



TAB G

Sample Memorandum of Understanding (MOU) for Permanent Supportive Housing



- **Preparing an MOU** **3 pages**
- **Sample MOU 1 – Partnering Nonprofits** **10 pages**
- **Sample MOU 2 – Nonprofit, Social Service Agency & Property Manager** **8 pages**
- **Sample MOU 3 – Property Manager and Service Provider** **2 pages**
- **Sample MOU 4 – Two Shared Owners** **4 pages**
- **Letter of Intent for Sample MOU 4** **3 pages**



CORPORATION *for* SUPPORTIVE HOUSING

PREPARING MEMORANDA OF UNDERSTANDING

CSH strongly recommends that the supportive housing partnership prepares a memorandum of understanding during the development phase of your project. As your partnership could include five or more entities, including the owner(s), property manager, service provider(s) developer and tenant representative it is important to define and clarify each partner's roles and responsibilities, and the risks and benefits of the partnership over the course of development and operations. Because property management and services contracts and plans will need to be finalized in advance of loan closings, you should begin this process of defining and clarifying roles and responsibilities very early in the process.

An MOU is a legally binding document. Groups can initiate the process of clarifying roles and responsibilities through letters of intent then make the document more legally precise through an MOU. Actual contracts between the owner and service provider and property manager follow the preparation of MOU's.

ATTACHMENTS

On the next page you will find a list of items that you may wish to include in your MOU.

Also attached are three examples of MOUs and an example of a letter of intent:

- The first is a letter of intent between a housing developer and service agency owner.
- The second is a sample MOU between a developer, service provider and property mgr.
- The third is a sample MOU between property manger and service provider.
- The fourth is an actual MOU between two owners and a service provider.

Suggested areas to focus on in developing in an MOU

- development phase
 - ⇒ responsibilities for development
 - ⇒ role of all parties in development decisions
 - ⇒ determination of division of any development fees
 - ⇒ preparation of services plan
 - ⇒ selection of property management agent and development of plan
 - ⇒ organizational structure (single asset, shared ownership)
- Other agreements or MOUs that will be or have been established
- definitions of on-site services
- definition of target population
- definition of income targeting
- tenant selection/eviction: roles of owner, property manager, service provider, and MSHDA Housing Agent if PBV assistance is planned.
 - ⇒ referral systems
 - ⇒ Project Based Voucher (PBV)
 - ⇒ waiting list procedures
 - ⇒ determining eligibility
 - ⇒ screening criteria and process
 - ⇒ eviction process
- Security systems
- guiding principles for the building-mutual goals
- scope of services for owner, property manager, service provider, and MSHDA Housing Agent if PBV assistance is planned.
 - ⇒ Owner
 - Support the special needs component
 - ⇒ Property Management
 - training of PM staff who lack experience w/target tenant group
 - role in reporting to funders
 - rent collection, administration, maintenance/repair
 - intake, screening and eviction
 - operating budget development
 - ⇒ Asset Management
 - oversight roles
 - capital facilities planning
 - reporting to funders
 - operating budgets
 - ⇒ Scope of services for service provider
 - staffing pattern (# employees, PT/FT FTE's, coverage)
 - role in tenant referral, intake, screening, and eviction
 - services offered

- coordination with property manager
- referrals to other services

- ⇒ MSHDA Housing Agent (if PBV assistance is planned)
 - tenant selection
 - maintains waiting list
 - rent re-determination

- funding
 - ⇒ anticipation of continuance of funding
 - ⇒ MOU contingent on continued funding
 - ⇒ where future dollars will come from
 - ⇒ who will be responsible for future fundraising, preparation of funding applications
 - ⇒ what will happen if funding runs out.

Sample MOU: Partnering Non Profits

MEMORANDUM OF UNDERSTANDING

Cross Housing, Inc. (Developer) and Catholic Social Services (CSS-Service Provider)

I. PURPOSE & GUIDING PRINCIPLES

This agreement for services entered into October 1, 2005 is between Cross Housing a non-profit corporation and Catholic Social Services (CSS), a non-profit corporation. The purpose of this Memorandum of Understanding is to delineate Cross' model of supportive housing, encourage cooperation between Cross' Housing and Catholic Social Services in upholding and improving the model, and to detail the distinct roles and responsibilities of each party.

Cross Housing provides permanent affordable housing for individuals and families with extremely low incomes. The majority of Cross Housing tenants have experienced homelessness, repeated eviction, or histories of unstable housing, as well as disabilities or special needs. In order to maximize housing stability for tenants, Cross' model of Supportive Housing includes a combination of Advanced Property Management (provided by Cross) and Supportive Housing Services (provided by CSS). Both activities share the common goals of helping people maintain a stable housing situation, and improving their quality of life. These goals are based on the belief that housing is a human right and a basic need that must be met in order for someone to successfully address significant life challenges.

Cross' **Advanced Property Management** approach blends traditional landlord work with a variety of outreach, engagement and community building activities designed to prevent eviction. Key elements of this approach are:

- Creative Accommodations,
- Referral and Advocacy,
- Positive tenant relationships,
- Respect for tenants rights.

Supportive Housing Services are contracted with an outside agency, HSS, to eliminate role confusion and the potential misperception that tenants are living in a "residential program." **Participation in services is voluntary and is not a condition of tenancy, unless negotiated as an alternative to eviction.** The major principles of Supportive Housing Services are:

- Services are individualized,
- Services are flexible and will vary in intensity based on tenant need,
- Services are ongoing and are not time limited, and
- Services are provided on-site or as needed in tenant's homes or in the community.

II. AGENCY ROLES & RESPONSIBILITIES

The success of the Supportive Housing Model is predicated upon a constructive, functioning partnership between Cross Housing, the housing provider, and HSS, the

services provider. This partnership must be grounded in a clear understanding of each agency's role in serving Cross Housing tenants, a commitment to upholding the principles of the model, and a capacity to maintain open lines of communication between the agencies, except where constrained by tenant confidentiality concerns.

A. Cross Housing, Inc

Cross Housing will be responsible for the operations of all Cross Housing properties including:

Property Management:

- Tenant Selection and Wait List management
- Rent Collection
- Lease Compliance
- Maintenance and Repair of Cross properties
- Facilitation of the involvement of HSS workers on Cross properties.
- Assessment of housing risk of incoming tenants.
- Referral of moderate and high risk tenants to HSS staff for further engagement.
- Participate in in-depth assessment of higher risk tenants with HSS staff.
- Participate in development of Housing Permanency Plans with HSS and tenants.
- Meet with HSS staff on a regular basis, and tenants periodically, to review housing status and to address unmet needs or unresolved issues.

Tenant Programs Management:

- Monitor HSS program outcomes and reports
- Assist with development of services to new or specialized populations
- Work with HSS program supervisors on issues of staff training, evaluation, planning, and tenant needs
- Develop budget and identify resources for ongoing funding for tenant programs
- Advocacy and community education at local, state and federal level for supportive housing and funding for services programs.
- Coordinate with HSS on student intern programs
- Oversee Sunny Way Community Center development
- Assist tenants with organizing and advocacy efforts

B. Catholic Social Services

Catholic Social Services will provide support services to Cross tenants utilizing a proactive, coordinated approach upholding the stated mission of Cross' model of Supportive Housing: ***to facilitate the success of Cross tenants in the achievement of housing permanency and satisfaction in their personal lives with the least amount of timely, on-going, and proactive professional and peer support.***

Catholic Social Services will be available 24 hours a day, 7 days a week with cell phone and pager service. HSS staff will meet regularly with Cross property managers to ensure open and frequent communication. HSS will also assist with public relations and public speaking efforts in an effort to advocate for supportive housing.

Cross will provide HSS with office space at the following locations:

- 415 N. Beach
- 1010 Sand
- Sunny Way Community Center

Supportive Housing Services

Supportive Housing Services should be culturally responsive, home-based when possible, comprehensive, and flexible so that personal, social, and cultural needs of all household members are met. Services are designed to solve predictable problems by proactive planning, relationship building, vigilant oversight of critical incidents, and communication and coordination with property managers.

Supportive Housing Services activities include the following key components:

1. Outreach and Engagement

Early and continuous engagement is the cornerstone of effective provision of supportive housing services. This includes assistance with basic needs, social and recreational activities, check-ins with tenants, and friendly visits- including those who may not currently be participating as clients. Every effort should be made to create an environment where there is a standing offer of support.

2. Assessment

Assessments will be completed for every tenant who agrees to receive services, and for those who have negotiated participation as an alternative to eviction. The comprehensiveness of the assessment will vary based on tenant needs and interest. The assessment will be timely to allow for early identification of challenges and strengths and will include assessment of housing risk and quality of life. To the greatest extent possible the assessment will be tenant-directed, strengths based, and will include evaluation of other systems of care involved in the tenants' life. The assessment tool will be the same tool used to measure tenant outcomes for bi-annual reporting.

3. Crisis Intervention

HSS will be available 24 hours for emergency response and will provide direct assistance with medical, psychiatric, legal, domestic violence or other types of emergencies. HSS staff will notify and coordinate with property manager in such cases, and will provide ongoing monitoring of critical incidents. Efforts will be made to resolve incidents quickly and prevent future incidents by identifying and addressing root causes.

4. Creative Problem Solving and Advocacy

Advocacy and problem solving efforts will focus on finding creative solutions and engaging any necessary players in the community. This may include acting as the tenant's advocate with other nonprofit service providers, mainstream public service systems, the legal system, schools, and others, including Cross Housing.

5. Community Building

Building a sense of community is essential to the success of Cross' model of supportive housing. This includes encouraging and assisting tenants to increase their connections within the Sunny community and in the community at large through both formal and informal activities – social, recreational, cultural, etc. HSS staff will also support and coordinate with Cross' on tenant organizing initiatives such as the Community Farm Program.

6. Housing Permanency and Services Planning

Housing Permanency and Service Plans will be developed for all tenants referred to HSS who choose to accept individualized supports. Plans should include identification of priorities, action steps and goals for reducing or eliminating threats to housing stability, improving quality of life, and achieving identified personal goals. They will vary based on tenant needs and interest. Plans are developed by the tenant and HSS staff, with involvement of the Cross property manager in the area of housing risk assessment and necessary property management enhancements. If a tenant declines to participate but presents a high housing risk, Cross and HSS will develop a plan that will include specific outreach and engagement efforts. All plans will be reviewed and updated regularly.

Housing Permanency and Service Plans should cover the following areas:

- a. **Personal and social assets of the tenant,**
- b. **Physical and mental health issues,**
- c. **Financial stability, money management,**
- d. **Family safety management,**
- e. **Education, employment, or community service involvement,**
- f. **Social supports including connection with family, friend, congregation, or community,**
- g **Child welfare and development.**

Plans will be specific with regard to tenant, HSS, and property management actions necessary to assist the tenant to maintain their housing and achieve personal goals designed to enhance quality of life. Plans will be creative and wide ranging based on individual tenant need, and will determine the level of HSS involvement in the following areas:

- **Case Management:** Ensuring availability and monitoring ongoing effectiveness of comprehensive service coordination for high-risk or high-needs families and individuals through referral and advocacy with appropriate community agencies. HSS will provide case management as needed for tenants who have no other options.
- **Mental Health Support:** Ongoing observation of consumer's mental health status, communication with involved professionals, assistance with care coordination, and advocacy for increased services as necessary. For tenants with suspected but undiagnosed mental health issues which are perceived to be interfering with housing and quality of life, HSS staff will make referrals for appropriate assessment, counseling or treatment, and will help tenant negotiate public mental health system as necessary.
- **Medical Care:** Coordination of health care services as needed, including referrals to public insurance or indigent care programs. HSS staff may be required to act as patient advocate, monitoring care advice, providing transportation, and accompanying tenant to appointments.
- **Substance Abuse Recovery Support:** Referrals to appropriate de-tox facilities or assessment with local CDR, facilitation of residential treatment, follow-up, counseling, peer group support, and connection to AA programs. HSS staff

should accompany tenants to appointments if indicated and assist tenants with participation in/organization of substance free activities.

- **Conflict Mediation:** Facilitation of house or building meetings, fostering effective communication around issues pertaining to noise, guests, children's behavior, parking, etc., especially for tenants whose perceptions may be compromised by a mental illness or substance abuse problem.
- **Coordination of Entitlements:** Assistance with application, appeal process and problem solving, and referrals to Legal Services as indicated.
- **Employment Support:** Referrals and help with enrollment in jobs and skills training programs. HSS should assist with employment applications, preparations for interviews (including role playing) as necessary.
- **Money Management and Financial Literacy:** Assistance with budgeting, making payment arrangements, securing emergency funds including loans, and if indicated, providing referrals and advocacy support for representative payee-ships. HSS may also support tenants in learning the basics of banking, credit and debt management, electronic payment of bills, and automatic deposit of benefits.
- **Household Support:** Assist with grocery shopping, cleaning, laundry, meal preparation, and other basic living skills as needed in order to maintain health and hygiene of tenant and housing unit.
- **Education:** Assistance to tenants planning for educational advancement, including application process, including documentation for financial aid, registration, and preparing for participation in classes.
- **Transportation:** Aid for tenants in negotiating public transportation system as needed for work, school, or recreation. Provide transport to places not accessible by public transportation, difficult to manage with children, or as indicated by status of individual's physical or mental health. HSS will transport tenants to hospital for issues that require immediate attention (but not emergency medical transport) when no other options are available unless otherwise indicated by a tenant's Housing Permanency Plan or CSTS instruction.
- **Socialization/Recreation:** Development of positive social networks fostered through HSS, Cross, or community sponsored activities. Tenants will be regularly polled to determine level of interest in type, quality, and quantity of activities.
- **Legal Assistance:** Referrals to Legal Services for range of assistance including Personal Protection Orders (PPO), access to entitlement programs, and issues around child support. HSS will assist tenants in following through with documentation and appointments in support of legal process.
- **Security:** Staff assistance with enforcement of PPO, Trespass Warrants, and routine limit setting by tenants with their guests. Increased HSS staff presence

may be indicated on certain properties to deter predatory behaviors by unwanted guests.

Family Supportive Housing and the Sunny Way Community Center

Providing supports to families with histories of homelessness, special needs, and long term poverty presents particular challenges. Most Cross family households are headed by a single parent faced with serious time constraints, and who may be reluctant to involve outsiders in issues such as child development, and family safety due to feelings of fear, guilt and pride.

Based on our own experience as well as best practices in supportive housing around the country, Cross developed the **Sunny Way Community Center** as a context for engaging families and providing services based on the following principles:

- Children need a safe place to play, build confidence and dream
- Parents become engaged through their children
- Families benefit most from concrete assistance and skill building
- Support services are most effective when they are easily accessed and readily available
- Building trust and community is essential for fostering participation in services and programs
- Bringing people together – whether for a class or a meal- is an effective way to reduce isolation and stigma. It enables people to help each other, and rely less on professional services.
- Many of the problems Cross families face do not require clinical solutions
- Sunny Way Community Center will provide resources as well as opportunities for organizing, teaching, and improving our families' quality of life for the long term.

In addition to those activities listed above that relate to all Cross tenants, the following supports will be incorporated to the Housing Permanency Plans of family households as needed:

- **Parenting Support:** HSS will provide support & assistance with communication, parenting skills development, anger and stress management, including referral to appropriate community programs.
- **Family Safety Planning:** For families with a verified or suspected history of domestic violence, HSS will work with local domestic violence service providers and families to develop planned response to any escalation of violence in the home.
- **Education Support and Advocacy:** HSS will assist parents with communicating with school personnel, advocating for special school-based services and supports when necessary, and resolving truancy issues.
- **Child Health and Development :** Staff will informally monitor health of children and conduct regular assessments as necessary to determine developmental gains and progress.
- **Family Reunification Assistance:** For families with household members who are incarcerated, hospitalized, or in treatment facilities, as well as children who are temporarily placed out of home, HSS will work with family as well as other

service providers on developing and supporting appropriate and workable plans for reunification, as well as problem solving around issues arising from the absence of a household member.

- **Specialized Counseling** : HSS will help families locate - or will directly provide if appropriate - the following:
 - Individual and family counseling and therapy
 - Psycho-educational groups
 - Other specialized therapeutic groups, such as support for survivors of domestic violence
 - Support services for families who have a family member living with a mental illness or substance abuse disorder.

- **Family Health Care:** HSS will help families negotiate medical system and ensure that each has a primary care provider familiar with their household members.

The Sunny Way Community Center will offer programs, activities, and workshops based on tenants' identified needs and interests, including the following:

- After-School Programs: homework assistance, tutoring, arts classes, access to computers;
- Child/Adult Literacy programs: Parents reading with children and learning to follow their child's progress in school;
- Employment Assistance Groups: help with resumes, job search, interview preparation, basic work skills development;
- Teen Center for college/job prep plus productive social and recreational activities
- Art and Music programs;
- Fitness and Nutrition programs;
- Parent Pre-School Coop;
- Meals and Food Distribution Program.

Staffing & Training

CSS agrees to provide staff trained and experienced working with individuals and families living with disabilities and special needs, including but not limited to mental illness, substance abuse, and a history of chronic homelessness. Staff assigned to work with families will have additional experience and education appropriate to serving low-income, high-risk households with children.

The structure of services to Cross tenants is designed to promote and facilitate collaborative partnerships with tenants, property management and HSS staff. The HSS program will encourage consistent relationships between tenants and staff, and limit the number of staff involved with each tenant. The program should be structured to minimize staffing turnover by offering reasonable, competitive salaries and benefits, focusing on the hire of full-time staff, and offering staff training and advancement opportunities.

CSS will ensure that all HSS staff are oriented and trained to deliver services to tenants in accordance with the principles and methods of the Cross' Advanced Management and Supportive Housing Model. Additionally, staff will be provided training around specific issues as indicated by CSS and Cross as the need arises.

III. SERVICES PERFORMANCE

The following is a listing of internal performance indicators and targets to be achieved by HSS for the duration of this agreement.

1. Assessments are attempted or performed within 10 days of tenant referral.
2. Housing Permanency Plans are developed within 30 days on all tenant referrals.
3. All tenants with Housing Permanency Plans have regular "Check- Ins" to update or adjust plans.
4. Tenants who face significant challenges or threats related to housing stability, or mental/physical health, and who are not engaged with services will receive weekly "friendly visits."
5. Regular weekly meetings are held between HSS staff and Property Managers
6. House meetings in properties with communal living spaces are conducted at least quarterly, unless emergent issues require more frequent meetings.
7. Staffing levels are consistent with funding parameters
9. Staff turnover is low

IV. REPORTING REQUIREMENTS

CSS will provide Cross with reports on activities, targets, and outcomes on a regular basis.

Quarterly Activity Report

Service Activity Reports will be submitted quarterly and will include the following information:

1. Record of types of activities, occurrence of each activity type, and numbers of tenants engaged in each activity;
2. Listing of contacts indicating date, time, and tenant name occurring during overnight hours;
3. List of tenants with Assessments, and dates that assessments or re-assessments have occurred;
4. Listing of tenants with active Housing Permanency Plans;
5. Record of "Check-Ins" and "Friendly Visits" with tenants;
6. Listing of critical incidents, including tenant name, date, and brief description of incident;
7. Changes in staffing and personnel.

Semi-Annual Tenant Outcome Report

HSS will provide information on tenant progress as a result of service interventions for purposes of evaluation, program planning and reporting to funders. Positive tenant outcomes will include housing stability as well as progress on meeting personal goals to improve their overall quality of life. Tenant gains will be measured using the self-sufficiency matrix (attached) used in the assessment process, and includes the following areas:

Housing
Food
Income
Employment
Education
Childcare
Health Care
Mental Health
Substance Abuse
Life Skills/Household Support
Legal
Family Relations
Community Involvement
Transportation

Reports will be submitted to Cross every six months.

V. GENERAL TERMS

Terms

This Memorandum of Understanding will be effective on October 1, 2005 and will continue through September 31, 2006. This agreement will be automatically renewed with the same terms and conditions annually thereafter except where either party provides written notice of non-renewal three months before the annual termination date. Otherwise, this Agreement may be terminated in accordance with the section on Termination below.

Termination

Either party may terminate this Agreement by giving the other party ninety (90) days prior written notice. The party wishing to terminate this agreement for cause must provide a written intent to terminate notice to the party in breach or default. The notice will provide thirty (30) days for the party in breach or default to respond to said notice with an acceptable plan to cure cause for termination.

Confidentiality

Avalon and CSS agree that by virtue of entering into this Agreement they will have access to certain confidential information regarding the other party's operations related to this project. Cross and CSS further agree that they will not at any time disclose confidential information and/or material without the consent of that party unless such disclosure is authorized by this Agreement or required by law. Confidential client information will be handled with the utmost discretion and judgment.

Arbitration

Should either party wish to commence an action for damages under this Agreement, it shall be required to adjudicate the dispute through binding arbitration under the rules of The American Arbitration Association or under such rules to which the parties may

agree. Any award rendered by the arbitrator shall be final and binding upon each of the parties, the judgment there upon shall be borne equally by both parties. During the course of arbitration and until a final settlement has been reached, this agreement shall remain in full force and effect unless otherwise terminated as provided in this Agreement.

Signed:

Patricia Manning, Executive Director
Catholic Social Services

Date

Timothy Hart, Executive Director
Cross Housing, Inc.

Date

Appendix 6
SAMPLE
MEMORANDUM OF UNDERSTANDING
BETWEEN A NONPROFIT HOUSING DEVELOPER, SOCIAL SERVICE
AGENCY AND PROPERTY MANAGER

**ABC Housing Corporation,
Ecumenical Services Incorporated and
People's Management Company**

I. BACKGROUND AND INTENT

This agreement for services entered into January 1, 1996, is between ABC Housing Corporation, a nonprofit corporation, Ecumenical Services Incorporated, a nonprofit corporation and People's Management Company, a for-profit corporation.

WHEREAS, the sole purpose of this Memorandum of Understanding is to encourage cooperation between ABC Housing Corporation (ABC), Ecumenical Service Incorporated (ESI), and People's Management Company (PMC) and to further detail the separate and distinct roles and responsibilities of each party;

WHEREAS, ABC owns a 13-unit apartment building at 100 Jackson Street, Anytown, CA, also known as Jackson Street Apartments, which provides housing for very low-income individuals who are physically disabled;

WHEREAS, ABC will be providing federally subsidized housing, under HUD Section 811, for a disabled population, namely persons with any physical disability, and/or persons who have been diagnosed with "acquired immunodeficiency syndrome (AIDS) or with symptomatic HIV disease (formerly classified as AIDS-related complex or ARC)";

WHEREAS, ABC will make available twelve (12) units of affordable housing to those persons described above who are able to live independently with home care services, but do not require skilled nursing care and are unable to maintain their incomes and homes any longer;

WHEREAS, ABC understands that persons with the disabilities acquired from the HIV infection require a set of services which are unique and specialized; and that residents of Jackson Street Apartments will be responsible for the provision of their own service needs, i.e. meals, personal care in hygiene and health, etc.; and the coordination of supportive services is critical to helping the residents of Jackson Street Apartments to live successfully;

WHEREAS, ESI agrees to provide supportive services as defined in **Section II -- Definitions** to twelve (12) very low-income disabled persons residing at Jackson Street Apartments and has trained and experienced staff who work with persons who are disabled, including persons with AIDS/HIV (PWAs);

WHEREAS, it is understood that ESI does not plan to offer full-service case management (i.e., psycho-social, nursing, and/or social services), they will assist those tenants in need of these services in linking with appropriate providers;

WHEREAS, tenants voluntarily participate in the services provided by ESI;

WHEREAS, People's Management Company (PMC) provides property and asset management services and ABC will contract with PMC to manage and maintain the property;

Therefore, ABC Housing Corporation and Ecumenical Services Incorporated and People's Management Company agree that it is in the best interests of all concerned to enter into this Memorandum of Understanding.

II. DEFINITIONS

For the purposes of this Memorandum of Understanding, "supportive services" means services provided to residents for the purpose of enhancing the residents' ability to maintain independent living. Supportive services must address the special needs of the residents to be served. These services may include: (a) medical and psychological case management; (b) benefits advocacy and income support assistance such as SSI, AFDC, GA, food stamps, Social Security; (c) money management/payee services; (d) nutritional counseling; and (e) assistance in obtaining other resources and support for residents such as child care, transportation, job training and job placement. These services may be provided directly or by arrangement with other service providers.

For the purposes of this Memorandum of Understanding, a "disabled person" is defined as a person with a physical, mental or emotional impairment which is expected to be of long, continued and indefinite duration, which substantially impedes the person's ability to live independently, and which is of a nature that such ability could be improved by more suitable housing conditions. It is intended that this definition be consistent with HUD's definition of a person with a disability.

For the purposes of this Memorandum of Understanding, "persons with disabling HIV and/or AIDS" means any person who has been diagnosed with "acquired immunodeficiency syndrome (AIDS) or with symptomatic HIV disease (formerly classified as AIDS-related complex, or ARC)" and meets the definition of the above-mentioned "disabled person."

For the purposes of this Memorandum of Understanding, "very low income" is defined as households with incomes 50% or below the median income for Anywhere County. It is intended that this definition be consistent with HUD's definition of very low income.

III. ELIGIBILITY DETERMINATIONS

Eligibility for this project will be based on both disability status and income level as described in **Section II - Definitions**. Residents of the Jackson Street Apartments will need to have written verification from a physician that their condition or illness is disabling and they can live independently. During the process of tenant screening, the potential tenant will need to complete a standardized form that authorizes his/her physician to release such information.

Tenants will be selected by the management agent, People's Management Company (PMC), based on criteria developed by ABC, ESI and PMC. Selection of tenants for the Jackson Street Apartments will not rely solely on traditional property management standards; standards will be established that reflect a commitment to housing very low-income people with disabilities. Potential tenants will undergo a two-stage screening process: the prospective tenant will be evaluated by PMC to determine if s/he meets the HUD income eligibility and disability requirements. PMC will also run a standard credit and eviction check. ESI will determine whether or not the tenant is able to live independently and whether or not s/he

is appropriate for Jackson Street Apartments. While all parties will respect and seek input from each other, in the case of disagreement over tenant selection, ABC will make the final determination.

IV. GUIDING PRINCIPLES

WHEREAS, all parties under this Memorandum of Understanding jointly recognize that tenants with low incomes and/or disabilities are diverse in terms of their strengths, motivation, goals, backgrounds, needs and disabilities;

- tenants with low incomes and/or disabilities are members of the community with all the rights, privileges, opportunities accorded to the greater community;
- tenants with low incomes and/or disabilities have the right to meaningful choices in matters affecting their lives;
- in designing and implementing services, the input of the tenant should be sought; and,
- not all persons living at Jackson Street Apartments will need to be clients of ESI or linked to support services in order to live successfully.

V. ROLES AND RESPONSIBILITIES

Roles of ESI, ABC and PMC

It is understood that ESI, ABC and PMC staff must work together as a team to effectively meet the needs of the tenants. This level of collaboration will require exceptional, thorough and timely communication between all parties. However, the parties to this agreement understand their separate and distinct responsibilities. ESI agrees in the performance of services, and ABC agrees in the owner of housing, that tenant and client rights are respected and complied with not only as a matter of principle, but as a matter of practice.

It is understood that ESI's roles will be that of advocate and PMC's role will be that of landlord dealing with tenant issues.

ABC and ESI agree to advise one another of highly pertinent matters in the referral and placement process and understand that each is bound by confidentiality standards regarding the exchange of client information. Appropriate releases will be secured when confidential client information needs to be shared.

Role of Ecumenical Services Incorporated (ESI)

ESI agrees to assign a minimum of one (1) staff member to Jackson Street Apartments. This person will work 3/4 full-time employment (FTE) and will be called the coordinating case manager. The coordinating case manager will be responsible for coordinating the provision of direct services to the physically disabled residents of Jackson Street Apartments. In addition, where necessary and appropriate, each resident will be strongly urged to obtain his/her own individual case manager through the Case Management Program at the Central Health Center (Anywhere County Health Care Services Agency) of the AIDS Minority Health Initiative (Black Consortium for Quality Health Care). Similarly, each tenant, if appropriate, will be strongly urged to obtain home health care services through the Visiting Nurse Association and Hospice of Northern California (VNA).

Role of People's Management Company (PMC)

PMC will be responsible for the overall operations of Jackson Street Apartments, including janitorial, maintenance, repairs and other related services. Such activities and responsibilities will be carried out by an on-site resident manager employed by PMC.

VI. SCOPE OF SERVICES

Ecumenical Services Incorporated (ESI)

In accordance with the Support Services Plan and the Property Management Plan, a single coordinating case manager, employed by ESI, will be responsible for coordinating the delivery of services for both the ESI programs and other providers. The coordinating case manager, employed 3/4 FTE, will ensure that the ESI individual case managers:

- A. Provide community and social service linkage to residents upon request or as needed;
- B. Assist in developing the tenant screening criteria;
- C. Assist in identifying and referring low-income disabled persons in need of housing to the property manager, PMC;
- D. Assist PMC in screening all potential tenants, specifically, assessing tenants' ability to live independently;
- E. Perform the following program support services functions:
 1. Provide case management services, which may include,
 - a) rehabilitation, vocational and employment assistance
 - b) general health and dental services
 - c) income support and benefits
 - d) substance abuse (alcohol, drugs) treatment
 - e) consumer and family involvement

It is understood that ESI does not plan to offer full-service case management (i.e. psycho-social, nursing, and/or social services). Those in need of these services will be linked with appropriate providers, where such resources exist.

2. Conduct an initial needs assessment and develop an individual self-sufficiency plan for each client, including a periodic evaluation and update of the service plan as the needs of the client change.
3. Refer residents, when needed or upon request, to treatment services or other needed social services. This might include services provided by the Center for AIDS Services, the VNA, General Hospital Medical Center and/or the Bay Area AIDS Clinic.

The VNA has agreed to offer their services to the tenants of Jackson Street Apartments, provided they meet VNA's admission criteria. ESI agrees to take responsibility for referring and ensuring that tenants gain access to VNA services (upon agreement with the tenant). The VNA offers a variety of programs, including home health care services, a Comprehensive AIDS Program (CAP), and Hospice services. CAP services include infusion therapy, nutritional counseling, psychiatric nursing, psycho-social support and spiritual counseling. It is intended that VNA will offer complementary services to ESI so that the tenant can receive full-service case management, if needed.

4. Provide crisis intervention as needed and when requested by PMC or provide consultation in the management of disputes or differences between residents and property management.
5. Assist PMC in household disputes and in conflict resolution.
6. Assist clients in understanding their rights and responsibilities under a tenant lease. This includes explaining the eviction and appeal process.

Consistent with client rights principles, it is understood that referrals and other services will be made available to all Jackson Street Apartments residents. ESI will take no action in making referrals or providing services without the agreement of the individual except when it appears, in their judgment, necessary to do so to protect the individual or others from serious harm.

F. Provide the following administrative services:

1. Keep all records regarding program supportive services as required by HUD regulations and those of other funding sources.
2. Cooperate with ABC in monitoring and/or conducting audits or other reporting requirements with respect to project funders.
3. Assist in the development of House Rules with PMC.

G. ESI agrees to additionally provide the following services to individuals covered under this agreement:

1. Encourage supportive activities which will help clients develop the skills, information and abilities needed to utilize the resources of the Jackson Street Apartments community as well as the larger community, including family, friends, job and school.
2. Facilitate access to treatment services for AIDS health services, social services and physical health needs. This might include referral and advocacy to either the Case Management Program at the Central Health Center (Anywhere County Health Care Services Agency) or the AIDS Minority Health Initiative for any client not in a "full-service" case management program.
3. Help clients learn to use public transportation.
4. Help clients access pre-vocational and vocation/employment assistance, peer counseling, substance abuse counseling, special needs skills training, safe sex education and tenants' rights education.

ABC Housing Corporation (ABC)

ABC is strictly the developer and owner of Jackson Street Apartments and will be responsible for asset management and overseeing the ongoing duties of repair, maintenance, management and operation of Jackson Street Apartments. Many of these duties will be contracted by the management company, People's Management Company.

ABC will directly:

- A. Ensure that all regulatory and funding requirements are met;
- B. Prepare all budgets and cost estimates related to Jackson Street Apartments, excluding budgets related to the provision of social services;
- C. Arrange for liability and property insurance for Jackson Street Apartments;
- D. Pay all taxes associated with Jackson Street Apartments; and
- E. Oversee the contract and duties of the management company.

People's Management Company (PMC)

In accordance with the Support Services and Property Management Plan, PMC will provide the following property management activities:

- A. Determine income eligibility of tenants;
- B. Pay project bills;
- C. Provide monthly financial reports and any other required information to ABC for regulatory and funding agencies;
- D. Maintain a fully leased building with the assistance of ESI;
- E. Carry out rent collection and administration;
- F. Oversee tenant relations with management with respect to:
 - Notices
 - Evictions
 - Enforcement of house rules, policies and procedures;
- G. Provide building and equipment maintenance and repair;
- H. Provide security;
- I. Provide janitorial services (common areas only); and,
- J. Provide capital improvements including acquisition and maintenance of furnishings for common areas such as the lounge or dining room.

ABC and PMC will enter into a property management agreement which further details these activities.

VII. FUNDING

ESI currently has the funds to provide the supportive services identified in this Memorandum of Understanding and anticipates continuation of this funding. ESI is committed to providing appropriate and exceptional services to the tenants of Jackson Street Apartments and is committed to providing these services over the long-term, pending available resources. Where necessary, ABC and ESI will co-apply for service funds.

It is understood that ESI's responsibilities as defined in this Memorandum of Understanding are contingent upon continued and expanded funding. While it is impossible to guarantee continued funding or secure such guarantees from ESI's funding sources, it is expected that the Coordinated Housing Program's operating budget will be stable and may increase over the next five years. The objective of ESI's Coordinated Housing Program (CHP) is to ensure that all persons living with AIDS/HIV in Anywhere County have a decent, affordable, permanent place to live which supports their ability to access medical care and support services. CHP currently operates at an annual budget of \$425,000 and is funded through a series of contracts administered through the county's AIDS programs. More specifically, this money comes from contracts with the HIV/AIDS Services Division of Anywhere County's Health Care Services Agency, the Anywhere County component of the Ryan White Title I C.A.R.E. Planning Council, Anywhere County's Housing and Community Development Program (Housing Opportunities for People with AIDS and Emergency Shelter Program) and private donations. The coordinating case manager and supportive services identified in this Memorandum of Understanding will be funded under existing contracts and continue so long as the same contract level is renewed.

IX. GENERAL TERMS

Terms. This Agreement will begin effective the date of January 1, 1996 and will continue through December 31, 1996. While lease up is anticipated to begin in July, 1996, ESI's and PMI's responsibilities begin on January 1, 1996 so as to begin coordinating the start-up of Jackson Street Apartments. This Agreement will be automatically renewed with the same terms and conditions annually thereafter except where either party provides written notice of non-renewal three (3) months before the annual termination date. Otherwise, this Agreement may be terminated in accordance with the section on Termination below.

Termination. Either party may terminate this Agreement by giving the other party ninety (90) days prior written notice. The party wishing to terminate this agreement for cause must provide a written intent to terminate notice to the party in breach or default. The notice will provide thirty (30) days for the party in breach or default to respond to said notice with an acceptable plan to cure cause for termination.

Confidentiality. ABC, PMC and ESI agree that by virtue of entering into this Agreement they will have access to certain confidential information regarding the other party's operations related to this project. ABC, PMC and ESI agree that they will not at any time disclose confidential information and/or material without the consent of that party unless such disclosure is authorized by this Agreement or required by law. Unauthorized disclosure of confidential information shall be considered a material breach of this agreement. Where appropriate, client releases will be secured before confidential client information is exchanged. Confidential client information will be handled with the utmost discretion and judgment.

Arbitration. Should either party wish to commence an action for damages under this Agreement, it shall be required to adjudicate the dispute through binding arbitration under the rules of the American Arbitration Association or under such rules to which the parties may agree. Any award rendered by the arbitrator shall be final and binding upon each of the parties, and judgment there upon shall be borne equally by both parties. During the course of the arbitration and until a final settlement has been reached, this Agreement shall remain in full force and effect unless otherwise terminated as provided in this Agreement.

Nondiscrimination. There shall be no discrimination of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, age, handicap, ancestry or national origin in the operation of the project of program at Jackson Street Apartments by ABC, PMC or ESI.

Severability. In the event any provision of this Agreement shall be found to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, legality and enforceability of the remainder of the Agreement.

Amendments. This Agreement may be amended only in writing and authorized by the designated representative of ABC, PMC and ESI.

Signed: _____
Executive Director, ABC Housing Corporation

Date: _____

Signed: _____
Executive Director, Ecumenical Services Incorporated

Date: _____

Signed: _____
Executive Director, People's Management Company

Date: _____

Memorandum of Understanding

Between
PROPERTY MANAGER
and
SERVICE PROVIDER

Service Agreement for SUPPORTIVE HOUSING PROJECT, A STREET, ANYTOWN, USA

This agreement for services is between PROPERTY MANAGER (*name of the organization*), a non-profit agency that provides xx units of supportive housing and SERVICE PROVIDER (*name of the organization*), a non-profit agency that provides an array of supportive services including (*list*). PROPERTY MANAGER and SERVICE PROVIDER hereby commit to provide services below for a minimum of (*time period*), subject to the following conditions:

1. PROPERTY MANAGER will be solely responsible for all property management functions, including recruiting and eligibility screening of new residents, collection of rents, and facility maintenance.
2. PROPERTY MANAGER will provide access to the community space at the SUPPORTIVE HOUSING PROJECT and provide office space for the Case Manager and Program Assistant. The Program Assistant will be responsible for scheduling common space to be used for program activities and events.
3. PROPERTY MANAGER will provide office furniture and computer access to the Case Manager and Program Assistant in order that they can efficiently perform the duties necessary to meet funder's documentation requirements.
4. PROPERTY MANAGER will be responsible for billing the funder for all Contract related services.
5. PROPERTY MANAGER will be responsible for ensuring participation by designated PROPERTY MANAGEMENT staff at weekly PROPERTY MANAGEMENT and SERVICE PROVIDER service coordination meetings.
6. PROPERTY MANAGER will ensure a line item in the service budget that is easily accessible to SERVICE PROVIDER staff for the purposes of offering activities and other interventions that develop a sense of community and encourage resident engagement in services.
7. PROPERTY MANAGER's Executive Director will respond to any concerns expressed by SERVICE PROVIDER's Executive Director verbally or in writing regarding the Program, PROPERTY MANAGEMENT staff issues related to client services, or other related matters within three days of the situation being reported.
8. SERVICE PROVIDER will be solely responsible for the recruitment, screening, and hiring of the Case Manager and Program Assistant. However, PROPERTY MANAGER must provide final approval of the hiring decisions in order to ensure a good match with PROPERTY MANAGER's mission, standards, and culture.
9. SERVICE PROVIDER's Executive Director and/or Clinical Supervisor will be responsible for weekly supervision of the Case Manager. These supervision sessions will include review of complex service issues and needs of selected clients as needed.
10. The Case Manager will be responsible for the supervision of the Program Assistant and shall report any serious or ongoing disciplinary issues to the SERVICE PROVIDER's Executive Director.
11. SERVICE PROVIDER's Executive Director will respond to any concerns expressed verbally or in writing regarding the performance of SERVICE PROVIDER staff working at SUPPORTIVE HOUSING PROJECT within three working days of the situation being reported.

- 12. SERVICE PROVIDER’s Executive Director and PROPERTY MANAGER’s Executive Director will connect by telephone or in person twice per month, on a regularly scheduled basis to discuss the status of the Program and attend to any issues that may arise.
- 13. The Program Assistant, with the assistance and supervision of the Case Manager, shall be responsible for submitting to PROPERTY MANAGER’s Executive Director any reports or documentation as required by funder two days before the reporting due date so that the information can be reviewed by PROPERTY MANAGEMENT staff before submission to funder.
- 14. The program shall provide comprehensive support to *xx* residents with extremely low incomes and complex mental or physical disabilities. This program will provide these residents with (*list services to be delivered*). The Case Manager, with the assistance of the Program Assistant, will perform two critical functions: provide intensive Case Management and service coordination to *xx* residents with high needs, and develop on-site programs that educate and support all *xx* tenants living at the SUPPORTIVE HOUSING PROJECT. These programs may include trainings or support in areas including (*list them*).
- 15. SERVICE PROVIDER shall ensure that the Case Manager and/or Program Assistant are available on site at the SUPPORTIVE HOUSING PROJECT at least five days per week including some mutually agreed upon evening and weekend hours. SERVICE PROVIDER shall also provide for sick leave and vacation coverage. Coverage schedules and personnel shall be discussed between the PROPERTY MANAGER and SERVICE PROVIDER’s Executive Directors and mutually agreed upon when possible.
- 16. SERVICE PROVIDER shall submit monthly invoices for the cost of services to be provided at the SUPPORTIVE HOUSING PROJECT for a grand total of (*include total budget figure*). PROPERTY MANAGER will remit payment for invoices within 45 days of receipt.
- 17. The parties to this Memorandum of Understanding agree to mutually review its provisions and implement any agreed changes as necessary. No changes will be made without mutual consent.

PROPERTY MANAGER’s Executive Director

SERVICE PROVIDER’s Executive Director

Date

Date

Appendix 7
SAMPLE MEMORANDUM OF UNDERSTANDING
BETWEEN TWO SHARED OWNERS

ABC Housing Corporation
and
Ecumenical Services Incorporated

This MEMORANDUM OF UNDERSTANDING (“MOU”) is recorded in writing to reflect the understanding and agreement between ABC Housing Corporation (hereafter referred to as “ABC”) and Ecumenical Services, Inc. (hereafter referred to as “ESI”) in connection with the sponsorship, development, ownership, and operation of a proposed 21-unit rental housing project, including specified services related thereto, for the chronically mentally ill to be located in Boise, GA and to be financed primarily from a capital advance provided by the U.S. Department of Housing and Urban Development (hereafter referred to as “HUD”) pursuant to Section 811 of the National Affordable Housing Act (“Section 811”).

BACKGROUND

A. On September 30, 1995, ABC submitted to the Regional Office of HUD an application for financing and rental assistance under Section 811 for twenty (20) one-bedroom housing units for the chronically mentally ill and one (1) resident staff unit to be located in Boise, GA (the “Project”). On April 10, 1996, ABC received HUD’s written notice approving ABC’s application subject, however, to HUD’s approval of the Boise location. Capital advance authority was reserved in the amount of \$1,316,700 and annual project rental assistance contract and budget authority were approved for twenty (20) assisted units in the amount of \$76,000 and \$1,520,000, respectively. HUD’s notice invited ABC to submit an application for a Conditional Commitment within (60) days.

B. The Purchase Agreement establishes a purchase price for the site of \$535,000 and among other conditions in the Purchase Agreement, as amended, the Sellers were responsible to pay for all costs necessary to remove or relocate certain electric, telephone, and sewer easements to a location acceptable to ABC and that was to be no further than 15 feet from the adjacent property.

C. To assist in predevelopment costs related to the Project, ABC obtained from the Corporation for Supportive Housing (“CSH”) an unsecured predevelopment loan in the amount of \$75,000 (the “CSH Loan”) which is repayable from proceeds of the Section 811 capital advance but in no event later than December 31, 1997, unless extended in writing by CSH.

D. In anticipation of proceeding with either the Conditional Commitment or Firm Commitment phase of the HUD Section 811 process, on November 15, 1996, ABC organized a single asset Section 501 (c)(3) nonprofit corporation under the name Path Way, Inc. (the “Corporation”) to act as mortgagor under the Section 811 capital advance. The Corporation continues to exist and, currently, all of its officers and directors are controlled by ABC.

E. ABC has always desired to see the Project proceed with a mental health services agency serving as a co-sponsor. Consequently, ABC approached ESI, which provides housing and

related services to chronically mentally ill people throughout Southern Georgia, to see whether it would be interested in co-sponsoring the Project. ESI's and ABC's verbal agreement to having ESI act as co-sponsor of the Project was conditioned on certain understandings which are the primary purpose of the Memorandum and which are set out hereafter.

F. Pursuant to the verbal agreement reached between ABC and ESI to act as co-sponsors of the development, ABC should request and obtain HUD's and the Agency's written consent for ESI to act as co-sponsor of the project with ABC.

UNDERSTANDING OF THE PARTIES

Based on the information as recited herein under the title, "BACKGROUND," ABC and ESI have agreed to be responsible for and to take the following action upon:

A. ORGANIZATIONAL STRUCTURE

1. The organization documents of the Corporation (i.e., articles of incorporation and by-laws) shall be reviewed by the Project's counsel, ("Project Counsel") and amended as recommended by the Project Counsel to include ESI as a co-sponsor and the right of ESI to have its officers and/or directors and other designees elected as officers and/or directors of the Corporation.

Included in the amendment to the organization documents shall be a provision to change the composition of the board of directors. Of the seven (7) directors appointed, three (3) directors shall be appointed by ESI and three (3) directors shall be appointed by ABC. The 7th director shall be appointed by the board of directors.

2. ESI shall manage the affairs of the Corporation. Henceforth, and until the Corporation's organization documents can be amended or new documents prepared, all decisions required to be made by the Corporation shall be made by the Corporation's board of directors or officers, as the case may be, as provided in the organization documents only with the concurrence by ESI. As soon as practicable, the Corporation's board of directors and officers shall resign and be replaced in accordance with the amendments to the Corporation's organization documents which will be prepared by the Project Counsel.

3. Neither ABC nor ESI shall seek to obtain additional financing for the Project that will in any way create liability against either the Corporation or the Project, whether it be recourse or non-recourse obligations, without the prior written consent of the other party.

4. The Minimum Capital Investment and any other HUD escrow requirement for closing the Section 811 capital advance shall be provided by the Corporation.

B. DEVELOPMENT ACTIVITIES

1. Of the two co-sponsors, ABC, and not ESI, shall be responsible for acting as the development sponsor of the project. ABC shall agree to provide to ESI with all information related to the Boise site and the proposed development, but otherwise ESI shall not be required to take an active role in the development process. ABC shall also be responsible for the preparation of the application(s) to HUD and for any other new, additional funds necessary from other sources to meet the financial requirements for the

capital development. ESI shall cooperate in the execution of all HUD applications. Obligations to repay any additional funding shall be that of the Corporation.

2. ABC shall serve as project developer. The exact scope of such duties shall be set forth in an agreement between ABC and the Corporation. The scope of work shall specify that ABC:

- a) Prepare a new development budget.
- b) Identify and assist in the award of additional funds to cover development and other costs related to the project.
- c) Negotiate with the Seller.
- d) Close on capital funding.
- e) Prepare for Project construction and provide construction management.
- f) Prepare the Project operating budget.
- g) Negotiate and oversee the duties of each development team member, including but not limited to the architect, engineers, the contractor, special project consultants, the attorney and the title company.

For providing such services, ABC shall be entitled to receive a fee acceptable to both ESI and the Corporation, which shall be paid from capital sources.

3. ABC shall assign the right to purchase the Boise site to the Corporation. ABC shall not agree with the Sellers to amend, transfer, cancel or terminate the Purchase Agreement or other agreement for purchase of real property without the advice and consent of ESI. ABC shall also assign all rights and responsibilities of capital funding to the Corporation, subject to review by ESI.

C. SUPPORT SERVICES PLANNING ACTIVITIES

1. Of the two co-sponsors, ESI shall be responsible for planning and serving as lead provider of the support services. ESI shall provide ABC with updates related to support services planning at the Boise site and shall receive ABC's concurrence with the support service plan, budget and funding strategy required. ESI shall also be responsible for the preparation of the application(s) to HUD and for any other funding source as necessary to meet the financial requirements for the services plan. Any obligations with regard to the services funding shall be that of the Corporation.

2. The exact scope of the duties of ESI shall be set forth in an agreement between ESI and the Corporation. The scope of work shall specify that ESI:

- a) Prepare a schedule for support services planning, funding applications and other critical milestones.
- b) Prepare a support services plan and budget, including identification of the support and vocational service needs of the target tenancy, the support services to be delivered, the social and vocational service agencies who may be the direct providers, location of services, and staffing requirements.
- c) Prepare a start-up plan and budget for implementing support and vocational services.
- d) Assist and advise the Corporation regarding any potential licensing issues, fundraising needed, and other concerns in the delivery of the support services.

For providing such services, ESI shall be entitled to receive a fee acceptable to both ABC and the Corporation, which shall be paid from capital sources. In addition, there shall be a separate contract related to the implementation of the support services plan and the delivery of support services to the Project.

D. PROPERTY MANAGEMENT ACTIVITIES

ABC and ESI shall work jointly to select an appropriate property management agent for the Project. Furthermore, ABC and ESI agree that given the nature of the Project, it will be very important that ESI be involved in the hiring of on-site tenant staff, and in rent-up and screening of tenants. The property management agent selected will also be responsible for developing a management plan that will be reviewed and approved by the Corporation. A separate Management Agreement will be executed by the property management agent and the Corporation.

E. GENERAL TERMS

1. ABC and ESI shall always operate in good faith in carrying out the intent and purpose of the understandings of this MOU.
2. All other previous agreements and understandings between ABC and ESI, whether verbal or in writing, are merged, consolidated, and superseded by this MOU.
3. ABC and ESI have executed and dated this MOU to evidence their agreement and concurrence with the matters contained herein.
4. This Agreement may be amended only in writing and authorized by the designated representative of both ABC and ESI.

Signed: _____
Executive Director, ABC Housing Corporation

Date: _____

Signed: _____
Executive Director, Ecumenical Services Incorporated

Date: _____

Appendix 5

SAMPLE LETTER OF INTENT

ABC Housing Corporation and Ecumenical Services, Inc.

ABC Housing Corporation (ABC) and Ecumenical Services, Inc. (ESI) intend to work together in concert with their respective missions in order to develop affordable housing which will specifically serve mentally ill clients in San Francisco. This Letter of Intent (LOI) dated _____, 19____, outlines the agreement between the ABC and ESI (the "Parties") at a preliminary stage of the development process. When it becomes appropriate, the Parties intend to enter into a more formal agreement, such as a development agreement. The LOI will constitute the agreement between the Parties until such a document is executed.

I. THE PROJECT

ABC and ESI will work together to develop approximately 40 to 60 units of permanent housing (the "Project") affordable to individuals whose income is below 60% of San Francisco's median income. The tenants of the Project will be clients of ESI's program that serves mentally ill adults who are currently homeless or at risk of homelessness.

It is intended that the Project will be developed in or near San Francisco's _____ neighborhood, although the location of the Project will not be limited to this area. Whether the Project will involve new construction or the acquisition and rehabilitation of an existing building will be determined by the availability of appropriate sites and financing sources.

II. PROJECT OWNERSHIP

It is intended that ESI will own the Project. As such, ESI will, with the input of ABC, make all major decisions relating to the development of the Project. However, it may be necessary to create a joint entity in order to obtain Project funding from certain sources. If this becomes necessary, the Parties will enter into an agreement outlining the parameters of the relationship.

III. PROJECT DEVELOPER

In order to facilitate the development of the Project, the Corporation for Supportive Housing (CSH) has agreed to provide a recoverable grant to ESI of \$21,000. These funds are intended to pay for the salary, benefits and administrative expenses of a yet-to-be-hired .50 FTE Project Developer who will be an ABC employee.

It is understood that ABC will hire a full-time Project Developer who will work half-time to develop the Project and half-time on a separate development.

ABC will solicit and review resumes and develop a pool of applicants to be interviewed for the position. The interviews will be conducted by a committee of ABC staff. ESI and CSH may participate in the interview process by joining the committee. The final selection of the Project Developer will be made by ABC.

As an ABC employee, the Project Developer will be supervised, trained, and evaluated by ABC. In addition to ESI's input into the hiring of the Project Developer, ESI will be involved in an evaluation process which will be developed in conjunction with CSH.

IV. ROLES OF ABC AND ESI

Throughout the life of the development of the Project, ESI and ABC will meet regularly to discuss the Project's progress and take action as appropriate. It is intended that these regular meetings will occur every two weeks. However, the frequency and nature of the meetings will be determined by the phase of the Project's development and the extent of coordination needed. In general terms, the division of responsibilities will be as follows:

ABC

As Project Manager, ABC will be responsible for all day-to-day activities related to the development of the Project. In general, this will include the following tasks:

- Research, analyze, and select Project site (final selection must be agreed to by ESI);
- Research and develop financing sources;
- Prepare financing applications and other requirements of both private and government lenders;
- Solicit, negotiate, and coordinate the work of all project consultants including: architect, environmental, legal, finance/development, and property management consultants. If ABC's property management staff is chosen as the property management consultant for the Project, ABC will be eligible for the same compensation that an independent property management consultant would receive for similar services;
- Coordinate all activities related to acquisition; and
- Manage construction.

ESI

As the Social Service Provider and the proposed single owner of the Project, ESI will be responsible for making all major decisions and financial commitments related to the development of the Project. These responsibilities include the following tasks:

- Execute contracts and agreements with consultants and contractors based on consultation with ABC;
- Mobilize political support for the Project as necessary;
- Develop and implement the support services plan for the Project, which includes vocational services, money management, income advocacy, and service referral;
- Provide input on all aspects of the development which will affect the Support Services plan;
- Make all major financing and design decisions;
- Pursue support services funding to ensure, to the extent reasonable, that the support services will be adequately funded for a period of not less than 5 years; and
- Assist ABC in all aspects of the development of the Project as it relates to the Support Services Plan. This may involve such activities as assisting in preparing financing applications and obtaining certain Project approvals.

V. COSTS

As Project owner, ESI will be responsible for all costs associated with the Project. However, it is intended that all costs related to the Project will be covered by loans and grants. ABC expects that certain incidental reimbursable expenses will be incurred. Any costs in excess of \$500 should be paid directly by ESI. However, if ABC advances more than \$500, it will receive 10% annual simple interest upon reimbursement from ESI or Project funds. ABC will not carry development related costs for more than one month without reimbursement from ESI.

It is understood that the aforementioned \$21,000 will not be sufficient to cover all of ABC's direct or indirect costs that will result from the development of the Project. ABC intends to recoup these costs through financing sources for the Project. In addition, it is understood that to the extent that the Project produces any development fees, ABC will receive all of these fees. If ABC is unable to

recoup its costs through Project financing, CSH, ESI, or other sources, it will not be feasible for ABC to continue project management of the Project.

VI. PROJECT TIMELINE

Once the Project Developer has been hired, a preliminary schedule will be developed outlining Project milestones for the first year. This schedule will be periodically reviewed and updated at the regularly scheduled meetings. One year from the date the Project Developer begins work, it is intended that a site will be identified (although not necessarily controlled) and financing sources determined (although not necessarily committed). At the end of the year, the progress of the Project will be evaluated to determine the feasibility of continuing with its development.

VII. MEDIATION

In the event that a dispute between the parties arises that cannot be settled without mediation, CSH will be consulted in an effort to resolve the dispute. Each Party will have 14 days to submit a written notification of dispute to CSH and the other Party. If CSH's mediation does not produce a resolution satisfactory to both Parties, both Parties maintain the right to pursue other means of resolution.

VIII. PROPERTY MANAGEMENT

Although ESI will manage all aspects of the Support Services, it is not known who will be hired as property manager for the Project once construction is complete and the Project is occupied. If ABC is chosen as the Property Manager, it will execute a separate property management agreement and be eligible for fees consistent with industry standards.

IX. TERMINATION

Either ABC or ESI may terminate the LOI if the Project is permanently abandoned or if either Party fails substantially to perform in accordance with the LOI. Notice of termination must be sent via certified mail at least 30 days prior to the actual date of termination. If the LOI is terminated within one year of the date of the LOI, ABC will pay ESI an amount calculated by dividing the number of calendar days between date of termination and the end of the year commencing on the date hereof by 365, then multiplying this number by \$21,000.

Accepted:

ABC Housing Corporation

Ecumenical Services, Inc.

a California nonprofit corporation

a California nonprofit corporation

by: _____

by: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

cc: Corporation for Supportive Housing