocation Plan to DSS for approval, and subsequent required documentation including copies of General Information Notices (GIN) Eligibility Notices, comparable rentals, assistance calculations and other relocation documentation, upon request by the County.
5. Funding for On-Going Case Management.
  - a. The County agrees to reimburse FCNI for reasonable costs associated with FCNI's case management services. The parties estimate those costs, for the period July 1, 2015 through June 30, 2016 ("FY 2015-16") at \$66,000, as depicted on Attachment III attached hereto and incorporated herein.
  - b. Contractor shall submit to the County, by the 10<sup>th</sup> of each month an itemized statement/invoice of services performed and costs incurred during that preceding period. The invoice shall include a monthly total and itemization of all costs by budget line item, arranged in the same order as the approved budget. **Please use the last date of the service period as the invoice date.** All fiscal reports and billing shall be submitted to Accounts Payable Unit, Department of Social Services, P.O. Box 8119, San Luis Obispo, CA 93403-8119.

**C. County Responsibilities**

The County shall:

1. Refer Recipients to FCNI.
2. Evaluate the effectiveness of the HSP using a consistent evaluation framework. The framework will include the following outcomes to determine individual program effectiveness:
  - i. CalWORKs Welfare to Work (WTS) case plan
  - ii. Court Ordered Child Welfare Services case plan

- iii. Career and employment development
- iv. Vocational training
- v. Job placement and retention
- vi. Substance abuse prevention

**D. FCNI Responsibilities**

**FCNI shall:**

1. Oversee the Property. No less than eight units shall be made available for homeless families referred by DSS. One unit shall be occupied by a property manager who may or may not be a Recipient; if the ninth unit is not occupied by a HSP Recipient, then the property manager shall occupy a one-bedroom unit. HSP Recipients s living in HSP-designated housing shall be expected to transition to more permanent housing within a 24-month period, unless extenuating circumstances exist and are approved. Recipients will enter housing within 30 days of referral.
2. Provide housing options that meet the following criteria:
  - i. Utilize the designated apartments to house eligible families for up to two years during their participation in the HSP.
  - ii. Afford individuals and families the opportunity to keep their household furnishings following successful completion of the HSP.
  - iii. Set aside as savings two hundred dollars (\$200) from monthly rent paid by the Recipient. This Tenant Independence Set-Aside fund shall serve as a security deposit from which payment for damages, if any, will be deducted when the Recipient exits HSP. The remaining money will be distributed to the Participant to be utilized as a security deposit or down payment for subsequent permanent housing
3. Provide on-going property operation: For each year of the agreement, starting with the date of initial occupancy of any of the units by a Recipient, FCNI shall:
  - i. Annually submit to and obtain County approval of the rental rate and utility allowance, if applicable, that is used for each of the Recipient-occupied units.
  - ii. Provide each tenant household with a minimum 30 day notice, or longer if required by law, prior to implementing any rent increase.

- iii. Submit to the Director a semi-annual report during the first two years of occupancy and an annual report thereafter on Recipient occupancy of the Property. At a minimum, this annual report shall provide the following information for each of the Recipient-occupied units: Recipient household name, size and income amount, the rental unit size (number of bedrooms) and address, and the rental / utility rate that was charged for the reporting year. The Subrecipient shall indicate which of the units are used for Recipient housing and provide any additional information that is needed by the County so that the County may monitor compliance with this Agreement, and the Acquisition Agreement between the County of San Luis Obispo and Family Care Network, Inc.
  - iv. Income verification—Verify Recipient household income quarterly.
  - v. Property standards- Maintain the Properties in good repair and keep the Properties clean and orderly.
  - vi. Certify annually that the all Recipient-occupied units are suitable for occupancy, in conformance with the property standards of 24 CFR 92.251.
  - vii. Provide the County with copies of the Property's financial statements and all information needed by the County so that the County may complete an annual examination, and semi-annual examinations during the first two years, of the financial condition of the Property. .
  - viii. Any charges that the Subrecipient shall request to be paid by Recipients related to their occupancy of the Property or the management of the Property in accordance with this Agreement shall require prior written approval of the County.
    - (a.) Payment Requests may be submitted no more frequently than on a monthly basis. The Subrecipient shall also submit receipts and other documentation that describe the labor, materials, staff costs, and construction activity(ies) that will be paid for and/or reimbursed with each specific Payment Request.
4. Coordinate supportive services with the DSS Social Worker, the DSS Employment Resource Specialist and other community and public partners.
  5. Provide housing support case management services to the Recipients.
  6. Provide linkages that build and support relationships with family and community.
  7. Assist individuals and families, upon completion of the program, in finding or maintaining affordable housing.

8. Provide referrals to aftercare services including support groups and referrals to community resources.

**E. Termination of Agreement.**

If the County determines that FCNI has incurred obligations or made expenditures for purposes which are not permitted or are prohibited under the terms and provisions of this Agreement, or if the County determines that FCNI has failed to fulfill its obligations under this Agreement or the Acquisition Agreement in a timely and professional manner, or if FCNI is in violation of any of the terms or provisions of this Agreement, or if the County is given notice by the California Department of Social Services that the HSP funding agreement(s) with the County are being discontinued or terminated, or if FCNI should be adjudged to be bankrupt, or if FCNI makes a general assignment for the benefit of FCNI's creditors, or if a receiver should be appointed in the event of the FCNI's insolvency, then the County shall have the right to terminate this Agreement and to pursue the remedies defined in the Deed of Trust, upon giving written notice thereof to FCNI and giving thirty (30) days to cure such default and such additional time if the default cannot reasonably be cured in thirty (30) days provided FCNI has commenced to cure during the 30 day cure and is pursuing the cure to completion. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to effective date of such termination.

**F. Reimbursement of Improper Expenditures.**

If at any time within applicable statutory periods of limitation it is determined by the County or by HSP or its duly authorized representatives, that funds provided for under the terms of this Agreement have been used by or on behalf of the FCNI in a manner or for purposes not authorized by this Agreement, FCNI shall, at the County's request, pay to the County an amount equal to one hundred percent of the amount improperly expended.

**G. Inspections.**

The County reserves the right to inspect any work performed under this Agreement to ensure that the Property is being improved, managed and operated in accordance with the applicable federal, state and/or local requirements and this Agreement. The County agrees that it shall provide FCNI with reasonable notice of scheduled inspections. FCNI agrees that all work found by such inspections not to conform to the applicable requirements shall be corrected by FCNI and that the County may withhold payment to FCNI unless such corrections are completed, and/or may initiate action(s) in response to potential violations of this Agreement for the purpose of protecting the County's security in the Property. The County's failure to inspect any work performed hereunder shall not be construed as a waiver of its right to require corrections to defective work or to enforce any other provisions of this Agreement.

**H. Effect of Waiver.**

County's waiver or breach of any one term, covenant or other provision of this Agreement shall not be a waiver of a subsequent breach of the same term, covenant or provision of this Agreement or of the breach of any other term, covenant or provision of this Agreement.

#### **I. Records.**

(a) All records, accounts, documentation and all other materials relevant to a fiscal audit or examination, as specified by HSP, shall be retained by FCNI for a period of not less than three (3) years from the date of County's final payment under this Agreement.

(b) If so directed by the County or HSP, upon termination of this Agreement and the Acquisition Agreement, FCNI shall cause all records, accounts, documentation and all other materials relevant to the Property to be delivered to the County or HSP as depository.

(c) FCNI understands that it shall be the subject to the examination and monitoring by the County Auditor-Controller Treasurer-Tax Collector and/or audit by the State of California for a period of three (3) years after the final payment under this Agreement.

#### **J. Audit.**

(a) All records, accounts, documentation and other materials deemed to be relevant to the Property by the County or HSP shall be accessible at any time to the authorized representatives of the County, state or federal government, on reasonable prior notice, for the purpose of examination or audit.

(b) An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the County or its designee by FCNI. Expenditures for activities not described in this Agreement or by a future separate written agreement shall be deemed authorized if the County and HSP approve the performance of such activities in writing prior to the commencement of such activities.

(c) Absent fraud or mistake on the part of the County or HSP, the determination by the County and HSP of the allowability of any expenditure shall be final.

#### **K. Indemnification.**

To the fullest extent permitted by law, FCNI shall indemnify, defend, and hold harmless the County and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with FCNI's performance or attempted performance of any obligation or duty provided for or relating to this Agreement, the OPA, and/or the Property, except such loss or damage which was caused by sole negligence or willful misconduct of the County.

#### **L. Insurance.**

FCNI, at its sole cost, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. All of the insurance companies

providing insurance for the County shall have, and provide evidence of an A.M. Best & Co. rating of A:VII or above, unless exception is granted by the County's Risk Manager. Furthermore, all policies shall be maintained for the full term of this Agreement and related warranty period if applicable. Any failure to comply with reporting provision(s) of the policies referred to above shall not affect coverage provided to the County, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "County" shall include officers, employees, volunteers and agents of the County of San Luis Obispo, California, individually or collectively.

- (a) SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES. The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the County:

(1) Property Insurance. FCNI at its cost shall maintain during the term of this Agreement on the Property a policy or policies of standard fire and extended coverage insurance to the extent of at least one hundred percent (100%) of full replacement value thereof. In addition, FCNI shall insure against loss of all furniture, equipment, and other personal property owned by FCNI related to the operation of the Property as housing for homeless individuals and families served by DSS, against loss of rents and all other coverage required under the terms of this Agreement.

If said improvements, or any part thereof, are at any time during the term of this Agreement designated as being located within a one-hundred year flood plain by the Federal Emergency Management Agency (FEMA), Borrower shall further keep said improvements insured against loss by flood to eighty percent (80%) of replacement cost.

(2) Commercial General Liability. Policy shall include coverage at least as broad as set forth in Insurance Services Office Commercial General Liability Coverage (CG 0001) with policy limits of not less than \$1 million combined single limit per occurrence. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- i) The County of San Luis Obispo, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- ii) The insurance provided herein shall be considered primary coverage to the County of San Luis Obispo with respect to any insurance or self-insured retention maintained by the County, and the County's insurance shall not be called upon to contribute to this insurance.
- iii) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Social Services.

(3) Business Automobile Liability. Policy shall include coverage at least as broad as set forth in the liability section of Insurance Services Office Business Auto Coverage (CA 0001) with policy limits of no less than \$1 million combined

single limit for each occurrence. Said insurance shall include coverage for owned, non-owned, and hired vehicles. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

i) The County of San Luis Obispo, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.

ii) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Social Services.

(4) Workers' Compensation/Employer's Liability Insurance

i) Workers' Compensation: policy shall provide statutory limits as required by State of California. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

a) FCNI and its insurer shall waive all rights of subrogation against the County, its officers and employees for workers' compensation losses arising out of this Agreement.

b) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Social Services.

ii) Employer's Liability: policy shall provide \$1 million per accident for bodily injury or disease.

(b) DEDUCTIBLES AND SELF-INSURANCE RETENTIONS. All deductibles and/or self-insured retentions which apply to any of the insurance policies required herein shall be declared in writing by FCNI and approved by the County prior to commencement of this Agreement.

(c) DOCUMENTATION. Prior to commencement of work under this Agreement and annually thereafter for the term of this Agreement, FCNI will provide to the County of San Luis Obispo, Department of Social Services properly executed certificates of insurance clearly evidencing the coverage, limits, and endorsements specified in this Agreement. Further, at the County's request, FCNI shall provide certified copies of the insurance policies within thirty days of request. The certificate(s) of insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

Housing Support Program  
Department of Social Services  
County of San Luis Obispo  
3433 S. Higuera Street  
San Luis Obispo, CA 93401

No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty

(30) days prior to the effective date of such reduction or cancellation to County.

(d) **ABSENCE OF INSURANCE COVERAGE**

County may direct FCNI to immediately cease all activities with respect to this Agreement if it determines that FCNI fails to carry, in full force and effect, all insurance policies with coverage levels at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered FCNI's delay and expense. At the County's discretion, under conditions of lapse, the County may purchase appropriate insurance and charge all costs related to such policy to FCNI or as provided in Paragraph 4.d. of the Deeds of Trust.

**M. General Provisions**

1. This OPA shall take effective May 5, 2015, and remain in effect until June 30, 2018.

contingent upon allocation of funds and subject to any additional restrictions or conditions enacted by congressional or legislative process, which may effect the provisions, terms or findings of this OPA in any manner. The County shall incur no liability to FCNI, its officers, agents, employees, suppliers, or contractors for any delay in making HSP payments to FCNI, unless such delay is caused solely by County's intentional misconduct. FCNI acknowledges and agrees that this Agreement is subject to the obligations and limitations imposed on the County by the HSP funding agreements and by all future amendments to the HSP funding agreements, and that this Agreement is intended to be in conformance and harmony with the HSP funding agreements. FCNI hereby expressly agrees to the provisions of the HSP funding agreements and further expressly agrees that nothing in this Agreement shall be deemed to require the County to perform an obligation in conflict with the HSP funding agreements. FCNI further agrees that the County's right to enter into amendments to the HSP funding agreement(s) is not, and shall not be restricted or impaired, in any way, by this Agreement.

2. If there is a disagreement between FCNI and County regarding services, a staffing will be held within one week with supervisorial-level staff from both agencies to resolve all issues, at a location to be determined by the parties.

3. The Board of Supervisors grants to the Director the authority to amend this OPA with written mutual consent of both parties.

4. The County may terminate this OPA upon thirty (30) days written notice to the other party, and only for cause.

5. Both parties shall comply with and respect all applicable rules, laws, regulations and policies regarding confidentiality of information.

**O. Non-Discrimination**

FCNI shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital

status, sexual orientation, medical condition, physical or mental disability, or on the basis of any other status or conduct protected by law.

FCNI represents that FCNI is in compliance with and agrees that FCNI shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C sections 12101, et. seq.) and the Fair Employment and Housing Act (Government Code sections 129000, et seq.) and the regulations and guidelines issued pursuant thereto.

This Agreement is effective May 5, 2015.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Family Care Network, Inc.  
A California nonprofit corporation

By: B C Boyer  
Bobbie C. Boyer  
Chief Financial Officer

4/27/15  
Date

James Roberts  
James Roberts, Executive Director  
Family Care Network, Inc.

4/27/15  
Date

COUNTY OF SAN LUIS OBISPO

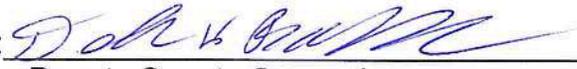
By: \_\_\_\_\_  
Chairperson of the Board of Supervisors

Approved by the Board of Supervisors this  
\_\_\_\_\_ day of \_\_\_\_\_, 2015

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:  
RITA L. NEAL,  
County Counsel

By:   
Deputy County Counsel

Date: 4/27/15