

BOARD OF SUPERVISORS  
Yolo County, California

To: HHSA ✓  
Fin. Svcs. ✓

CONSENT CALENDAR

Excerpt of Minute Order No. 18-155 Item No. 25, of the Board of Supervisors' meeting of September 11, 2018.

MOTION: Rexroad. SECOND: Provenza. AYES: Saylor, Rexroad, Provenza, Chamberlain, Villegas.

25.

Approve Memorandum of Understanding with Mercy New Hope, L.P., dba Mercy Housing Management Group to coordinate services for individuals living at the Beamer Street permanent supportive housing project in Woodland, with a zero-dollar amount for the period from September 11, 2018 through June 30, 2048. (No general fund impact) (Larsen)

Approved **Agreement No. 18-195** on Consent.



## County of Yolo

www.yolocounty.org

To: Supervisor Oscar Villegas, Chair  
and Members of the Board of Supervisors

### Consent-Health & Human Services # 25.

#### Board of Supervisors

#### Adult & Aging

**Meeting Date:** 09/11/2018

**Brief Title:** Mercy New Hope, L.P.; Mercy Housing Management Group MOU

**From:** Karen Larsen, Director, Health and Human Services Agency

**Staff Contact:** Sandra Sigrist, Adult and Aging Branch Director, Health and Human Services Agency, x8794

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#### Subject

Approve Memorandum of Understanding with Mercy New Hope, L.P., dba Mercy Housing Management Group to coordinate services for individuals living at the Beamer Street permanent supportive housing project in Woodland, with a zero-dollar amount for the period from September 11, 2018 through June 30, 2048. (No general fund impact) (Larsen)

#### Recommended Action

Approve Memorandum of Understanding with Mercy New Hope, L.P., dba Mercy Housing Management Group to coordinate services for individuals living at the Beamer Street permanent supportive housing project in Woodland, with a zero-dollar amount for the period from September 11, 2018 through June 30, 2048.

#### Strategic Plan Goal(s)

Operational Excellence  
Thriving Residents  
Safe Communities

#### Reason for Recommended Action/Background

On August 23, 2007, the State of California Department of Mental Health (SDMH) and the California Housing Finance Agency (CalHFA) released the Mental Health Services Act (MHSA) Housing Program notice of availability of funds to solicit qualified borrowers interested in applying for capital development and operating subsidies for permanent supportive housing for individuals with psychiatric disabilities who are homeless or at risk of homelessness and their families. Supportive housing is a nationally recognized evidence-based practice that has consistently shown that coupling appropriate services with permanent housing increases housing stability and the likelihood that the tenant will remain connected to mental health treatment.

The County, through its Health and Human Services Agency, administers the Yolo County MHSA Programs. The County submitted a collaborative application requesting capital development and operating subsidies to SDMH and CalHFA for the development of the permanent supportive housing project at Beamer Street in Woodland for individuals with a serious mental illness who are homeless and their families.

In the attached Memorandum of Understanding (MOU), the County and Mercy Housing Management Group agree to work together, establish a foundation of trust and partnership, and provide seamless and high quality services to each tenant of the housing project, based on the tenant's individual needs. All parties agree to coordinate their resources and actions toward the common goal of enabling persons with serious mental illness who are homeless, or at risk of homelessness, and their families to achieve permanent supportive housing and self-sufficiency by promoting the integration of affordable housing and appropriate supportive services including mental health support systems.

By approving this MOU, Yolo County is committing to providing a range of services for the duration of the life of the 30-year loan, including:

- Tenant Certification Process to approve applicants and certify them as a MHSA-eligible client;
- Outreach, Allocation and Screening to establish a list of County-certified clients to expedite the process of leasing new and vacated units;
- Ongoing Tenancy Supports to residents to ensure involved parties are in compliance and units are being fully utilized; and
- Coordination of Communication with all parties to discuss coordination of services, referrals and vacancies.

**Collaborations (including Board advisory groups and external partner agencies)**

County Counsel has approved this Agreement as to form.

**Competitive Bid Process**

N/A

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**Fiscal Information**

No Fiscal Impact

Fiscal Impact of this Expenditure

Total cost of recommended action	\$0
Amount budgeted for expenditure	\$0
Additional expenditure authority needed	\$0
One-time commitment	Yes

Source of Funds for this Expenditure

Further explanation as needed

No general funds are required by this action. This agreement does not have a direct cost associated with it. Any costs associated with the County share of the shared services specified in the MOU will be approved through the County budget process.

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**Attachments**Att. A. Agreement

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Karen Larsen	Karen Larsen	08/29/2018 03:03 PM
Constance Robledo	Constance Robledo	08/29/2018 03:26 PM
Financial Services	Tom Haynes	08/30/2018 01:42 PM
County Counsel	Hope Welton	08/30/2018 02:00 PM
Form Started By: ahines		Started On: 07/11/2018 12:27 PM
Final Approval Date: 08/30/2018		

SEP 13 2018

BY *Supita Ramirez*  
DEPUTY CLERK OF THE BOARD

**MEMORANDUM OF UNDERSTANDING**

MOU No.

between

**Mercy New Hope, L.P.; Mercy Housing Management Group**

and

**The County of Yolo**

This Memorandum of Understanding (MOU), made and entered into on this 11th day of Sept., 2018, by and between Mercy New Hope, L.P. (hereinafter known as the "Project Sponsor/Developer"); Mercy Housing Management Group, a Nebraska not-for-profit corporation (hereinafter known as the "Property Management Company" or "Property Management"), and the County of Yolo, a political subdivision of the State of California, ("COUNTY");

**RECITALS**

**WHEREAS**, the Parties desire to coordinate their resources and actions toward the common goal of enabling persons with psychiatric disabilities who are homeless, or at risk of homelessness, and their families to achieve permanent supportive housing and self-sufficiency by promoting the integration of affordable housing and appropriate supportive services including mental health support systems; and

**WHEREAS**, on August 23, 2007, the State of California Department of Mental Health ("SDMH") and the California Housing Finance Agency ("CalHFA") released the Mental Health Services Act ("MHSA") Housing Program notice of availability of funds to solicit qualified borrowers interested in applying for capital development and operating subsidies for permanent supportive housing for individuals with psychiatric disabilities who are homeless or at risk of homelessness and their families; and

**WHEREAS**, COUNTY, through its Health and Human Services Agency, Mental Health Division, administers the Yolo County Mental Health Services Act (MHSA) Programs; and

**WHEREAS**, COUNTY will submit a collaborative application requesting capital development and operating subsidies to State Department of Mental Health (SDMH) and CalHFA for the development of permanent supportive housing for individuals with psychiatric disabilities who are homeless and their families; and

**WHEREAS**, although the funding award will be made directly to the qualified borrowers through a contract with CalHFA, COUNTY will commit to provide mental health services to those individuals entering MHSA funded units;

**NOW, THEREFORE**, the parties hereto mutually agree as follows:

**Article I. TERM**

The term of this MOU shall commence upon final execution and shall continue until the conclusion of the permanent loan, but in no event longer than thirty (30) years between Mercy Housing and CalHFA unless sooner terminated or extended, in whole or in part, to ensure that this MOU is in effect throughout the life of the aforementioned permanent loan.

**Article II. PURPOSE**

The purpose of this MOU is to:

- 2.1 Outline the roles and responsibilities of each party; and
- 2.2 For the Parties to coordinate their resources and efforts to provide permanent affordable housing to the MHSA Housing Program Target Population utilizing the supportive housing model. Supportive housing is a nationally recognized evidence-based practice that has consistently shown that coupling appropriate services with permanent housing increases housing stability and the likelihood that the tenant will remain connected to mental health treatment. Supportive housing has also been shown to reduce the high cost of providing services to homeless individuals with psychiatric disabilities and their families. Stable housing provides the foundation that enables individuals, through their resiliency, to further realize their life goals.

**Article III. GUIDING PRINCIPLES**

All Parties share the following common principles that will guide this housing project:

- 3.1 All Parties shall work together, establish a foundation of trust and partnership, and provide seamless and high quality services to each tenant, based on the tenant's individual needs.
- 3.2 Each tenant in an MHSA-funded unit shall have a "single fixed point of responsibility" (SFPR), which is the COUNTY or a county community-based provider that is primarily responsible for that tenant's mental health care.
- 3.3 All mental health services shall be client-driven and coordinated with the needs and wishes of the tenant.
- 3.4 Onsite supportive services provided by the Project Sponsor/Developer shall be designed to complement mental health services and will be made available to tenants eligible for MHSA-funded units on a voluntary basis.

- 3.5 In projects without onsite service coordination and with multiple SFPRs, the mental health services agency serving the greatest number of tenants shall be designated as the lead Supportive Services Provider.
- 3.6 All projects should protect privacy in the delivery of supportive services.
- 3.7 Every MHSA Housing Program project shall facilitate linkages to community-based services.

**Article IV. RESPONSIBILITIES OF COUNTY**

COUNTY shall:

**4.1 Tenant Certification Process**

- 4.1.1 Employ a tenant certification process, to be utilized before applicants are approved to move into a housing project. In order to guarantee that COUNTY is able to fund mental health services delivered to tenants of MHSA Housing Program units, each of those tenants must first be certified as an MHSA-eligible client in COUNTY system with an SFPR.

**4.2 Outreach, Application and Screening**

- 4.2.1 Inform contracted mental health services providers of COUNTY tenant certification process and encourage providers to refer for certification those clients that appear to meet the criteria for program participation.
- 4.2.2 Establish a centralized referral list of COUNTY-certified clients to help expedite the process of leasing new or vacated units. Clients on the list shall be notified when projects funded through the MHSA Housing Program are soliciting tenants.

**4.3 Ongoing Tenancy**

- 4.3.1 Conduct quarterly administrative and programmatic collaborative meetings to ensure that the involved parties are in compliance with this MOU and that the units funded through the MHSA Housing Program are being fully utilized.

**4.4 Communication**

- 4.4.1 Conduct quarterly meetings with representatives of the Project Sponsor/Developer and Property Management, to discuss coordination of services, referrals and vacancies.

**Article V. RESPONSIBILITIES OF THE PROJECT SPONSOR/DEVELOPER**

The Project Sponsor/Developer shall:

**5.1 Outreach, Application & Screening**

- 5.1.1 Make available 20 units of the total eighty (80) residential units for certified MHSA-eligible prospective tenants.
- 5.1.2 Ensure that COUNTY is notified if an applicant who has been certified by COUNTY as eligible for an MHSA funded unit is denied for tenancy. A copy of any denial notice will be sent to the COUNTY.

**5.2 Ongoing Tenancy**

- 5.2.1 Monitor and provide oversight of Property Management (if different from the Project Sponsor/Developer).
- 5.2.2 Place individuals who have been certified by COUNTY as eligible prospective tenants on the project's waiting list.
- 5.2.3 Notify eligible prospective tenants and COUNTY when new units under construction are placed into service and/or when vacancies occur in MHSA-funded units.
- 5.2.4 Develop and maintain a clear separation of responsibilities and duties between the Property Management and the Supportive Services staff (COUNTY or COUNTY contracted provider).
- 5.2.5 Subject to approval by COUNTY, establish policies and procedures for resolving conflicts between Property Management and Supportive Services and/or Mental Health Services Provider(s) when they cannot reach agreement on a course of action (e.g., mediation process, process with Board of Directors).
- 5.2.6 Comply with the necessary documentation and reporting requirements and guidelines as established by SDMH, the California Department of Health Care Services (DHCS), and COUNTY.

5.2.7 Assure regular training for onsite Property Management staff in advanced safety precautions, including first aid, crisis management, conflict de-escalation and other skills.

**5.3 Communication**

5.3.1 Provide COUNTY with a minimum of a sixty (60) day notice in writing when new units under construction are made available.

5.3.2 Assure that COUNTY is notified immediately if a tenant vacates a unit.

5.3.3 Assure that COUNTY is notified immediately if an SFPR has been non-responsive to requests regarding a tenant.

5.3.4 In projects with no onsite service coordination, conduct quarterly meetings with a designated representative of the tenant's Mental Health Services Provider to update the provider on the tenant's progress at the housing facility.

**Article VI. RESPONSIBILITIES OF PROPERTY MANAGEMENT**

Property Management shall:

**6.1 Outreach, Application & Screening**

6.1.1 Create admission, eviction, and appeals policies that are consistent with requirements established by Fair Housing laws and regulatory agreements with other funding sources. These policies must include reasonable accommodations for the needs of the target populations, particularly the needs of hard-to-serve individuals (e.g., individuals with histories of substance abuse as a co-occurring disorder, bad credit and/or incarceration).

**6.2 Move-In Process**

6.2.1 Notify the Supportive Services Provider of the day and time of move-in and, if the formal introduction to the Supportive Services Provider has not occurred prior to this time, facilitate an introduction.

6.2.2 Provide the Supportive Services Provider with current copies of the lease and the house rules for each property.

6.2.3 Provide an orientation to the lease and the house rules to new tenants to establish Property Management expectations in areas such as use of bathrooms/kitchens, rent collection, maintenance requests, etc.

6.2.4 Orient new tenants to emergency procedures.

### **6.3 Ongoing Tenancy**

6.3.1 If onsite service coordination is not provided, develop and maintain a system for identifying and noting changes of the County point of contact for each tenant, with contact information.

6.3.2 Comply with applicable local, State, and Federal statutes and regulations, specifically statutes and regulations governing Fair Housing and tenants' rights.

6.3.3 Manage and maintain projects, including having the capacity to respond to tenants' requests for service within seventy-two (72) hours, contingent on the nature of the request. This shall also include providing facility and maintenance support to areas utilized for any onsite service provision that is equivalent to the level of maintenance provided to tenants, not to include janitorial services.

6.3.4 Ensure that staff working in the housing site, including office staff, is introduced to the Supportive Services Provider staff and is aware of the roles and responsibilities of the Supportive Services Provider.

6.3.5 Provide the Supportive Services Provider with written policies and procedures for maintenance requests, including any forms that must be completed to request maintenance work.

6.3.6 Establish policies and procedures ensuring that tenants have access to Property Management for routine business during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, and at any time for emergencies.

6.3.7 Establish policies and procedures that provide COUNTY and/or the SFPR access to a management representative 24 hours per day for emergencies.

6.3.8 Establish age-appropriate property management policies (e.g., policies for TAY-only housing).

6.3.9 If there is no onsite service coordination, develop plans for the establishment of a project-wide tenant advisory board or other structures to solicit tenant input regarding house policies and rules.

**6.4 Lease Violation Interventions/Eviction Prevention**

6.4.1 Establish policies to help tenants obtain the appropriate support and services they need to maintain their permanent housing in times of crisis.

**6.5 Safety, Security, and Emergency Response**

6.5.1 Provide regular trainings for tenants and staff on basic safety and evacuation procedures.

6.5.2 Post evacuation plans for the housing site and provide Supportive Services Provider staff with copies of current evacuation plans.

6.5.3 Ensure that all onsite staff is trained on when to call emergency medical personnel or the police, and when to communicate with their supervisors and/or the Supportive Services Provider in the event of an emergency.

6.5.4 Maintain an incident and maintenance log and allow the Supportive Services Provider(s) to review those logs on an as-needed basis.

**6.6 Communication**

6.6.1 Notify COUNTY immediately of any upcoming vacancies in MHSA-funded units.

6.6.2 If onsite service coordination is not provided, notify the SFPR when a tenant is displaying behaviors that could jeopardize tenancy such as failure to pay rent or conflicts with property management or other tenants.

6.6.3 Notify all Parties of any potential changes to the regular operations of the housing site, or any potential changes or losses of funding that could impact the operations of the housing site.

6.6.4 Notify County and the SFPR immediately of any critical incidents at any MHSA-funded building that results in emergency service response or police action resulting in arrest, loss of life or serious bodily harm.

6.6.5 Report any unusual or uncharacteristic tenant behavior to onsite Supportive Services staff or Mental Health Services staff (if no onsite service coordination) in a timely manner.

6.6.6 Participate in regular and ongoing (weekly) team meetings which includes a standardized agenda. These meetings should include at a minimum:

significant and relevant changes, rent changes, events and activities scheduled at the property, legal notices received by residents, lease violations, eviction updates, resident issues and move-in and outs, as well as Resident Services outreach efforts, referrals, and outcomes.

**Article VII. RESPONSIBILITIES OF THE SUPPORTIVE SERVICES PROVIDER.**

COUNTY and/or contract provider (if applicable) will provide supportive services.

The Supportive Services Provider shall provide:

**7.1 Move-In Process**

- 7.1.1 Explain to new tenants the roles and responsibilities of Property Management and the Supportive Services Provider and obtain written permission from tenants for Property Management staff to contact the Supportive Services Provider should any behaviors occur (e.g. failure to pay rent or to follow terms and conditions of the lease or the house rules) that could place their housing in jeopardy.
- 7.1.2 Make staff available to meet with incoming tenants at the time of move-in, provided there is reasonable notice by Property Management.
- 7.1.3 Orient new tenants to the services available onsite and provide them with information on community resources they may find helpful.
- 7.1.4 Advise tenants of the array of supportive services available, and provide the opportunity and strategies to encourage participation in supportive services and receive individual and group services.

**7.2 Ongoing Tenancy**

- 7.2.1 Ensure that face-to-face contact with each tenant occurs at least one (1) time per month and when requested by Property Management.
- 7.2.2 Develop and maintain a HIPAA-compliant system for identifying each tenant and his/her identified personal and community supports including but not limited to the Mental Health Services Provider/SFPR and assigned clinician/case manager, including contact information.
- 7.2.3 Be knowledgeable of community services and supports including, but not limited to health care, child care, alcohol and substance abuse treatment, domestic violence, education and/or employment services and self-help groups, and make this information readily available to tenants.

- 7.2.4 In collaboration with each tenant and the SFPR, conduct needs assessments, develop recovery focused service plans and establish appropriate linkage to community-based services such as health care, child care, alcohol and other substance abuse treatment, domestic violence, education and/or employment services, self-help groups and other services essential for achieving and maintaining independent living, if not otherwise provided through the Mental Health Services Provider.
- 7.2.5 Conduct ongoing assessments/evaluations to monitor progress and provide appropriate interventions as needed, including coordination with the Mental Health Services Provider.
- 7.2.6 Update residents' service plans at least annually.
- 7.2.7 Coordinate on- or offsite self-help groups and MHSA tenant councils that plan social activities for residents, which include but are not limited to recreational and social events, holiday picnics/barbecues and birthday celebrations.
- 7.2.8 Provide life skills training which includes, but is not limited to, health education, money management, housekeeping, menu planning, meal preparation, and being a good neighbor.
- 7.2.9 Provide Property Management with a list of staff hours and schedule that staff will be on-site and regular supportive service events at each site, and keep this list updated.
- 7.2.10 Establish and maintain a tenant council or other structure(s) of MHSA funded tenants to solicit tenant input regarding house policies and rules.

### **7.3 Lease Violation Interventions/Eviction Prevention**

- 7.3.1 In collaboration with the tenant and Property Management, establish plans to help tenants obtain appropriate support and services they need to maintain their permanent housing in times of crisis (e.g., plans to support people with a history of hoarding get the help they need if they experience a relapse, or policies on contacting a community mental health provider, and/or obtaining immediate emergency assistance in time of crises).
- 7.3.2 Assist tenants in times of crisis to obtain the appropriate support and services they need to maintain their permanent housing, in accordance with the established plans.

#### **7.4 Communication**

- 7.4.1 With a signed Release of Information on file, notify Property Management of any changes in the supportive services package offered to tenants, and any potential changes or losses of funding that could impact the availability of supportive services.
- 7.4.2 Act as a liaison among Property Management and the tenant and the to facilitate the communication of concerns that could jeopardize a tenant's residency;
- 7.4.3 Participate in regular and ongoing (weekly) team meetings which includes a standardized agenda. These meetings should include at a minimum: significant and relevant changes, rent changes, events and activities scheduled at the property, legal notices received by residents, lease violations, eviction updates, resident issues and move-in and outs, as well as Resident Services outreach efforts, referrals, and outcomes.

#### **Article VIII. RESPONSIBILITIES OF THE MENTAL HEALTH SERVICES PROVIDER**

The Mental Health Services Provider(s) shall:

##### **8.1 Moves-In Process**

- 8.1.1 At the tenant's request, Mental Health Services Staff/the SFPR shall accompany the tenant to the site to orient him or her to the new building.

##### **8.2 Ongoing Tenancy**

- 8.2.1 Provide mental health services including assessment, individual and group therapy, rehabilitative groups, case management, crisis intervention, medication support, and psychiatric services.
- 8.2.2 Have the capacity to respond 24 hours a day, 7 days a week for crisis intervention as needed.
- 8.2.3 Coordinate and participate as needed (at least once a month) in case conferences with the other members of the tenant's support team to discuss tenants' progress.
- 8.2.4 Collaborate with Property Management and the Supportive Services Provider as appropriate to ensure that tenants obtain the supports and services they need to maintain their housing.

8.2.5 Access available housing assistance funds to help tenants maintain their housing in times of crisis (e.g., when tenants are absent for some brief period of time due to hospitalization or entry into a rehabilitation program).

8.3 Communication

8.3.1 Participate in regular and ongoing (weekly) team meetings which includes a standardized agenda. These meetings should include at a minimum: significant and relevant changes, rent changes, events and activities scheduled at the property, legal notices received by residents, lease violations, eviction updates, resident issues and move-in and outs, as well as Resident Services outreach efforts, referrals, and outcomes.

**Article IX. GENERAL RESPONSIBILITIES OF ALL PARTIES**

All Parties shall:

- 9.1 Participate in regular joint meetings of direct service staff, coordinated by County, on at least a quarterly basis. The purpose of this meeting will be to discuss coordination of services, referrals and vacancies.
- 9.2 Share with each other phone and contact directories of key staff involved with the housing development within their respective organizations (e.g., property managers, maintenance staff, supervisors, case managers, emergency contact phone numbers, etc.). The directory shall include e-mail, fax, and phone numbers where available and appropriate.
- 9.3 Share written policies, procedures and forms for filing complaints, grievances, and incident reports related to owners, managers, or services, including an overview of the reporting structure within each organization.
- 9.4 Respect tenant confidentiality and share confidential information about specific tenants only when they have signed a release of information in a form provided by the County, or as otherwise allowed by law. All parties agree that their intake and consent documents will disclose to tenants in writing that they live in a supportive housing site in which County, Property Management, Supportive Services Providers and Mental Health Services Providers communicate confidential tenant information only when: 1) tenants have signed the above-referenced release of information form; or 2) as otherwise allowed by law.

- 9.5 Conduct regular trainings for staff regarding maintaining client/tenant confidentiality, and include maintenance of client/tenant confidentiality as a work performance expectation for all appropriate job classifications.
- 9.6 Participate in regular joint meetings of management level staff coordinated by County. These meetings shall occur at least two times per year, with the annual schedule established in advance.
- 9.7 Reference the *Supportive Housing Property Management Operations Manual* published by the Corporation for Supportive Housing as a guide and reference tool for the successful operation of supportive housing.
- 9.8 Participate in data collection requirements of the MHSA Housing Program, to include information specific to each Party's function (e.g. occupancy reports and participation in services).

**Article X. IMPLEMENTATION AND EVALUATION**

Upon the availability of MHSA funded units, County will coordinate quarterly administrative and programmatic meetings to ensure that all involved parties are in compliance with this MOU and that the units funded through the MHSA Housing Program are being fully utilized. In addition, the participants will determine strengths and areas needing improvement.

The Parties involved agree to establish the following objectives regarding housing stability, increased skills or income, and self-determination as a means of evaluating the program. These objectives will also be reported at the above quarterly meetings, and will be assessed periodically for appropriateness.

- 10.1 The housing project will average a 90% occupancy rate for MHSA funded units over each operating year, subsequent to fully leasing the units;
- 10.2 At least 50% of tenants in MHSA funded units will be engaged in a minimum of 10 hours per week of meaningful activity to include vocational/educational training, volunteering, sheltered or competitive employment or other community integration activities for at least 6 months of the operating year; and
- 10.3 At least 60% of tenants in MHSA funded units will participate in one self-help activity per month.

**Article XI. DATA COLLECTION**

- 11.1 **Project Sponsor/Developer**

The Project Sponsor/Developer shall have the capability to and shall collect, manage and submit data as directed by County to demonstrate tenant outcomes inclusive of the MHPA guidelines set forth by COUNTY, DHCS, and SDMH. Project Sponsor/Developer shall work with COUNTY to develop and implement tenant profiling and tracking systems that include tenant characteristics and demographics, collection and reporting of data on the outcomes, method of monitoring the quality of services provided, and survey instruments.

#### **11.2 Mental Health Services Provider**

The Mental Health Services Provider shall comply with the tracking and data collection requirements of the MHPA Full Service Partnership programs or other MHPA programs, as applicable.

### **Article XII. INDEMNIFICATION**

Each party shall exercise all of the care and judgment consistent with good practices in the performance of the services required by this MOU. In addition, each party shall indemnify, defend and hold harmless the other parties, its elected and appointed officials, officers, agents, employees and volunteers, from any and all claims, demands, costs (including attorney fees), expenses, judgments, liability, loss, injury, or damages arising out of or in connection with the performance of this MOU by each party and/or its employees, officers, agents or subcontractors, excepting only loss, injury, or damage caused by the negligence or willful misconduct of personnel employed by each party. Each party shall, at its own expense, defend any and all such actions, and shall at its own expense pay all costs (including attorney fees), and other expenses arising therefrom or incurred in connection therewith. If any judgment shall be rendered against any party in any such action, each party shall at its own expense satisfy and discharge the same.

### **Article XIII. RECORDS AND AUDITS**

13.1 The qualified borrower receiving funding from the application to SDMH and CalHFA shall establish and maintain, on a current basis, an accounting system in accordance with generally accepted accounting principles and standards as well as all federal, State and local requirements.

13.2 Property Management shall allow the COUNTY, California Department of Healthcare Services, Centers for Medicare or Medicaid Services, the Office of the Inspector General, the Comptroller General of the United States, and any other authorized federal and state agencies, or their duly authorized designees, to evaluate Property Management's performance under this MOU, including the quality, appropriateness, and timeliness of services provided, and to inspect, evaluate, and audit any and all records, documents, and the premises, equipment

and facilities maintained by Property Management and its subcontractors pertaining to such services at any time. Property Management shall allow such inspection, evaluation and audit of its records, documents and facilities, and those of its subcontractors, for 10 years from the term end date of this MOU or in the event Property Management has been notified that an audit or investigation of this MOU has been commenced, until such time as the matter under audit or investigation has been resolved, including the exhaustion of all legal remedies, whichever is later. (See 42 C.F.R. §§ 438.3(h), 438.230(c)(3)(i-iii).)

Records and documents include, but are not limited to all physical and electronic records and documents originated or prepared pursuant to Property Management's or a subcontractor's performance under this MOU including working papers, reports, financial records and documents of account, beneficiary records, prescription files, subcontracts, and any other documentation pertaining to covered services and other related services for beneficiaries.

Any failure or refusal by Property Management to permit access to records by the County, California Department of HealthCare Services, Centers for Medicare or Medicaid Services, the Office of the Inspector General, the Comptroller General of the United States, and other any other authorized federal and state agencies, or their duly authorized designees, as otherwise provided by this MOU, any controlling State agreement, State and/or Federal laws and regulations, shall constitute an express and immediate breach of this MOU.

Property Management shall also be subject to the examination and audit of the Auditor General for a period of three (3) years after the expiration or earlier termination of this this MOU (Government Code, Section 8546.7).

#### **Article XIV. INDEPENDENT CAPACITY**

All Parties in the performance of this MOU will be acting in an independent capacity. Therefore, the employees or agents of one Party shall not be deemed or construed to be the agents or employees of the other Parties for any purpose whatsoever.

#### **Article XV. MODIFICATIONS**

All modifications to this MOU shall be in writing and must be approved by all Parties.

#### **Article XVI. APPLICABLE LAWS**

The Parties shall comply with all applicable Federal, State and local laws, as well as new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this MOU.

**Article XVII. COMPLETE AGREEMENT**

This MOU contains the full and complete agreement among the Parties.

**Article XVIII. TERMINATION**

Notwithstanding existing contracts with any party, the following termination clause applies:

This MOU may be terminated at any time by any Party upon giving a minimum of sixty (60) days' notice in writing or until a new party has been put into place to serve in the same capacity as the terminating party, whichever is sooner.

**Article XIX. NOTICE TO PARTIES**

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to COUNTY shall be addressed as follows:

**YOLO COUNTY  
HEALTH AND HUMAN SERVICES AGENCY  
137 N. Cottonwood St., Suite 2500  
WOODLAND, CA 95695  
ATTN: KAREN LARSEN**

or to such other location as the COUNTY directs.

Notices to Mercy New Hope, LP shall be addressed as follows:

**Mercy New Hope, L.P.  
C/O Mercy Housing California  
2512 River Plaza Drive, Ste 200  
Sacramento, CA  
ATTN: Stephan Daues, Vice President**

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the dates indicated herein above.

**PROJECT SPONSOR/DEVELOPER**

By: [Signature]  
Stephan Daues, Vice President  
Mercy New Hope, L.P., a California  
Nonprofit Public Benefit Corporation,  
Its Managing Member

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

**PROPERTY MANAGEMENT**

By: [Signature]  
Mercy Housing Management Group, a  
Nebraska not-for-profit corporation

**COUNTY OF YOLO**

By: [Signature]  
Oscar Villegas, Chair  
Board of Supervisors

Date: 09/11/18  
[Signature]

Karen Larsen, Director  
Health and Human Services Agency

Attest:  
Julie Dachtler, Deputy Clerk  
Board of Supervisors

By: [Signature]  
Deputy  


Approved as to Form  
Philip J. Pogledich, County Counsel

By: [Signature]  
Carrie Scarlata, Asst. County Counsel