

**AMENDMENT #2 TO AGREEMENT A-17197
BY AND BETWEEN
COUNTY OF MONTEREY & STEP UP ON SECOND STREET, INC.**

THIS AMENDMENT #2 is made and entered into by and between the County of Monterey, a political subdivision of the State of California, (hereinafter “COUNTY”), and Step Up on Second Street, Inc. (hereinafter “CONTRACTOR”).

WHEREAS, COUNTY and CONTRACTOR entered into an AGREEMENT for the provision of temporary shelter and supportive services to the unsheltered encampment occupants of the Soledad Salinas River for the period of November 1, 2024, to June 30, 2027, for a contract total of \$1,701,964.00; and

WHEREAS, the parties amended the AGREEMENT via AMENDMENT #1 to add Housing First, Coordinated Entry and Homeless Management Information Systems Provision Exhibits and to add \$15,218.00 for budget allocation adjustments due to an increased need for interim sheltering services to address encampment concerns for the unsheltered encampment occupants currently living in the Salinas River Soledad encampment with no change to the contract term for a revised contract total of \$1,717,182.00; and

WHEREAS, the parties wish to amend the AGREEMENT via AMENDMENT #2 to add \$132,481 to provide rapid rehousing and supportive services to the program participants sheltering at the Monarch Inn in King City for new contract total of \$1,849,663 with no change to the contract term.

NOW THEREFORE, the COUNTY and CONTRACTOR agree to amend the AGREEMENT in the following manner:

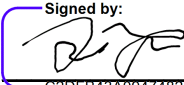
This Agreement is hereby amended on the terms and conditions set forth in the Original Agreement and Amendment #2 incorporated herein by this reference, except as specifically set forth below.

1. **SECTION 1.0, “GENERAL DESCRIPTION” is amended to read as follows:**
The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A-1 and Exhibit A-2** in conformity with the terms of this Agreement. The goods and/or services to be provided are generally described as follows: Provide program participants sheltering at the Motel 6 Soledad, the Soledad Interim Housing Site and at the Monarch Inn King City with access to housing navigation, rapid rehousing, case management, supportive services, and linkage of care until all program participants have transitioned to other housing by June 30, 2027.
2. **SECTION 2.0, “PAYMENT BY COUNTY”, is amended to read as follows:**
County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A-1 and Exhibit A-2**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this agreement shall not exceed the sum of **\$1,849,663.**
3. **SECTION 4.0, “SCOPE OF SERVICES AND ADDITIONAL PROVISIONS”, is amended to read as follows:** See Page 11(a)-2 for list of Exhibits.

4. **Page 11(a)-2** replaces Page 11(a)-1 and reflects the **added Exhibits A-2, C-2, D-2, E-2, and I-2.**
5. **Exhibit A-2 is added** to reflect **additional scope of services and payment provisions** for the Monarch Inn King City Program, and references the **added Exhibits C-2, D-2, E-2 and I-2**, and the **addition of \$132,481** for a new contract total of **\$1,849,663.**
6. **Exhibit C-2 is added** to the Agreement reflecting the Monarch Inn Program Budget and the **addition of \$132,481** for a new contract total of **\$1,849,663.**
7. **Exhibit D-2 is added** to the Agreement to reflect the Monarch Inn Program's additional provisions and references the **added Exhibits A-2 and E-2.**
8. **Exhibits E-2 and I-2 are added** to reflect the Monarch Inn Program monthly invoice and quarterly report templates for the **addition of \$132,481** for a new contract total of **\$1,849,663.**
9. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT #2 and shall continue in full force and effect as set forth in the AGREEMENT.
10. A copy of this AMENDMENT #2 shall be attached to the original AGREEMENT and AMENDMENT #1, dated November 1, 2024, and May 13, 2025, respectively.
11. A copy of this Amendment #2 shall be attached to the Original Agreement.

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IN WITNESS WHEREOF, the parties have executed this AMENDMENT #2 on the day and year written below.

COUNTY ADMINISTRATIVE OFFICE (CAO) Sonia M. De La Rosa, CAO By: _____ Deborah Paolinelli, Assistant CAO Date: _____	STEP UP ON SECOND STREET, INC. Signed by:  By: _____ C2DFB43A0947482... Tod Lipka, Chief Executive Officer Date: 10/16/2025 2:28 PM PDT
CONTRACTS/PURCHASING (C/P): By: _____ Debra R. Wilson, C/P Officer Date: _____	DocuSigned by:  By: _____ DB195B53F045425... Alan Darby, Board Treasurer and Officer Date: 10/16/2025 3:19 PM PDT
APPROVED AS TO FORM: Office of the County Counsel-Risk Management, Susan K. Blich, County Counsel DocuSigned by:  By: _____ A46091E5DE63489... Anne Brereton, Deputy County Counsel Date: 10/16/2025 3:50 PM PDT	
APPROVED AS TO RISK MANAGEMENT: Office of the County Counsel-Risk Management, Susan K. Blich, County Counsel DocuSigned by:  By: _____ 3E7A6EF11DD8448... David Bolton, Risk Manager Date: 10/16/2025 3:52 PM PDT	
APPROVED AS TO FISCAL PROVISIONS: Rupa Shah, Auditor-Controller DocuSigned by:  By: _____ E79EF64E57454F6... Patricia Ruiz Date: 10/17/2025 9:11 AM PDT	

LIST OF EXHIBITS

STEP UP ON SECOND STREET, INC.

Exhibit A-1	Soledad ERF Program Scope of Services/Payment Provisions
Exhibit A-2	Monarch Inn Program Scope of Services/Payment Provisions
Exhibit B	Soledad Encampment Site Map
Exhibit C-1	Soledad ERF Program Budget
Exhibit C-2	Monarch Inn HHAP Program Budget
Exhibit D-1	Soledad ERF Program Additional Provisions
Exhibit D-2	Monarch Inn Program Additional Provisions
Exhibit E-1	Soledad ERF Program Invoice Template
Exhibit E-2	Monarch Inn Program Invoice Template
Exhibit F	Participant Animal Guidelines
Exhibit G	HIPAA Certification
Exhibit H	Operational Emergency Shelter Standards
Exhibit I-1	Soledad ERF Program Quarterly Reporting Template
Exhibit I-2	Monarch Inn Program Quarterly Reporting Template
Exhibit J	Housing First Provisions
Exhibit K	Coordinated Entry Provisions
Exhibit L	Homeless Management Information System Provisions

SCOPE OF SERVICES/PAYMENT PROVISIONS

**STEP UP ON SECOND STREET, INC. (“CONTRACTOR”)
KING CITY MONARCH INN PROGRAM**

- A. **FUNDING AMOUNT:** \$107,480.38 HHAP Round 4
\$ 25,000.50 HHAP Round 3
\$132,480.88 TOTAL FUNDING
- B. **PROJECT TERM:** November 1, 2025, to June 30, 2026
- C. **CONTACT INFORMATION:**
- COUNTY Contract Manager: County of Monterey Administrative Office
Dania Valdez, Management Analyst I
168 W. Alisal St, 3rd Floor Salinas, CA 93901
Phone: (831) 796-3049
valdez2@countyofmonterey.gov
- CITY Partner Information: City of King (City)
Steven Adams, City Manager
212 South Vanderhurst Avenue
King City, CA 93930
831-386-5917
sadams@kingcity.com
- CONTRACTOR Information: Step Up on Second Street, Inc.
Tod Lipka, CEO
1328 Second St. Santa Monica, CA 90401-1122
Phone: (310) 394-6889 ext.1626
TLipka@stepup.org
- Location of Housing Sites and Services: Monarch Inn – Interim Housing Site
633 Broadway Street, King City, CA 93930
- Casa de Esperanza – Permanent Supportive Housing Site
1130 Broadway Street, King City, CA 93930
- D. **SUBAWARD INFORMATION:**
CONTRACTOR UEI Number: JA9DL54US3E3
SUBAWARD: HCD Homeless, Housing, Assistance and Prevention Program (HHAP) Date
County Awarded Funding: August 13, 2021 (HHAP-3) and July 1, 2023 (HHAP-4)
CFDA Passthrough Information and Dollar Amount: N/A
Federal Award Identification Number (FAIN): N/A
Federal Award Description: N/A
Research and Development: No
Maximum Allowable Indirect Cost Rate: 10%

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E. **BACKGROUND**

Step Up on Second Street, Inc. (“CONTRACTOR”) is a 501(c)(3) non-profit organization and full-service mental health agency that has been serving communities nationwide since 1994, offering both permanent and interim supportive housing services. CONTRACTOR is a recognized industry leader in delivering housing navigation and supportive housing services in Monterey County.

Since March 1, 2023, the CONTRACTOR has been providing the former Homekey King City program participants with access to wraparound services designed to house, support, and stabilize chronically homeless individuals into permanent supportive housing (PSH). These participants have been temporarily sheltering at the Monarch Inn in King City, in connection with *Casa de Esperanza*, a 45-unit studio PSH project currently under development by the Housing Authority of the County of Monterey. *Casa de Esperanza*, is now anticipated to become available in Spring 2026 due to construction delays.

This scope of work outlines the CONTRACTOR’s provision of rapid rehousing and comprehensive transitional and supportive services to ensure that all program participants currently sheltering at the Monarch Inn are successfully transitioned into permanent housing while awaiting the completion of *Casa de Esperanza*.

F. **DESCRIPTION OF SERVICES**

CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

- F.1 CONTRACTOR shall provide supportive services for, and monitoring of, clients/tenants associated with the former Days Inn motel conversion located in the City of King (“King City”).
- F.2 **CONTRACTOR shall provide temporary interim housing services at the Monarch Inn for clients associated with the King City former Homekey project. Services provided at the interim housing site includes but not limited to: interim housing, housing navigation, rapid rehousing, and case management.**
- F.3 CONTRACTOR shall provide low-barrier access to "screen in" referred individuals. Referrals are provided through the local CoC’s Coordinated Entry System, defined in **EXHIBIT K, County Adopted Coordinated Entry Provisions**.
- F.4 CONTRACTOR shall provide comprehensive supportive services utilizing a Housing First, trauma informed, harm reduction approach as defined in **EXHIBIT J, County Adopted Housing First Provisions**, to the King City housing program participants living at Monarch Inn until all program participants have transitioned to other types of housing and/or permanent housing, no later than June 30, 2026.
- F.5 CONTRACTOR shall comply with data collection required by the HHAP grant funding and as defined in **EXHIBIT L, County Adopted Homeless Management Information System (“HMIS”) provisions**.
 - F.5.a. CONTRACTOR will coordinate with the COUNTY and the Coalition of Homeless Services Providers for systems support to setup the HMIS projects for Monarch Inn program participants for interim sheltering and rapid rehousing programs located in King City.
- F.6 CONTRACTOR will provide program participants with access to the following services: case management, rapid re-housing and housing navigation, assistance

SCOPE OF SERVICES/PAYMENT PROVISIONS

- obtaining public benefits and securing documentation, education and employment services, housing retention skills, legal assistance, family connection services, life skills activities, rehabilitations, emotional skills building.
- F.7 CONTRACTOR shall ensure that services are provided within Evidence-Based Best Practices and in compliance with the core components of Housing First, as described in Welfare and Institutions Code Section 8255, subdivision (b) and defined in **EXHIBIT J, County Adopted Housing First Provisions** and in Section 2.02 of **EXHIBIT D-2, Monarch Inn Program Additional Provisions**. Individuals and families assisted with HCD grant funds must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving shelter, housing, or other services for which these funds are used.
 - F.8 CONTRACTOR shall assist all program participants in developing a person-centered Individual Service Plan (ISP) or similar detailed individualized plan of the supports, activities, and resources required to achieve personal goals and that outlines the decisions made during a person-centered process of planning and information gathering.
 - F.9 CONTRACTOR shall match the level of services to the identified needs of individual program participants to both mitigate harm and support each participant's success toward reaching their individualized goals.
 - F.10 CONTRACTOR shall ensure case managers provide the stability of the daily on-site participant support and linkages with local homeless service providers, Behavioral Health, and Social Services, and will offer appropriate and facilitate participant referrals to off-site services, such as health care.
 - F.11 CONTRACTOR shall assist all program participants with transportation to access off-site services and activities related to their housing goals.

G. SERVICE GOALS AND OUTCOMES

CONTRACTOR shall seek to achieve the following service goals and outcomes during this contract term:

- G.1 Manage the Monarch Inn interim sheltering program in coordination with the City of King property management services and provide permanent supportive housing services for the future tenants of Casa de Esperanza or other available permanent housing options.
- G.2 Utilize the local HMIS to track Homeless Housing, Assistance and Prevention (“HHAP”) funded projects, services, and clients served. CONTRACTOR will ensure that HMIS data are collected in accordance with applicable laws and in such a way as to identify individual projects, services, and clients that are supported by HHAP funding (e.g., by creating appropriate HHAP-specific funding sources and project codes in HMIS), see **Exhibit L, HMIS provisions**. CONTRACTOR shall coordinate with the COUNTY and the Coalition of Homeless Services Providers for any HMIS systems support.
- G.3 Utilize internal/external data management systems to track individual case notes, living plans, and goals met.
- G.4 Increased Skills and/or Income: program participants will gain job-related skills, participate in job-related training and/or education, gain stipend part-time or full-time supported. Eighty (80%) percent of participants will obtain and maintain basic benefits and all clients will increase their ability to live independently based on individualized key factors (such as, job skills, employment, independent living, hygiene, grocery, health).
- G.5 Greater Self- Determination: program participants will gain daily living skills and ability to plan and advocate for themselves to maximize independence and self-sufficiency (see examples in cell comments to the right). Tenants will experience a documentable 25%

SCOPE OF SERVICES/PAYMENT PROVISIONS

- reduction in the level of support needed by service team within one year.
- G.6 Harm reduction: CONTRATOR will introduce, promote, and document harm reduction practices with program participants. Program participants shall gain skills to reduce the harms associated with certain behaviors.

H. CONTRACTOR RESPONSIBILITIES

- H.1 CONTRACTOR agrees to cooperate fully with the COUNTY in all matters related to data collection, management, and oversight to ensure compliance with the California Department of Housing and Community Development (“HCD”) requirements and in accordance with **EXHIBIT D-2, Monarch Inn Program Additional Provisions**.
- H.2 CONTRACTOR shall inform the COUNTY immediately of failure to perform any component of this executed agreement.
- H.3 CONTRACTOR shall submit monthly written reporting as required and defined in Section J, and monthly invoices defined in **Section I of EXHIBIT D-2**.
- H.4 CONTRACTOR shall provide informal monthly updates to the COUNTY capacity counts for the Interim Housing Site and general feedback to maintain strong communication regarding operations and services.
- H.5 CONTRACTOR shall participate in annual monitoring activities conducted by COUNTY, which may include HCD program representatives.
- H.5.a. Monitoring may be conducted as a site-visit or desk review. Monitoring activities will evaluate fiscal integrity, customer service, program management, and data collection & reporting procedures. In accordance with this contract’s signed **Health Insurance Portability & Accountability Act (“HIPAA”) agreement (EXHIBIT G)**, CONTRACTOR shall make client files available to authorized County and HCD program representatives as sample data to verify agency compliance with contract requirements and reported outcome data as necessary.
- H.5.b. This provision also includes allowing visits related to the project and film, tape, photograph, interview, and otherwise documentation of operations during normal business hours and with reasonable advance notice. Any outside visitors shall adhere to best practices that respect the privacy of program participants.
- H.6 CONTRACTOR shall incorporate California Advancing and Innovating Medi-Cal (“CalAIM”) Enhanced Care Management and Community Supports into their services plan for the program.
- H.7 CONTRACTOR shall ensure compliance with AB977 regarding any HHAP required data collection in the Homeless Management Information System (“HMIS”) as defined in **EXHIBIT L, County Adopted HMIS Provisions** and below as follows:
- H.7.a. CONTRACTOR may seek assistance for setup of HHAP funded HMIS projects with the COUNTY and for systems support provided by the Coalition of Homeless Services Providers.
- H.7.b. CONTRACTOR acknowledges that the COUNTY reserves the right to terminate this agreement if data is not collected in accordance with CA506 data standards.
- H.8 CONTRACTOR shall ensure services are Americans with Disabilities Act (ADA) compliant.
- H.9 CONTRACTOR and its subcontractors, hereby certify under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 Cal. GOV Code § 8350.

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- H.10 CONTRACTOR shall notify the COUNTY immediately of any incidents that must be reported and/or that may require a response to the public or elected officials.
- H.11 CONTRACTOR shall immediately notify COUNTY of any significant issues with program participants; time is of the essence. Significant issues include but are not limited to disciplinary or safety issues that impact program participants' stay in any of the Interim Housing sites.
- H.12 CONTRACTOR shall immediately notify the COUNTY of any changes to managerial or supervisory staffing and/or contact information.
- H.13 All activities regarding CONTRACTOR budget, timeline, scope of work and payment provisions/invoicing must be authorized and approved by COUNTY.
- H.14 CONTRACTOR shall recruit and train staff members responsible for program management, and onsite-peer support.
- H.15 CONTRACTOR shall ensure that all services and program documents are provided in the Spanish language at minimum and when other languages are needed utilize any resources necessary to accommodate.
- H.16 CONTRACTOR shall comply with HUD requirements if HUD vouchers are applied to the project.
- H.17 CONTRACTOR shall provide incontinence and feminine hygiene products, including, but not limited to, sanitary napkins, tampons, and panty liners, to program participants as needed, free of charge. Obligation to satisfy this requirement is subject to the availability of funds, however, CONTRACTOR shall make attempts to coordinate or request donations when funds are not available and collect data on the cost, demand, and utilization to help inform future resources to support this service.
- H.18 CONTRACTOR shall ensure the program is accessible and welcoming to each of the following clients: residents with mental illness and/or disabilities, LGBTQ+, Minors, and survivors of domestic violence and human trafficking.

I. REPORTING INSTRUCTIONS AND SUBMISSION

- I.1 CONTRACTOR shall attend at least one (1) status meeting with COUNTY per month to ensure regular communication regarding services and operations. If CONTRACTOR is unable to attend a regularly scheduled meeting, CONTRACTOR shall provide notification and status report via email to the COUNTY Contract Manager and COUNTY Partner listed in Section C.
- I.2 CONTRACTOR shall submit monthly invoices submitted on the 10th of the month following the month services are provided as defined in Section N.
- I.3 CONTRACTOR shall provide COUNTY with quarterly written reports addressing performance of activities outlined in Section F: Description of Services and quarterly expenditures per eligible use categories detailed in the **Monarch Inn Program** budget (**EXHIBIT C-2**).
 - I.3.a. CONTRACTOR shall submit upon request by COUNTY signed original quarterly reports upon request by COUNTY via email to the County Contract Manager and CC: to COUNTY Partner listed in Section C, using the **Monarch Inn Program reporting template (EXHIBIT I-2)**.
- I.4 CONTRACTOR shall submit Quarterly expenditure and activity reports by the following deadlines:

Due Date	Reporting Period Beginning date	Reporting Period End Date

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January 15, 2026	October 1, 2025	September 30, 2025
April 15, 2026	January 1, 2026	March 31, 2026
July 15, 2026	April 1, 2026	June 30, 2026

- I.5 CONTRACTOR shall provide upon request, information and documentation on service delivery models developed with grant funds to designated staff from the COUNTY. This includes any necessary materials to study the program or replicate it for implementation across the State of California.
- I.6 CONTRACTOR shall maintain adequate records to support the reported statistics regarding beneficiary characteristics and services provided under the HHAP funding.
 - I.6.a. Records demonstrating that funded activities meet the objectives of the HHAP program.
 - I.6.b. Records are required to determine the eligibility of activities per eligible use.
- I.7 CONTRACTOR shall participate in **annual contract monitoring** conducted by the COUNTY to review fiscal integrity, customer service, business management, and service delivery and may include an on-site visit. Completion of this measure shall be documented through the issuance of a contract monitoring report to be provided by the **County Contract Manager** listed in Section C.

J. FINANCIAL OVERSIGHT AND ACCOUNTING

- J.1 CONTRACTOR shall ensure all program operations and objectives advance HHAP's objective and fall within the following Eligible Use categories:

Eligible Use Category	Eligible Activities Applied to the Eligible Population
Rapid Rehousing	Rental subsidies, landlord incentives, such as security deposits, holding fees, funding for needed repairs, and recruitment and relationship management costs. Move-in expenses. Services for people in rapid rehousing programs, so long as the services are trauma-informed and practice harm reduction, to include intensive case management services, assertive community treatment services, critical time intervention services, other tenancy support services, evidence-based employment services, coordinating mental health, substance use, and primary care treatment, or other evidence-based supportive services to increase housing retention.
Operating Subsidies Interim Housing	Subsidies that support ongoing operation and availability of existing interim housing (both congregate and non-congregate).

- J.1.a. CONTRACTOR shall submit invoices utilizing the template approved by

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COUNTY described in **Section I of EXHIBIT D-2.**

- J.2 CONTRACTOR shall collaborate with COUNTY to prepare and submit budget modifications as needed, subject to approval by COUNTY and the State of California Department of Housing and Community Development.
- J.3 CONTRACTOR acknowledges that this Agreement is valid and enforceable only if sufficient HHAP funds are made available to COUNTY for the administration of the services under this Agreement.
- J.4 In the event HHAP funding is terminated, reduced, or the CONTRACTOR breaches any of the duties under this Agreement, CONTRACTOR agrees to cooperate with COUNTY to return any unused funds within thirty (30) days of written notice from the COUNTY.

K. PAYMENT PROVISIONS

- K.1 COUNTY shall pay CONTRACTOR according to the terms set forth in **EXHIBIT D-2, Section I, PAYMENT BY COUNTY.**
- K.2 The total maximum amount payable to CONTRACTOR for the period November 1, 2025, through June 30, 2026, shall not exceed **one hundred thirty-two thousand four hundred eighty dollars and eighty-eight cents (\$132,480.88)** as set forth in **EXHIBIT C-2, Monarch Inn Program Budget.**

L. INVOICING INSTRUCTIONS & SUBMISSION

- L.1 CONTRACTOR shall submit original signed monthly invoices with supportive documentation to the COUNTY Contract Manager listed in Section C setting forth the amount to be paid by the 10th day of the month following the month in which services are performed. Invoices may be submitted more frequently as necessary or as agreed upon.
- L.2 The invoice shall be submitted based on funding amounts detailed in **EXHIBIT C-2, Monarch Inn Program Budget** and set forth in **EXHIBIT E-2, Monarch Inn Program Invoice Template.**
- L.3 The final invoice for close out is due no later than the 10th of July 2026.
- L.4 **All funds must be expended by CONTRACTOR by June 30, 2026.**

(End of Exhibit A-2)

MONARCH INN PROGRAM BUDGET**Exhibit C-2****November 1, 2025 to June 30, 2026****Agency Name: STEP UP ON SECOND STREET, INC.**

Expense Categories	HHAP-3 OPSB	HHAP-4 RRHO	Total Budget
	\$25,000.50	\$107,480.38	\$132,480.88
Personnel	\$ 23,690.50	\$ -	\$ 23,690.50
Benefits	\$ 1,310.00	\$ 5,323.00	\$ 6,633.00
Rapid Rehousing/Client Services		\$ 85,113.38	\$ 85,113.38
Program Costs		\$ 5,000.00	\$ 5,000.00
Indirect (Max 10%)		\$ 12,044.00	\$ 12,044.00
Program Total	\$ 25,000.50	\$ 107,480.38	\$ 132,480.88

Budget Narrative	Line Item narrative
Personnel	Salaries for staff assigned to the King City Homekey project including .2 FTE Case Manager.
Benefits	Staff benefits includes FICA, SUI, Workers' Compensation, Medical Insurance, Retirement, and Disability at 28% of staff salaries.
Rapid Rehousing	Direct financial assistance to support rapid rehousing placements of program participants including but not limited to rental assistance, security deposits, landlord mitigations, utility assistance, moving costs and household necessities.
Program Costs	Office supplies and equipment to maintain the program services.
Indirect (Max 10%)	Calculated according to the current negotiated rate agreement of 10% maximum for indirect costs including accounting, human resources and upper management.

Funding Source(s): HHAP3 & HHAP4 PROGRAMS

**MONTEREY COUNTY
HOMELESSNESS STRATEGY AND INITIATIVES DIVISION
OF THE COUNTY ADMINISTRATIVE OFFICE**

ADDITIONAL PROVISIONS

I. PAYMENT BY COUNTY:

1.01 Monthly claims/invoices by CONTRACTOR: Not later than the tenth (10th) day of each month, CONTRACTOR shall submit to COUNTY a signed invoice setting forth the amount claimed. All invoices (monthly and final) shall be submitted in the form set forth in **Exhibit E-2, Monarch Inn Program Invoice Template**.

1.02 Final Invoice; forfeiture for late invoice: CONTRACTOR's final month and end of fiscal year invoice is due, and must be received by COUNTY, no later than close of business on **July 10th**. **If the Final Invoice is not received by COUNTY by close of business on July 10th. CONTRACTOR understands and agrees that the reimbursement of CONTRACTOR's final expenses represented by that invoice may be forfeited, and COUNTY shall have no legal obligation regarding it, nor shall COUNTY be required to make any payment towards that untimely/late invoiced claim.**

1.03 Allowable Costs: Allowable costs shall be the CONTRACTOR's actual costs of developing, supervising and delivering the services under this Agreement, as set forth in **Exhibit A-2, Section F**. Only the costs and eligible uses listed in **Exhibit A-2, Section J and Exhibit C-2** as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of 45 Code of Federal Regulations, Part 74, Sub-Part F and 48 Code of Federal Regulations (CFR), Chapter 1, Part 31.

1.04 Cost Control: CONTRACTOR shall not exceed by more than ten (10) percent any contract expense line-item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this contract. Therefore, an increase in one-line item will require corresponding decreases in other line items.

1.05 Payment in Full:

(a) If COUNTY certifies and pays the amount requested by CONTRACTOR, such payment shall be deemed payment in full for the month in question and may not thereafter be reviewed or modified, except to permit COUNTY's recovery of overpayments.

(b) If COUNTY certifies and pays a lesser amount than the amount requested, COUNTY shall, immediately upon certification of the lesser amount, notify CONTRACTOR in writing of such certification. If CONTRACTOR does not protest the lesser amount by delivering to COUNTY a written notice of protest within twenty (20) days after CONTRACTOR's receipt of the certification, then payment of the lesser amount shall be

deemed payment in full for the month in question and may not thereafter be questioned by CONTRACTOR.

1.06 Disputed payment amount: If COUNTY pays a lesser amount than the amount requested, and if CONTRACTOR submits a written notice of protest to COUNTY within twenty (20) days after CONTRACTOR's receipt of the certification, then the parties shall promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person.

II. PERFORMANCE STANDARDS & COMPLIANCE

2.01 Outcome objectives and performance standards: CONTRACTOR shall for the entire term of this Agreement provide the service outcomes set forth in **Exhibit A-2**. CONTRACTOR shall meet the contracted level of service and the specified performance standards described in **Exhibit A-2**, unless prevented from doing so by circumstances beyond CONTRACTOR's control, including but not limited to, natural disasters, fire, theft, and shortages of necessary supplies or materials due to labor disputes.

2.02 Housing First Standards. CONTRACTOR shall ensure services provided for the Monarch Inn Interim Sheltering Sites follow the core components of Housing First as defined in the State Welfare and Institutions Code Section 8255(b),” and shall include all of the following:

1. Tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
2. Applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
3. Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness.
4. Supportive services that emphasize engagement and problem solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals.
5. Participation in services or program compliance is not a condition of permanent housing tenancy.
6. Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California’s Civil, Health and Safety, and Government codes.
7. The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
8. In communities with coordinated assessment and entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants based on criteria other than “first-come-first serve,” including, but not limited to, the duration or chronicity of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-

- need homeless residents.
9. Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including, but not limited to, motivational interviewing and client-centered counseling.
 10. Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants' lives, where tenants are engaged in nonjudgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the tenant so chooses.
 11. The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health and community and independence among tenants.

2.03 County monitoring of services: COUNTY shall monitor services provided under this Agreement in order to evaluate the effectiveness and quality of services provided.

2.04 Notice of defective performance: COUNTY shall notify CONTRACTOR in writing within thirty (30) days after discovering any defects in CONTRACTOR's performance. CONTRACTOR shall promptly take action to correct the problem and to prevent its recurrence. Such corrective action shall be completed, and a written report made to the COUNTY concerning such action not later than thirty (30) days after the date of the COUNTY's written notice to CONTRACTOR.

2.05 Termination for cause: Notwithstanding Section 7.02 of the Agreement, if the corrective actions required above are not completed and the report to the COUNTY not made within thirty (30) days, the COUNTY may terminate this Agreement by giving five (5) days' written notice to CONTRACTOR.

2.06 Training for Staff: CONTRACTOR shall insure that sufficient training is provided to its volunteer and paid staff to enable them to perform effectively on the project, and to increase their existing level of skills. Additionally, CONTRACTOR shall ensure that all staff completes Division 21 Civil Rights training.

2.07 Bi-lingual Services: CONTRACTOR shall ensure that qualified staff is available to accommodate non-English speaking, and limited English proficient, individuals.

2.08 Assurance of drug free-workplace: CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, Government Code sections 8350 et seq., by doing the following:

- Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is

- prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition;
- Establishing a drug-free awareness program to inform employees about all of the following:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the organization's policy of maintaining a drug-free workplace;
 - 3) any available drug counseling, rehabilitation, and employee assistance programs;
 - 4) the penalties that may be imposed upon employees for drug abuse violations;
 - 5) requiring that each employee engaged in the performance of the contract or grant be given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

III. CONFIDENTIALITY

CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with Welfare and Institutions (W & I) Code Sec. 10850, 45 CFR Sec. 205.50, and all other applicable provisions of law which provide for the confidentiality of records and prohibit their being opened for examination for any purpose not directly connected with the administration of public social services. Whether or not covered by W&I Code Sec. 10850 or by 45 CFR Sec. 205.50, confidential medical or personnel records and the identities of clients and complainants shall not be disclosed unless there is proper consent to such disclosure or a court order requiring disclosure. Confidential information gained by CONTRACTOR from access to any such records, and from contact with its clients and complainants, shall be used by CONTRACTOR only in connection with its conduct of the program under this Agreement. The COUNTY, through the Director of Homelessness Strategy and Initiatives of the County Administrative Office (CAO-HSI), and his/her representatives, shall have access to such confidential information and records to the extent allowed by law, and such information and records in the hands of the COUNTY shall remain confidential and may be disclosed only as permitted by law.

IV. NON-DISCRIMINATION

CONTRACTOR certifies that to the best of its ability and knowledge it will comply with the nondiscrimination program requirements set forth in this Section.

4.01 Discrimination Defined: The term "discrimination" as used in this contract, is the same term that is used in Monterey County Code, Chapter 2.80 "Procedures for Investigation and Resolution of Discrimination Complaints"; it means the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or other discriminatory practice by any Monterey County official, employee or agent, due to an individual's race, color, ethnic group, national origin, ancestry, religious creed, sex, sexual orientation, age, veteran's status, cancer-related medical condition, physical handicap (including AIDS) or disability. The term also includes any act of retaliation.

4.02 Application of Monterey COUNTY Code Chapter 2.80: The provisions of Monterey COUNTY Code Chapter 2.80 apply to activities conducted pursuant to this Agreement. Complaints of discrimination made by CONTRACTOR against the COUNTY, or by recipients of services against CONTRACTOR, may be pursued using the procedures established by Chapter 2.80. CONTRACTOR shall establish and follow its own written procedures for the prompt and fair resolution of discrimination complaints made against CONTRACTOR by its own employees and agents, and shall provide a copy of such procedures to COUNTY on demand by COUNTY.

4.03 Compliance with laws: During the performance of this Agreement, CONTRACTOR shall comply with all applicable federal, state and local laws and regulations which prohibit discrimination, including but not limited to the following:

- **California Fair Employment and Housing Act**, California Government Code Sec. 12900 et seq., see especially Section 12940 (c), (h), (1), (i), and (j); and the administrative regulations issued thereunder, 2 Calif. Code of Regulations Secs. 7285.0 et seq. (Division 4 - Fair Employment and Housing Commission);
- **California Government Code Secs. 11135 - 11139.5**, as amended (Title 2, Div. 3, Part 1, Chap. 1, Art. 9.5) and any applicable administrative rules and regulations issued under these sections; including **Title 22 California Code of Regulations 98000-98413**.
- **Federal Civil Rights Acts of 1964 and 1991** (see especially Title VI, 42 USC Secs. 2000d et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 CFR Part 80);
- **The Rehabilitation Act of 1973**, Secs. 503 and 504 (29 USC Sec. 793 and 794), as amended; all requirements imposed by the applicable HHS regulations (45 CFR Parts 80, 84 and 91); and all guidelines and interpretations issued pursuant thereto;
- **7 Code of Federal Regulations (CFR)**, Part 15 and **28 CFR** Part 42;
- **Title II of the Americans with Disabilities Act of 1990** (P.L. 101-336), 42 U.S.C. Secs. 12101 et seq. and 47 U.S.C. Secs. 225 and 611, and any federal regulations issued pursuant thereto (see 24 CFR Chapter 1; 28 CFR Parts 35 and 36; 29 CFR Parts 1602, 1627, and 1630; and 36 CFR Part 1191);
- **Unruh Civil Rights Act**, Calif. Civil Code Sec. 51 et seq., as amended;
- **Monterey COUNTY Code**, Chap. 2.80.;
- **Age Discrimination in Employment Act 1975**, as amended (**ADEA**), 29 U.S.C. Secs 621 et seq.;

- **Equal Pay Act of 1963**, 29 U.S.C. Sec. 206(d);
- **California Equal Pay Act**, Labor Code Sec.1197.5.
- **California Government Code** Section 4450;
- **The Dymally-Alatorre Bilingual Services Act; Calif. Government Code Sec. 7290 et seq.**
- **The Food Stamp Act of 1977, as amended and in particular Section 272.6.**
- **California Code of Regulations, Title 24, Section 3105A(e)**
- **Removal of Barriers to Inter-Ethnic Adoption Act of 1996, Section 1808**

4.04 Written assurances: Upon request by COUNTY, CONTRACTOR will give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, the Rehabilitation Act of 1973 and/or the Americans with Disabilities Act of 1990, as may be required by the federal government in connection with this Agreement, pursuant to 45 CFR Sec. 80.4 or 45 CFR Sec. 84.5, and 91; 7 CFR Part 15; and 28 CFR Part 35, or other applicable State or federal regulation.

4.05 Written non-discrimination policy: Contractor shall maintain a written statement of its non-discrimination policies which shall be consistent with the terms of this Agreement. Such statement shall be available to employees, recipients of services, and members of the public, upon request.

4.06 Grievance Information: CONTRACTOR shall advise applicants who are denied CONTRACTOR's services, and recipients who do receive services, of their right to present grievances, and of their right to a State hearing concerning services received under this Agreement.

4.07 Notice to Labor Unions: CONTRACTOR shall give written notice of its obligations under paragraphs 4.01 - 4.08 to labor organizations with which it has a collective bargaining or other agreement.

4.08 Access to records by government agencies: CONTRACTOR shall permit access by COUNTY and by representatives of the State Department of Fair Employment and Housing, and any state agency providing funds for this Agreement, upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, facilities, and other sources of information as the inspecting party may deem appropriate to ascertain compliance with these non-discrimination provisions.

4.09 Binding on Subcontractors: The provisions of paragraphs 4.01 - 4.08 shall also apply to all of CONTRACTOR's subcontractors. CONTRACTOR shall include the non-discrimination and compliance provisions of these paragraphs in all subcontracts to perform work or provide services under this Agreement.

V. ADDITIONAL REQUIREMENTS

5.01 Covenant Against Contingent Fees: CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit this Agreement. There has been no agreement to make commission payments in order to obtain this Agreement. For breach or violation of this warranty, COUNTY shall have the right to terminate this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingency fee.

5.02 Debarment, Suspension and Fraud, and Abuse: CONTRACTOR certifies to the best of its knowledge and belief, that it and any subcontractors:

- a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or State department or agency.
- b) Have not, within a three-year period preceding this Agreement, been convicted of, or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- c) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (federal, State, or local) with commission of any of the offenses in 5.02(b).
- d) Have not, within a three-year period preceding this Agreement, had one or more public transactions (federal, State, or local) terminated for cause or default.

5.03 CONTRACTOR shall report immediately to COUNTY in writing, any incidents of alleged fraud and/or abuse by either CONTRACTOR or its subcontractors.

5.04 CONTRACTOR shall maintain any records, documents, or other evidence of fraud and abuse until otherwise notified by COUNTY.

5.05 CONTRACTOR agrees to timely execute any and all amendments to this Agreement or other required documentation relating to the debarment/suspension status of any subcontractors.

VI. CONTRACT ADMINISTRATORS

6.01 Contract Administrator – CONTRACTOR: CONTRACTOR hereby designates its Chief Executive Officer as its Contract Administrator for this Agreement. All matters concerning this Agreement which are within the responsibility of CONTRACTOR shall be under the direction of, or shall be submitted to, the CONTRACTOR's Contract Administrator. CONTRACTOR may, in its sole discretion, change its designation of the Contract Administrator, and shall promptly give written notice to COUNTY of any such change.

6.02 Contract Administrator – COUNTY: COUNTY hereby designates the Director of Homelessness Strategies and Initiatives Division (CAO-HSI) as its Contract Administrator for this Agreement. All matters concerning this Agreement which are within the responsibility of COUNTY shall be under the direction of, or shall be submitted to, the Director or such other COUNTY employee in the CAO-HSI as the Director may appoint. COUNTY may, in its sole discretion, change its designation of the Contract Administrator, and shall promptly give written notice to CONTRACTOR of any such change.

VII. CONTRACT DEPENDENT ON GOVERNMENT FUNDING

COUNTY's payments to CONTRACTOR under this Agreement are funded by the State and/or Federal governments. If funds from State and/or Federal sources are not obtained and continued at a level sufficient to allow for COUNTY's purchase of the indicated quantity of services, then COUNTY may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as COUNTY may specify in its notice, unless in the meanwhile the parties enter into a written Amendment modifying this Agreement.

VIII. APPEAL PROCESS

In the event of a dispute or grievance regarding the terms and conditions of this Agreement, both parties shall abide by the following procedures:

- a) CONTRACTOR shall first discuss the problem informally with the designated CAO-HSI Contact/Program Analyst. If the problem is not resolved, CONTRACTOR must, within fifteen (15) working days of the failed attempt to resolve the dispute with Contact/Program Analyst, submit a written complaint, together with any evidence, to the CAO-HSI Director. The complaint must include a description of the disputed issues, the legal authority/basis for each issue which supports CONTRACTOR's position, and the remedy sought. The CAO-HSI Director shall, within fifteen (15) working days after receipt of CONTRACTOR's written complaint, make a determination on the dispute, and issue a written decision and reasons, therefore. All written communication shall be pursuant to Section 14. NOTICES of this Agreement. Should CONTRACTOR disagree with the decision of the Director, CONTRACTOR may appeal the decision to the County Administrative Officer (CAO Officer).
- b) CONTRACTOR's appeal of the Director's decision must be submitted to the CAO Officer within ten (10) working days from the date of the decision; be in writing, state the reasons why the decision is unacceptable, and include the original complaint, the decision that is the subject of appeal, and all supporting documents. Within twenty (20) working

EXHIBIT D-2

days from the date of CONTRACTOR'S appeal, the CAO Officer, or his/her designee, shall meet with CONTRACTOR to review the issues raised on appeal. The CAO Officer shall issue a final written decision within fifteen (15) working days of such meeting.

- c) CONTRACTOR may appeal the final decision of the CAO Officer in accordance with the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5 commencing with Section 251, or Subchapter 3 commencing with Section 300, whichever is applicable, of the California Code of Regulations).
- d) CONTRACTOR shall continue to carry out the obligations under this Agreement during any dispute.
- e) Costs incurred by CONTRACTOR for administrative/court review are not reimbursable by COUNTY.

MONTHLY MONARCH INN
INVOICE TEMPLATE

EXHIBIT E -2



Step Up Contract Administrator: Tod Lipka, CEO
Email Address: TLipka@stepup.org
Direct Phone: (310) 394-6889

Remit Invoices To: valdez2@countvofmonterey.gov
gilji@countvofmonterey.gov

ADDRESS: 1328 Second St., Santa Monica, CA 90401

REMIT PAYMENT VIA ELECTRONIC TRANSFER

Invoice Period:	
Total Monthly Expenses:	\$ -
Total Amount to be Paid:	\$ -

Remit Payment Via EFT

Date of Invoice:	
Invoice No:	
Monarch Inn Project Term:	11/01/2025 to 06/30/2026
Vendor Code:	VC*8232
Accounting String HHAP3:	001-5010-8258-SOC004-6834 HHAP3, OPSB
Accounting String HHAP4:	001-5010-8258-SOC004-6834 HHAP4, RRHO
DO #:	

Accounting Balances	
HHAP3-OPSB Allocation:	\$ 25,000.50
HHAP4-RRHO Allocation:	\$ 107,480.38
Total :	\$ 132,480.88
To Date Expenses:	\$ -
HHAP3-OPSB Balance :	\$ 25,000.50
HHAP4-RRHO Balance:	\$ 107,480.38
Contract Remaining Balance:	\$ 132,480.88

Expense Categories	Total Budget	HHAP 3 - OPSB Monthly Expenses	Total Monthly Expenses	Year to Date Expenses	Balance Remaining
Personnel	\$ 23,690.50		\$ -	\$ -	\$ 23,690.50
Benefits	\$ 1,310.00		\$ -	\$ -	
Service Total	\$ 25,000.50	\$ -	\$ -	\$ -	\$ 23,690.50
Expense Categories	Total Budget	HHAP 4 - RRHO Monthly Expenses	Total Monthly Expenses	Year to Date Expenses	Balance Remaining
Benefits	\$ 5,323.00		\$ -	\$ -	
Rapid Rehousing	\$ 85,113.38		\$ -	\$ -	\$ 85,113.38
Program Costs	\$ 5,000.00		\$ -	\$ -	
Indirect (10% Max)	\$ 12,044.00		\$ -	\$ -	
Service Total	\$ 107,480.38	\$ -	\$ -	\$ -	\$ 85,113.38

*Attach all itemized invoices/receipts.

Total Amount to be Paid \$ - Remit Payment Via EFT

I certify that this report is correct and complete to the best of my knowledge and that the costs are eligible pursuant to the terms of the contract.

Person Completing Invoice Title

Contractor's Authorizing Signature

County Contract Manager Approval Signature and Date

Date Signed by Contractor

