

**AMENDMENT NUMBER FOUR
TO 2020-2021 SUBRECIPIENT AGREEMENT
AMONG THE CITY OF COSTA MESA, AS GRANTEE UNDER THE
COMMUNITY DEVELOPMENT BLOCK GRANT-CORONAVIRUS PROGRAM,
THE COSTA MESA HOUSING AUTHORITY AND MERCY HOUSE LIVING CENTERS**

This Amendment Number Four ("Amendment") is made and entered into this 20th day of June 2022 ("Effective Date"), by and among the CITY OF COSTA MESA ("CITY"), a municipal corporation and a grantee under the U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant-Coronavirus ("CDBG-CV") Program (Catalog of Federal Domestic Assistance Number 14-218; Grant No: B-20- MW-06-0503), the COSTA MESA HOUSING AUTHORITY, a public body corporate and politic ("AUTHORITY"), and MERCY HOUSE LIVING CENTERS, a nonprofit corporation ("SUBRECIPIENT"). CITY and AUTHORITY are collectively referred to herein as "CITY."

WHEREAS, CITY and SUBRECIPIENT entered into an agreement dated October 6, 2020 for SUBRECIPIENT to provide shelter, supportive services and housing navigation services for homeless men and women (the "Agreement"); and

WHEREAS, CITY and SUBRECIPIENT entered into an Amendment One dated June 15, 2021 to amend the use of CDBG-CV funds and extend the term through June 30, 2022 (the "Amendment One"); and

WHEREAS, CITY and SUBRECIPIENT entered into an Amendment Two dated June 21, 2022 to amend the Agreement term to expire on June 30, 2023 and to increase the amount of Community Development Block Grant-Coronavirus ("CDBG-CV") funds to \$392,633.00; and

WHEREAS, CITY and SUBRECIPIENT entered into an Amendment Three dated November 9, 2022, to amend the Agreement to extend the term through December 31, 2023, expand the Scope of Services, and increase SUBRECIPIENT'S compensation accordingly; and

WHEREAS, City and Consultant now desire to further extend the term, through December 31, 2024 and to provide compensation accordingly; and

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The term of the Agreement shall be extended through December 31, 2024.
2. Section 4 of the Agreement shall be amended to increase Consultants total compensation by One Million Fifty Thousand Dollars (\$1,050,000.00). Commencing on the Effective Date of this Amendment, Consultant's total compensation, inclusive of the Agreement and all amendment thereto, shall not exceed One Million Five Hundred Fifty Dollars (\$1,550,000.00).
3. All terms not defined herein shall have the same meaning and use as set forth in the Agreement.

4. All other terms, conditions, and provisions of the Agreement shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first written above.

CONSULTANT

Signature

Name and Title

Date: _____

CITY OF COSTA MESA

John Stevens
Mayor
ATTEST:

Date: _____

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Lori Karaguezian
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Lori Ann Farrell Harrison
City Manager

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT A
SCOPE OF SERVICES

City of Costa Mesa ARPA Rental Assistance Program

SCOPE OF WORK

Program Overview

The City of Costa Mesa (City) is seeking the services of an experienced local non-profit and/or consultant (Program Administrator) to implement and administer the American Rescue Plan Act (ARPA) Rental Assistance Program (Program). The purpose of the Program is to provide very-low income Costa Mesa residents with financial assistance to maintain housing at-risk of being lost or secure permanent housing for those experiencing homelessness.

Program Administrator Requirements

Program Administrator shall manage the application, verification, payment and reporting for the Program as follows:

- Provide technical assistance to individuals applying for rental assistance.
- Determine applicant eligibility and complete intake documentation.
- Determine maximum allowable rent payment per the Orange County Housing Authority (OCHA) Payment Standards (City to provide).
- Distribute rental assistance payments to landlords. Payments will be made in the form of grants payable to the landlord/property owner for a maximum term of six (6) months.
- Distribute rental arrears payments (as applicable) to landlords. Rental arrears payment will be made in the form of a grant to the landlord/property owner for a maximum of six (6) months of past-due rent. Rental arrears payments do not count toward the maximum term of rental assistance payments.
- Assess applicant eligibility and amount of assistance required based on evaluation of family or individual's financial need. Participating households shall earn no more than 50% of the Area Median Income (AMI) and pay no more than 30% of their Adjusted Gross Income toward rent.
- Develop, prepare, distribute and process Program application forms, surveys and reporting materials.
- Provide outreach and circulate information of the availability of the Program in coordination with the City.
- Ensure each case file is appropriately closed-out and case files shall be maintained for a period of no less than four (4) years.

Verify the following requirements of Program applications:

- Household is a current resident of Costa Mesa or is currently homeless with strong ties to Costa Mesa (i.e. Live, Work, School).
- Household income at or below 50% AMI as determined by a Part 5 HUD Income Calculator.
- Current rental payments as evidenced by an executed lease.
- Documented need for the Program assistance.
- Tenant and landlord/property owner self-certification (under penalty of perjury) that they are not receiving any other form of rental subsidy or assistance for the participating household.

Verify the following Program grant payment requirements with landlord/property owner:

- Validate lease/rental agreement between tenant and landlord.
- Obtain a landlord/property owner affidavit affirming Program terms.
- Create and send letters to applicants confirming or denying their Program grant payment.
- Issue rental assistance payments directly to landlord/property owner and send an invoice to the City.

PROGRAM SPECIFICATIONS

Distribution of Funds

Funds will be disbursed from the Program Administrator directly to the landlord/property owner for rental assistance on behalf of an approved program participant. No funds will be disbursed directly to Program beneficiaries.

Amount of rental assistance shall be objectively determined based on the following formula:

- $(\text{Household's Adjusted Gross Income} \times 0.3) - \text{Base Rent} = \text{Maximum Rental Assistance Payment}$
 - In special cases, and only when expressly approved by the City, Program Administrator may provide financial assistance equal to 100% of a households rent when failure to do so would result in a shortfall.

Prior to the award of funds, Program Administrator shall submit the following documents to the City:

From the Landlord/Property Owner:

- W-9 for the Landlord/Property Owner receiving rental payment; and
- Signed affidavit affirming that the Landlord/Property Owner has not and will not receive payment for the same month(s) rent due for the same tenant from any other rental assistance program.

From the Tenant/Household:

- Executed Rental Assistance Agreement that includes a signed affidavit affirming that the tenant is not receiving rent from any other sources (rental assistance programs, sub-lessees, roommates, etc.).

Reporting Requirements

Monthly - Program Administrator shall submit quarterly reports addressing progress of objectives identified in the Scope of Work by the 15th of the month following the close of each prior month.

Quarterly - Program Administrator shall submit quarterly invoices for services provided to the City by the 15th of the month following the close of the quarter. Quarterly invoices must include back-up documentation for all costs submitted for reimbursement. Only those items in the approved budget, or an approved amendment, will be eligible for reimbursement.

Annually – Program Administrator shall provide an annual report within 45 days of the completion of each contract year. The annual report shall provide a summary of applicants who were approved and received rental assistance to include the following data:

- Name and address
- Participant eligibility
- Income level, ethnicity and race category
- Documented need for rental assistance
- Total rental assistance payment approved including the amount paid and for what month(s)/year

Program Administrator shall provide a summary of applicants who were denied rental assistance to including the following:

- Name and address
- Reason for rental assistance program denial

Program Administrator shall prepare, submit and report the results of a Client Satisfaction Survey of all program applicants to determine their satisfaction with participating in the program and working with the Program Administrator.

If the contract between the City and Program Administrator is extended, the Program Administrator shall provide annual reports following each subsequent contract year.