

**CITY OF SAN JOSE
HOUSING DEPARTMENT
THIRD AMENDMENT TO ESG-CV2, GF, AND HALA GRANT AGREEMENT**

SUMMARY PAGE

Grant Type:	ESG-CV2, GF, HALA	Contract No.:	ESG-21-003C ESG-21-003B ESG-21-003A
		Original Contract No.	ESG-21-003

Grantee: LifeMoves

Project: Rapid Re-Housing

Description:

Third Amendment to Agreement between CITY and GRANTEE to amend the scope of services and payments to grantee through Fiscal Year 2022 - 2023.

GRANTEE shall administer a Rapid Rehousing Program, serving as both the Supportive Services Administrator and the Rental Subsidy Administrator. Duties include, but are not limited to:

- Intake and Client Assessment for Eligibility
- Case Management
- Housing Search
- Housing Quality Inspections
- Subsidy Management and Check Issuance
- Housing Coupon Issuance and Move-In Leasing Assistance

On February 12, 2021, CITY and GRANTEE entered into that certain Grant Agreement to City of San José Housing Department ESG-CV2-003 and HALA Grant Agreement with three (3) one (1) year options to extend, for a 6-month initial term, retroactively beginning on January 1, 2021 that will expire on June 30, 2021, for the Rapid Re-Housing Program.

On September 14, 2021, CITY and GRANTEE entered into that certain Continuation and First Amendment City of San José Housing Department GF Grant Agreement for Rapid Re-Housing Program for a one-year term retroactive from July 1, 2021 through June 30, 2022.

On September 30, 2022, CITY and GRANTEE entered into that certain Continuation and Second Amendment to City of San José Housing Department GF Grant Agreement for Rapid Re-Housing Program for a one-year term retroactive from July 1, 2022 through June 30, 2023.

Funding Source(s):	<u>ESG-CV2, GF, HALA</u>
Third Amended Amount for Fiscal Year 2022-2023:	<u>None</u>
Second Amended Amount for Fiscal Year 2022-2023:	<u>GF \$1,250,000</u>
First Amended Amount for Fiscal Year 2022-2023:	<u>GF: \$500,000 HALA: \$1,500,000 Total: \$2,000,000</u>
Original Amount for Fiscal Year 2022- 2023:	<u>ESG-CV2: \$500,000 HALA: \$500,000 Total: \$1,000,000</u>
Total Grant Award Not to Exceed:	<u>\$4,250,000</u>
Payment Terms:	See EXHIBIT D
Resolution/Authority:	<u>80627,80203,79846</u>

Third Amended Agreement Term:	Start Date: <u>07/01/2022</u>	End Date: <u>06/30/2023</u>
Second Amended Agreement Term:	Start Date: <u>07/01/2022</u>	End Date: <u>06/30/2023</u>
First Amended Agreement Term:	Start Date: <u>07/01/2021</u>	End Date: <u>06/30/2022</u>
Original Agreement Term:	Start Date: <u>01/01/2021</u>	End Date: <u>06/30/2021</u>

PARTIES TO AGREEMENT:

GRANTEE		CITY OF SAN JOSE
Agency Name:	LifeMoves	Housing Department
Address for Legal Notice:	181 Constitution Drive	200 E. Santa Clara St., 12 th Floor
City/State/Zip Code:	Menlo Park, CA 94025	San Jose, CA 95113-1907
Attention:	Aubrey Merriman	Jacky Morales-Ferrand, Director
Email Address:	amerriman@lifemoves.org	Jacky. Morales-Ferrand@sanjoseca.gov
Telephone No.:	650-685-5880	408-535-3855
Taxpayer ID	77-0160469	
Unique Entity ID.:	PTNGHYLHY9G3	
Type of Entity:	501 (c) 3 – public benefit corporation	
State of Incorporation or Residency:	California	

CONTACT INFORMATION

GRANTEE Contract Manager:	Rosa Cervantes
Title:	Program Director
Telephone No:	(650) 533-8451
Email:	rcervantes@lifemoves.org

CITY Contact Person:	Jennifer Mora
Title:	Analyst
Telephone No:	(408) 534-2957
Email:	Jennifer.Mora@sanjoseca.gov

REVISED EXHIBIT LIST:

YES N/A

- | | | | |
|-------------------------------------|-------------------------------------|---------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Third Revised Exhibit A: | Scope of Services |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Second Revised Exhibit B: | Performance Measures |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Second Revised Exhibit C: | Budget Summary |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Revised Exhibit D: | Payments to Grantee |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Revised Exhibit E: | General Grant Conditions |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Revised Exhibit F: | Employee/Volunteer Clearance
Verification and Compliance with the
Child Abuse and Neglect Reporting Act |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Revised Exhibit G: | Insurance |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Revised Exhibit H: | Federal Guidelines For Minority-Owned
and Women-Owned Business
Enterprises (MBE/WBE) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Third Revised Exhibit I: | Retroactive Services |

To the extent applicable, the following grant provisions are required for this amendment. (Check all provisions that apply.)

REQUIRED LANGUAGE ATTACHMENT

YES N/A

- | | | |
|-------------------------------------|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | City of San José Funding |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Federal |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | State |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | County |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Other Public Agency |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Private Funding Agency |

I certify that I have read and hereby consent to all the terms and provisions contained in the attached [INSERT AMENDMENT NUMBER] AMENDMENT, including without limitation, all exhibits. Said [INSERT AMENDMENT NUMBER] AMENDMENT is hereby incorporated.

WITNESS THE EXECUTION HEREOF upon execution by CITY.

LIFEMOVES, a California nonprofit public benefit corporation.

GRANTEE Signature:
Print Name:
Title:



Email: amerriman@lifemoves.org
GMT
Aubrey Merriman
Chief Executive Officer

[Signatures Continue on Following Page.]

CITY OF SAN JOSE, a California municipal corporation

Jacky Morales-Ferrand

JACKY MORALES-FERRAND
Director of Housing Department

Email: jacky.morales-ferrand@sanjoseca.gov
Title: Director

Approved as to form:
ANDREW MALEK,
Deputy City Attorney

Attorney
Andrew Malek

Andrew Malek

Email: andrew.malek@sanjoseca.gov
Date: 12/15/2022 GMT

**THIRD AMENDMENT
TO CITY OF SAN JOSE
HOUSING DEPARTMENT
ESG-CV2, GF, HALA GRANT AGREEMENT**

Rapid Re-Housing

This THIRD AMENDMENT TO ESG-CV2, GF, HALA GRANT AGREEMENT FOR RAPID RE-HOUSING THIRD AMENDMENT (“AMENDMENT”), is made and entered into upon the date of execution by CITY, by and between the **CITY OF SAN JOSE**, a California municipal corporation (“CITY”), and **LIFEMOVES**, a California nonprofit public benefit corporation (“GRANTEE”). All capitalized terms used but not defined herein shall have the meaning provided in the AMENDED AGREEMENT (as hereinafter defined). For the purposes of this THIRD AMENDMENT, CITY and GRANTEE are sometimes collectively referred to as “Parties.”

RECITALS

WHEREAS, on December 15, 2020 the San José City Council authorized the Director of Housing to negotiate and execute grant agreements for the Rapid Re-Housing Program.

WHEREAS, on February 12, 2021, CITY and GRANTEE entered into that certain agreement titled City of San José Housing Department Grant Agreement for a grant of \$1,000,000 in Emergency Solutions Grants – Coronavirus 2 (ESG-CV2) and Housing Authority Litigation Award (HALA) funds to support GRANTEE’s Rapid Re-Housing from January 1, 2021 through June 30, 2021 (“AGREEMENT”); and

WHEREAS, on September 12, 2021, CITY and GRANTEE entered into that certain first amendment to the AGREEMENT (“FIRST AMENDMENT”) to increase the grant award, amend the scope of services, amend the performance measures, update the budget summary, and extend the grant term through Fiscal Year 2021-2022; and

WHEREAS, on September 30, 2022, CITY and GRANTEE entered into that certain second amendment to the AGREEMENT (“SECOND AMENDMENT”) to increase the grant award, amend the scope of services, amend the performance measures, update the budget summary, and extend the grant term through Fiscal Year 2022-2023; and

WHEREAS, the AGREEMENT, as amended by the FIRST AND SECOND AMENDMENT(S), shall be referred to as the “AMENDED AGREEMENT”; and

WHEREAS, pursuant to Section 13 of the AGREEMENT, CITY and GRANTEE desire to amend the THIRD AGREEMENT to amend the scope of services and payments to grantee; and

WHEREAS, it is understood and agreed that GRANTEE has commenced work and incurred costs prior to execution of this THIRD AMENDMENT in anticipation of its execution; and

WHEREAS, CITY agrees to reimburse GRANTEE for those costs in accordance with the terms of this continued AMENDED AGREEMENT. However, in no event shall GRANTEE be reimbursed for costs incurred prior to July 1, 2022;

NOW, THEREFORE, the Parties agree to further amend the AGREEMENT as follows:

1. Scope of Services. THIRD REVISED EXHIBIT A, attached hereto, is appended to EXHIBIT A.
2. Payments to Grantee. REVISED EXHIBIT D, attached hereto, is appended to EXHIBIT D.
3. Retroactive Services. THIRD REVISED EXHIBIT I, attached hereto, is appended to EXHIBIT I.
4. No Other Amendments. CITY and GRANTEE acknowledge and agree that the AMENDED AGREEMENT, as amended by this THIRD AMENDMENT, constitutes the entire agreement by and between CITY and GRANTEE relating to the grant of CITY ESG-CV2, GF, and HALA funds, and supersedes any and all other oral agreements between the Parties.
5. Exhibits. All exhibits attached hereto are incorporated herein by reference.
6. Reaffirmation. In the event of an inconsistency between this THIRD AMENDMENT and the AGREEMENT, the terms and conditions of this THIRD AMENDMENT shall govern and control the rights and obligations of the Parties. All other terms and conditions of the AGREEMENT not changed, amended, or modified by this THIRD AMENDMENT shall remain in full force and effect.
7. Counterparts. This THIRD AMENDMENT may be executed in any number of separate counterparts and by each party in separate counterparts, each of

which when so executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Unless otherwise prohibited by law or CITY policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a writing as set forth in Evidence Code Section 1550. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the CITY.

8. Governing Law. This THIRD AMENDMENT shall be governed by and construed in accordance with the laws of the State of California.

THIRD REVISED EXHIBIT A **SCOPE OF SERVICES**

1.01 Project.

GRANTEE shall use GF funds to administer the CITY's Rapid Re-Housing Program in accordance with the provisions of the grant agreement between the CITY and U.S. Department of Housing and Urban Development ("HUD"), and all rules and regulations pertaining now and hereinafter adopted with respect to the Emergency Solutions Grants Program as funded by the CARES Act (24 CFR 576).

The goal of the Rapid Re-Housing Program is to prevent or quickly exit homelessness and return to permanent housing and stabilize in that housing via components such as living wage employment and health care.

The GRANTEE's responsibilities include, but are not limited to, the services listed in this EXHIBIT A. In the event the GRANTEE desires modifications to the Scope of Services, GRANTEE shall apply to the Housing Department's Homeless Grants Manager, in writing, setting forth the requested modifications. The Housing Department's Director ("DIRECTOR") shall have the authority to approve the following categories of modifications, by letter signed by the DIRECTOR, or the DIRECTOR's designee, without the necessity of formal written amendment to this AGREEMENT:

A. Modifications to the times and dates of the Scope of Services, short of extending the contract, which do not affect the total units of services to be provided, short of extending the contract; or

B. Modifications to the location of the Scope of Services so long as the proposed location will serve the same target population.

GRANTEE will follow the Santa Clara County Continuum of Care Quality and Assurance Standards for Homeless Housing and Service Programs, as applicable, and as they may be amended from time to time.

<https://osh.sccgov.org/sites/g/files/exjcpb671/files/documents/SCC%20CoC%20Quality%20Assurance%20Standards%20-%207.12.21%20incl%20HUD%20Mega%20Waiver.pdf>

1.02 Project Area.

The Project Area is the incorporated area of the City of San José.

1.03 Location of Project.

Unless otherwise indicated, the Grant Services specified below will be offered at the following location:

Site Name

1. LifeMoves, 181 Constitution Drive, Menlo Park, CA 94025
2. San Jose City Limits

1.04 Eligibility.

Eligible participants under this AGREEMENT shall be lower income individuals of all backgrounds, including persons of the following protected categories: race, sex, color, age, religion, actual or perceived gender identity, sexual orientation, disability, ethnic or national origin, or familial status, residing in the Project Area. Lower income is defined as household income at or below 80% of the median income for San José as defined by the Secretary of HUD. This includes very low-income which is defined as household income that exceeds 30% but does not exceed 50% of the HUD median income for San José and extremely low-income which is defined as household income that is 30% or lower of the HUD median income for San José. Grantee shall document each participant's eligibility on intake sheets, which shall include information about client's family size, total household income, gender of head of household, race and ethnic data as described on HUD form 27061, disability data (as applicable), and client signature and certification that the intake information is accurate.

Benefit low- and moderate-income persons Aid in the prevention of elimination of slums or blight Meet community development needs or urgent needs

X

Project serves low income, homeless individuals.

A. Homeless Status

Eligible participants under this AGREEMENT shall be households at risk of homelessness residing in the City of San Jose identified through Grantee's own network or referred by the Santa Clara County's Coordinated Assessment System for whom HMIS intake must be completed. Network Referrals must meet the following requirements:

1. Individuals and families with the greatest need based on qualifying RRH VI-SPDAT score as determined from the Santa Clara County Coordinated Entry System AND

2. A referral from the following:

- a. Demobilizing City or County congregate or non-congregate shelters
- b. Interim housing programs (Bridge Housing Communities and Emergency Interim Housing)

An individual or family is considered homeless if they are a member of a household that falls into at least one of the following four categories per the definition provided at 24 CFR 576.2:

1. Individuals and families who lack a fixed, regular, and adequate nighttime residence, and includes a subset for an individual who resided in an emergency shelter or a place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
2. Individuals and families who will imminently lose their primary nighttime residence;
3. Unaccompanied youth and families with children and youth who are defined as homeless under federal statutes who do not otherwise qualify as homeless under the above definitions;
4. Individuals and families who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member.

B. Income Status

Eligible participants under this AGREEMENT shall be lower income individuals of all backgrounds, including persons of the following protected categories: race, sex, color, age, religion, actual or perceived gender identity, sexual orientation, disability, ethnic or national origin, or familial status, residing in the Project Area. Lower income is defined as household income at or below 80% of the median income for San José as defined by the Secretary of HUD. This includes very low-income which is defined as household income that exceeds 30% but does not exceed 50% of the HUD median income for San José and extremely low-income which is defined as household income that is 30% or lower of the HUD median income for San José. Grantee shall document each participant's eligibility on intake sheets, which shall include information about client's family size and composition, total household income, gender of head of household, race and

ethnic data as described on HUD form 27061, disability data (as applicable), and client signature and certification that the intake information is accurate.

The CARES Act raised the income limit in paragraph (1)(i) of the “at risk of homelessness” definition at 24 CFR 576.2 from 30% of area median income to the very low-income limit of the area, as determined by the Secretary.

Outreach under this AGREEMENT shall be conducted in accordance with the City’s Language Access Plan. The City’s Language Access Plan is posted at: <https://www.sanjoseca.gov/your-government/departments/housing/memos-reports-plans/hud-reports>.

1.05 Description of Services.

Supportive Services Administration (SSA) Program Activities

Activity # 1 – Case Management

GRANTEE shall provide effective case management services that primarily focus on immediate efforts to attain housing with minimal assistance needed to address each household’s immediate housing crisis. Case managers shall also

assess household needs, determine the best plan of action to address those needs, and facilitate access to the services and resources necessary for long-term housing stabilization. These efforts include but are not limited to the following:

1. Develop Individual Services Plan/Housing Stabilization Plan: The plan must include the four forms that are outlined in Exhibit E “General Grant Conditions”, Section 2.08 (Case Management File) which includes but is not limited to: Assistance in selecting and obtaining affordable housing. Assistance in identifying personal strengths. Assistance in developing short-term goals and how to achieve them.
2. Client Stabilization: Implement the client’s plan. Track the plan with the client to ensure the plan objectives are met. Monitor the client’s housing situation, and the client’s job placement, including communication with landlord as necessary.
3. Logistical Support: Provide linkages to any ongoing needed or desired services with a focus on housing retention. Link ongoing support services or case management to client if needed and desired. Refer other services or support if needed.

Activity # 2 – Housing Search

GRANTEE shall provide assistance to participants in locating, obtaining, and retaining suitable permanent housing which includes the following:

1. Assessment of housing barriers, needs, and preferences;
2. Development of an action plan for locating housing;
3. Outreach to and negotiation with owners/landlords;
4. Assistance with submitting rental applications and understanding leases;
5. Assistance with obtaining utilities and making moving arrangements;
6. Tenant counseling - GRANTEE understands that documenting the progress of each session is crucial to the success of the client and the program.

Rental Subsidy Administration (RSA) Program Activities

Activity # 3 – Participant Intake, Assessment and Eligibility

GRANTEE shall gather as much information about the prospective client and their household as possible and shall assist the client in completing an intake form detailing client information. The aforementioned form is used for client screening and the potential client must complete this form before opening the client case for further assistance. Grantee shall certify that all participants meet eligibility requirements for the program.

Activity # 4 – Housing Inspections

GRANTEE shall perform inspections for units as required per HUD/City standards and regulations using the appropriate forms. This includes an assessment of housing compliance with ESG-CV2 requirements for habitability and lead-based paint (when applicable).

Activity # 5 – Housing Coupon Issuance and Move-In Assistance

GRANTEE shall perform subsidy briefings which include making calculations according to the identified subsidy structure, assessing household occupancy, issuing housing coupons and tracking household income. GRANTEE shall also provide documentation collection services which include Request for Tenancy Approval (RTA), W9, signed lease, and review of owner verification via the internet. GRANTEE shall also assist with negotiation with potential landlords, as well as review and sign the Housing Assistance Payment (HAP) contract.

Activity # 6 – Subsidy Management and Check Issuance

GRANTEE is responsible for timely issuance of subsidies, deposits, and utility allowance (when applicable). This also includes processing W-9 and property management agreement (when applicable) from landlords to be able to process rent checks.

Activity # 7 – New Landlords Onboarded to RRH

GRANTEE shall outreach with property owners and landlords who are not currently part of the RRH initiative in an effort to increase the number of partnerships between landlords and the GRANTEE.

Activity # 8 – Coordination w Employment Programs

GRANTEE shall have monthly case conferences with the agencies contracted with CITY to provide employment services.

1.06 Personnel.

GRANTEE shall provide a personnel cost allocation plan for the Project, including all positions to be allocated to the Project and the names of key personnel (e.g. Executive Director, Project Manager, etc.). CITY must approve the personnel cost allocation plan prior to approving reimbursement for personnel costs. Changes to the cost allocation plan during the term of this AGREEMENT must be submitted to and approved by CITY prior to reimbursement of costs.

1.07 Reporting Requirements.

Financial Report. GRANTEE shall submit monthly invoices to the Housing Department, via the CITY's WebGrants system, within thirty (30) days from the end of each month during the term of this AGREEMENT.

Quarterly Reports. At the end of each quarter, GRANTEE shall report to the Housing Department, via the CITY's WebGrants system, the number of UNDUPLICATED PARTICIPANTS as defined in Section 1.01 of EXHIBIT B to the AGREEMENT, and results of Outcome Measures.

Outcome Measure Reports. At the end of each quarter, GRANTEE shall submit a narrative report detailing results of outcome measures. The report, at minimum, shall include:

- a. a description of how the activities being provided under this grant contribute to meeting performance measures stated in the contract,
- b. a detailed description of how the measurement methodology was implemented and how information was collected,

- c. a detailed description of the methodology for selecting the sample size and the population to measure including the size of the sample.

Methodology shall include a description of when and how information was collected, the total population being studied, the sample size used for the study, the method used to determine the sample size, and the method for selecting the sample.

1.08 Reporting Schedule. All Quarterly and Outcome Measure reports shall be submitted to the Housing Department, via the CITY's WebGrants system, no later than ten (10) calendar days after the end of the first, second, and third quarters, and no later than seven (7) calendar days after the end of the fourth quarter.

1.09 Cost Reimbursement. CITY shall provide a two-month pre-payment, then GRANTEE will be reimbursed on a monthly basis, for approved invoices submitted pursuant to this AGREEMENT. Requests for reimbursement will be made on a form and in the manner prescribed by the CITY under provisions as set forth in **EXHIBIT D**, titled "PAYMENTS TO GRANTEE"

1.10 Additional Provisions. None.

REVISED EXHIBIT D

PAYMENTS TO GRANTEE FOR NON-FEDERAL PROGRAM

A. CITY agrees to reimburse GRANTEE for the expenses incurred as set forth in this AGREEMENT in an amount of money not to exceed the amount set forth in this AGREEMENT. Such sum shall be expended and paid by CITY to GRANTEE on a cost reimbursement basis upon City approval (reimbursement basis by default) for expenses actually incurred and paid by GRANTEE during the term of this AGREEMENT for the cost categories appearing in EXHIBIT C, as described in subsection B below.

B. Pre-Payment to GRANTEE whereas CITY will provide a two-month pre-payment three weeks after the execution of the Grant Agreement. The first pre-payment amount shall be based on the Grant Agreement amount divided by the number of months of the term of the Grant Agreement, multiplied by two. This should equal approximately two month's of the approved budget. If the Grant Agreement allows for a multi-year extension, then the City will base the pre-payment on 12 months.

Subsequent months' pre-payment amount shall be based on the documented invoice submitted for the expenses incurred during the previous month. The City will issue its last pre-payments when there are two months remaining in the term of the Grant Agreement. The Contractor will submit documented invoices for the final two months and will use the pre-payments to fund expenses.

The final month of the Agreement will be paid after the final invoice is received if there is a balance due, within 30 days of the end of the contract term. If the final invoice is less than the outstanding funds that are still held by the Contractor, the Contractor will return the balance with the final invoice within 30 days of the end of the contract term.

C. Payments to GRANTEE after all prepaid funds are expended and invoices received, reimbursements shall be made within thirty (30) days of:

1. (a) receipt by CITY of statement or statements in a form approved by CITY specifying in detail the costs incurred by and paid by GRANTEE during the month for which payment is requested, and

(b) documents evidencing these costs, including but not limited to, paid invoices; and

2. the determination by CITY, in its sole discretion, that expenses for which GRANTEE seeks reimbursement can properly be paid under this AGREEMENT and such statement(s) and supporting documents reasonably evidencing that the expenses have been incurred and paid by GRANTEE. In making such determination, CITY may, but need not, rely upon the certification by GRANTEE that the items appearing on said statement and supporting documents are eligible items for reimbursement under this AGREEMENT. Such determination by CITY shall in no way constitute a waiver by CITY of its right to recover from GRANTEE the amount of money paid to GRANTEE on any items which is not eligible for payment under this AGREEMENT.

D. "Expenses eligible for reimbursement" shall mean those expenses which are necessary to meet, in part, the housing needs of the very low-, low-, and moderate income Participants in the City of San José within the County of Santa Clara.

E. Within fifteen (10) working days from the end of each month during the term of this AGREEMENT, GRANTEE shall report to CITY all expenditures during the prior month on a form and in manner prescribed by the CITY. CITY will review the invoices or financial reports for adherence to AGREEMENT requirements and services, and authorize and release of Grant funds to GRANTEE to reimburse the expenditures. Payment shall be contingent upon GRANTEE's submittal of documentation of expenditure of funds, provided that GRANTEE is not in default under any provisions of this AGREEMENT.

Supplies: Eligible costs for consumable commodities which have a useful life of one (1) year or less, or which cost less than Five Hundred Dollars (\$500) and which render services essential to the operation of the Project.

Communications: Eligible costs for telephone, telegraph, postage, and other communication costs that are essential to the operation of the Project.

Printing and Advertising: Eligible costs for printing and duplicating services, newspaper print by contract; and newspaper advertising which is essential to the operation of the Project.

Utilities: Eligible costs incurred for water, gas, electric, garbage and trash collection, and similar expenses.

Occupancy: Eligible costs for building space used in connection with the Project, including rent, maintenance and janitorial services when included in the lease, not including fixtures, furniture, equipment or utilities. Compensation for use of buildings may be made through use allowances or depreciation as permitted by 2

CFR 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”

Equipment Rental: Eligible costs for rental of equipment defined as tangible property other than land and buildings, or building improvements.

Travel (Local): Allowable reimbursement to employees for actual automobile mileage, transportation, and all necessary and ordinary travel expenses while on official Project business within Santa Clara County.

Travel (Other): Allowable reimbursement to employees for actual automobile mileage, transportation, and all necessary and ordinary travel expenses while on official Project business outside of Santa Clara County. All out-of-state travel must be approved by CITY prior to any expenditure for such travel.

Contractual Services: Eligible payments for contractual expert services of a professional, scientific, or technical nature, as well as eligible payments made to GRANTEE for performing construction work or any other services which the Project does not have the capability of performing itself. Contracts or subcontracts are to be developed in conformance with the Procurement Standards in 24 CFR 84.40 – 48 and 570.502.

Fringe Benefits: Eligible payroll-related costs of health insurance, retirement fund contributions, FICA, and other payments made on behalf of the employee.

Insurance: Eligible costs of insurance and other related services.

Equipment: Eligible payments for the purchase of equipment which is defined as tangible property having a useful life of more than one (1) year, the unit cost of which is Five Hundred Dollars (\$500) or more. All equipment purchases require prior CITY approval and maintenance of an equipment inventory, a copy of which must be submitted to CITY upon purchase of equipment.

E. Reallocating of Project Funds. On a monthly basis, CITY shall review the monthly expenditures if any, for services performed and costs incurred by GRANTEE provided in this Exhibit. If such review reveals that the monthly expenditures in any such month for the Project as a whole or any cost category thereof, is below the total amount allocated under this AGREEMENT for the total Project or cost category thereof for such month, CITY may reallocate the amount of such underspending. In the case of underspending in a cost category, CITY may reallocate unspent amount into another cost category of the Project. In the case of underspending in the Project as a whole, CITY may reallocate unspent amount to another community development project. CITY shall, before reallocating, give GRANTEE ten (10) days' written notice of its intention to

reallocate funds. Such notice shall include a copy of CITY's monthly expenditure review for the Project and statement of its reasons for such reallocation. CITY shall make its final determination with respect to reallocation only after GRANTEE has been given an opportunity to present its views and recommendations with respect to such contemplated reallocation. In no event, however, shall CITY be bound to accept GRANTEE's views or recommendations with respect to such contemplated reallocation. If the expenditures by GRANTEE in any month, for the Project or any cost category thereof, exceed the total amount allocated to the Project or any cost category thereof, CITY may terminate non-salary expenditures for the Project for such period of time as is necessary to bring expenditures into conformance with this AGREEMENT.

The Director or his or her designated representative, may at the request of GRANTEE approve reallocation of funds from any cost category or categories to any other cost category or categories at any time provided that: (1) there is no increase in the total amount specified in this AGREEMENT, and (2) the goals and objectives set forth in **EXHIBIT B** to the AGREEMENT are not negatively affected. Approval by the Director or his or her designated representative of such reallocation of funds must be in writing. Any unexpended funds at the end of the term of the AGREEMENT shall be retained by the CITY.

Expenses incurred prior to the Start Date of this AGREEMENT are not eligible for reimbursement under this AGREEMENT.

EXHIBIT I

RETROACTIVE SERVICES

The term of this THIRD AMENDMENT shall be retroactive from July 1, 2022 and shall continue through June 30, 2023. It is understood and agreed that GRANTEE has commenced work and incurred costs prior to execution of this AGREEMENT in anticipation of its execution. CITY agrees to reimburse GRANTEE for those costs in accordance with the terms of the AMENDED AGREEMENT. However, in no event shall GRANTEE be reimbursed for costs incurred prior to July 1, 2022.