

**MEMORANDUM OF UNDERSTANDING BETWEEN STEP UP ON SECOND, INC.  
AND THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE**

**Housing Voucher Program**

This Memorandum of Understanding (MOU) is entered into this \_\_\_ day of \_\_\_\_\_, 2018 (“Effective Date”) by and between the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public entity (“Authority”) and STEP UP ON SECOND, INC., a California non-profit corporation (“Step Up”) (hereafter referred to collectively as “Parties”).

**RECITALS**

A. The Authority was established by action of the City Council of the City of Riverside (“City”), pursuant to Resolution No. 21275, for the purpose of providing affordable housing opportunities through a variety of programs and exercising governmental functions and powers pursuant to the California Housing Authorities Law (California Health and Safety Code § 34200, et seq., the “Housing Authority Law”).

B. The Authority is responsible for implementing and managing, among other things, various programs that service the homeless population in the City.

C. In 2017 the homeless point-in-time count identified 389 unsheltered persons residing in the City, a 50% increase from the 2016 homeless count.

D. The County of Riverside has experienced a 21% increase in unsheltered persons from 2016 to 2017.

E. On June 20, 2017, the City Council adopted a series of homeless service initiatives, which set forth the City’s policies, goals, and objectives in addressing homeless issues through the strategic alignment of municipal and regional resources, with an emphasis on providing homeless individuals housing first and then wrap-around services.

F. The City has developed a long-term strategy to significantly reduce chronic homelessness among those individuals in the City. This effort requires the creating of permanent supportive housing units, both through the scattered site model (working with local landlords to dedicate market units to homeless individuals with a tenant-based voucher) as well as single site permanent supportive housing projects.

G. The Authority wishes to explore additional partnerships to address homeless issues with the goals of stabilizing people through the use of shelters, permanent housing, and assistance programs to reduce homelessness.

H. Step Up envisions that all individuals, families, and communities affected by mental illness will have the opportunity to experience recovery and a sense of belonging, and that permanent supportive housing will be available to everyone who needs it.

I. Step Up assists individuals experiencing mental health issues, and young adults who have experienced trauma and are at risk of developing mental health issues through three core strategies: member-driven supportive services; employment training and placement opportunities; and permanent supportive housing.

J. Step Up currently provides permanent supportive housing throughout Riverside County through a tenant-based voucher system and has received a federal award from the Department of Housing and Urban Development (“HUD”) for this program. The vouchers require that an individual be chronically homeless under the HUD definition and have a disabling condition.

K. In furtherance of the City’s goals, the Authority has developed a long-term strategy for creating permanent supportive housing units, through “single site” housing projects and through “scattered site” programs wherein local landlords dedicate market units to homeless individuals with housing vouchers.

L. The Authority and Step Up wish to collaborate to create a housing voucher program to service chronically homeless individuals in the City (“Program”), thereby increasing the City’s permanent supportive housing stock.

M. Step Up can, at its discretion, dedicate a portion of its tenant-based vouchers to particular jurisdictions, and Step Up has agreed to utilize approximately twenty (20) vouchers within the City.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein, Parties agree as follows:

1. **DEFINITIONS.**

1.1 General. The definitions set forth in the above recitals shall apply to this MOU, unless indicated otherwise.

1.2 Participating Landlord. “Participating Landlord” shall mean a property owner, as identified and approved by Parties, who has agreed to lease at least one Qualified Unit to a Qualified Renter and has agreed to otherwise abide by this MOU and all other terms set forth by Parties.

1.3 Program Cycle. “Program Cycle” shall mean a fiscal year for which HUD funds have been appropriated to Step Up for the Program.

1.4 Qualified Renter. “Qualified Renter” shall mean an individual who qualifies as “chronically homeless” pursuant to HUD regulations and who has submitted a completed housing voucher application and been approved to participate in the Program.

1.5 Qualified Unit. “Qualified Unit” shall mean a rental unit, owned by a Participating Landlord, which is approved by Parties and meets all Program standards, including habitability standards.

1.6 Voucher. “Voucher” shall mean a tenant-based voucher, administered by Step Up and regulated by HUD, which a Qualified Renter can spend toward the leasing of a Qualified Unit.

2. **TERM.** This MOU will be effective from the Effective Date until three (3) years thereafter, and may be extended by mutual written agreement of the Parties for two (2) additional two (2) year periods. Either Party upon thirty (30) days’ written notice to the other may terminate this MOU. Upon termination of this MOU, whether by expiration or at the will of either Party, Program resources will remain obligated through the remainder of the Program Cycle and through the remainder of the term for all Qualified Renters. In the event that funds are not appropriated for this MOU, this MOU shall terminate as of June 30 of the last fiscal year for which funds were appropriated. Step Up shall notify Authority in writing of any such non-allocation of funds at the earliest possible date.

3. **ROLES AND RESPONSIBILITIES.** The basis of this MOU is the desire and intention of Parties to establish and define the roles and responsibilities of Step Up and Authority relative to the delivery of Program services.

3.1 Responsibilities of Authority.

3.1.1 Authority shall make reasonable efforts to seek prospective Participating Landlords and to engage local landlords, with a goal of securing commitments for up to twenty (20) Qualified Units.

3.1.2 Authority shall act in good faith to collaborate with Step Up to determine roles and responsibilities for the management of each Qualified Renter’s case.

3.1.3 Authority shall monitor all releases of information and referrals and shall share such releases and referrals with Step Up and take all other steps necessary to ensure open communication between Parties.

3.1.4 Authority shall work with Step Up in a cooperative fashion to ensure that every Qualified Renter is receiving all needed wrap-around supportive services, including but not limited to, mental health, alcohol and drug treatment, and all medical, educational, employment, and life skills training, including disability services.

3.1.5 Authority shall acknowledge Step Up in all public media releases.

3.2 Responsibilities of Step Up.

3.2.1 Step Up shall dedicate up to twenty (20) Vouchers to house Qualified Renters in Qualified Units.

3.2.2 Step Up shall act in good faith to collaborate with Authority to determine roles and responsibilities for the management of each Qualified Renter's case.

3.2.3 Step Up shall monitor all releases of information and referrals and share such releases and referrals with Authority and take all other steps necessary to ensure open communication between Parties.

3.2.4 Step Up shall work with Authority in a cooperative fashion to ensure that every Qualified Renter is receiving all needed wrap-around supportive services, including but not limited to, mental health, alcohol and drug treatment, and all medical, educational, employment, and life skills training, including disability services.

3.2.5 Step Up shall acknowledge Authority in all public media releases.

4. **NOTICES/POINTS OF CONTACT.** For purposes of the administration of this MOU, including all notices, the points of contact for the Parties shall be as follows:

**Housing Authority of the City of Riverside**

Executive Director  
City of Riverside Housing Authority  
City of Riverside  
3900 Main Street  
Riverside, CA 92522

**Step Up on Second, Inc.**

Chief Executive Officer  
Step Up on Second, Inc.  
141 N. Arrowhead Avenue, Stes 2 & 3  
San Bernardino, CA 92408-1016

**Copy to:**

City Attorney  
City of Riverside  
3900 Main Street  
Riverside, CA 92522

5. **NO AGENCY RELATIONSHIP.** Parties have a relationship based entirely on, and defined by, the express provisions of this MOU and no partnership, joint venture, agency, fiduciary or employment relationship is intended or created by reason of this MOU. In the performance of this MOU, Step Up, and Step Up's employees, subcontractors, and agents, shall act in an independent capacity and not as officers or employees of Authority. Step Up acknowledges and agrees that Authority has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Step Up, or to Step Up's employees, subcontractors, and agents. Step Up shall be responsible for any and all taxes that apply to Step Up as an employer.

6. **INDEMNIFICATION.**

6.1 Authority's Obligation. Authority shall defend, indemnify and hold Step Up, its officials, officers, employees, volunteers, agents, agencies and independent contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, losses, damages, injuries, or liabilities to persons or property, including wrongful death, in any manner arising out

of or incident to negligent or willful acts or omissions of Authority, its officials, officers, employees, volunteers, agents, agencies and independent contractors, occurring in the performance of this Agreement, including without limitation the payment of all consequential damages, attorney's fees and other related costs and expenses, except to the extent caused by Step Up's negligent or willful acts or omissions.

6.2 Step Up's Obligation. Step Up shall defend, indemnify and hold Authority, its officials, officers, employees, volunteers, agents, agencies and independent contractors free and harmless from any and all claims, demands, causes of action, costs, expenses, losses, damages, injuries, or liabilities to persons or property, including wrongful death, in any manner arising out of or incident to negligent or willful acts or omissions of Step Up, its officials, officers, employees, volunteers, agents, agencies and independent contractors, occurring in the performance of this Agreement, including without limitation the payment of all consequential damages, attorney's fees and other related costs and expenses, except to the extent caused by Authority's negligent or willful acts or omissions.

## 7. **INSURANCE.**

7.1 Authority's Obligation. Authority is an authorized self-insured public entity for purposes of Professional Liability, General Liability, Automobile Liability, and Workers' Compensation, and will provide Step Up with a self-insured affirmation letter.

### 7.2 Step Up's Obligation.

#### 7.2.1 General.

(i) Prior to Step Up's execution of this MOU, Step Up shall provide satisfactory evidence of, and shall thereafter maintain during the term of this MOU, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by Authority unless such modification is prohibited by law.

(ii) These minimum amounts of coverage shall not constitute any limitation or cap on Step Up's indemnification obligations under Section 6.2 hereof.

(iii) Any insurance policy or coverage provided by Step Up or subcontractors as required by this MOU shall be deemed inadequate and a material breach of this MOU, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

(iv) The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to Authority by certified or registered mail, postage prepaid.

(v) Authority, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Step Up pursuant to this MOU are adequate to protect Step Up. If Step Up believes that any required insurance coverage is inadequate, Step Up will obtain such additional insurance coverage as Step Up deems adequate, at Step Up's sole expense.

7.2.2 Workers' Compensation Insurance. By executing this MOU, Step Up certifies that Step Up is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Step Up shall carry the insurance or provide for self-insurance required by California law to protect said Step Up from claims under the Workers' Compensation Act. Prior to Authority's execution of this MOU, Step Up shall file with Authority either 1) a certificate of insurance showing that such insurance is in effect, or that Step Up is self-insured for such coverage, or 2) a certified statement that Step Up has no employees, and acknowledging that if Step Up does employ any person, the necessary certificate of insurance will immediately be filed with Authority. Step Up shall provide Authority ten (10) days' prior written notice before modification or cancellation thereof.

### 7.2.3 Commercial General.

(i) Prior to Step Up's execution of this MOU, Step Up shall obtain, and thereafter maintain during the term of this MOU, such commercial general liability insurance to insure Step Up against damages for personal injury, including accidental death, as well as from claims for property damage which may arise from or which may concern operations by Step Up or by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Step Up. All liability insurance shall be issued by insurance companies authorized to transact liability insurance business in the State of California. Step Up's commercial general liability policy shall cover both bodily injury (including death) and property damage (included but not limited to premises-operations liability, independent contractor's liability, personal injury liability), in an amount not less than \$1,000,000 per-occurrence limit/\$2,000,000 aggregate. These minimum amounts of coverage shall not constitute any limitation or cap on Step Up's indemnification obligations under Section 6.2 hereof.

(ii) Prior to the Step Up's execution of this MOU, insurance policies or original certificates evidencing the coverage required by this MOU for commercial general liability shall be filed with Authority and shall include Authority, its officers and employees as additional insureds. Said

policy shall be in the usual form of commercial general liability insurance, but shall include the following provision:

It is agreed that the Housing Authority of the City of Riverside, and its officers, employees and agents, are listed as additional insureds under this policy.

Policies provided shall specify that the insurance provided by the Step Up will be considered primary and not contributory to any other insurance available to Authority, and the Endorsement shall be provided to Authority. In the event Authority is liable, Authority will still be responsible for its proportionate share of liability.

8. **CONFIDENTIALITY.** Parties agree to comply with all HUD provisions as well as the applicable sections of the Welfare and Institutions Code, the California Education Code, the Rehabilitation Act, any other appropriate statute or requirement to assure that all applications and individual records related to services provided under this MOU, including eligibility for services, enrollment, and referral, are kept confidential and not released for any purpose not directly connected with the delivery of such services. Parties shall not publish, disclose use, or permit, cause to be published, disclosed or used, any confidential information pertaining to applicants, participants, or Qualified Renters unless a specific release is voluntarily signed by the participant or customer.

9. **COMPLIANCE.** Step Up shall ensure that the Program is in accordance with the goals, objectives, and performance measures of state and federal regulations. Parties agree to work to support the achievement of HUD compliance and all performance measures.

10. **AMENDMENTS.** This MOU may be modified or amended only by an amendment to this MOU, agreed to by both Parties in writing.

11. **NONDISCRIMINATION.** During Step Up's performance of this MOU, Step Up shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this MOU.

12. **SEVERABILITY.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this MOU shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this MOU is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this MOU and shall not affect any other provision, term, condition, covenant and/or restriction of this MOU, and the remainder of the MOU shall continue in full force and effect.

13. **AUTHORITY.** The individuals executing this MOU and the instruments referenced herein on behalf of Parties each represent and warrant that they have the legal power, right and actual authority to bind Parties to the terms and conditions hereof and thereof.

14. **ENTIRE UNDERSTANDING.** This MOU constitutes the final, complete, and exclusive statement of the terms of the understanding between the Parties pertaining to the subject matter of this MOU, and supersedes all prior and contemporaneous understandings or MOUs of the parties. Neither party has been induced to enter into this MOU by, and neither party is relying on, any representation or warranty outside those expressly set forth in this MOU.

15. **COUNTERPARTS.** This MOU may be executed and delivered in counterparts by facsimile or electronic mail, and such counterparts, together, shall constitute but the same instrument. Each of the Parties hereto agrees to additionally execute and deliver original copies of this MOU circulated subsequent to its initial execution.

16. **INTERPRETATION.** Parties acknowledge and agree that this MOU is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this MOU.

16.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the MOU or any of its terms. Reference to section numbers, are to sections in the MOU unless expressly stated otherwise.

16.2 This MOU shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this MOU.

(Signatures on following page)



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the dates set forth below.

**HOUSING AUTHORITY OF THE  
CITY OF RIVERSIDE,**  
a public entity

**STEP UP ON SECOND, INC.**  
a California non-profit corporation

Date: \_\_\_\_\_

Date: 2/16/15

By: \_\_\_\_\_

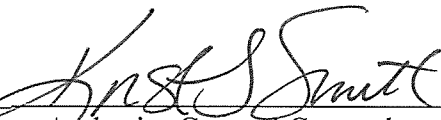
By: 

\_\_\_\_\_  
Tod Lipka, Chief Executive Officer

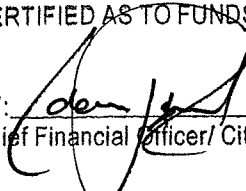
Attested to:

By: \_\_\_\_\_  
Authority Secretary

Approved as to Form:

By:   
Authority General Counsel

CERTIFIED AS TO FUNDS AVAILABILITY:

BY:   
Chief Financial Officer/ City Treasurer