



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

55-F June 20, 2017

Los Angeles County
Board of Supervisors

June 20, 2017

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

LORI GLASGOW
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AN AGREEMENT WITH JIR PFS, LLC
FOR THE JUST IN REACH PAY FOR SUCCESS PROGRAM
AND OTHER RELATED DELEGATIONS OF AUTHORITY
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director, Health Agency

Jonathan E. Sherin, M.D., Ph.D.
Director, Department of Mental Health

Barbara Ferrer, Ph.D, M.P.H., M.Ed.
Director, Department of Public Health

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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SUBJECT

Delegate authority to the Director of the Health Agency or his designee to enter into an Agreement with JIR PFS, LLC, for the Just in Reach Pay for Success Program in accordance with the Board's motion of August 11, 2015, which approved the Just In Reach program as Los Angeles County's first Pay for Success initiative; and delegate authority to amend the Agreement.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of the Health Agency (Director), or his designee, to execute an Agreement with JIR PFS, LLC, effective upon execution for the period July 1, 2017 through June 30, 2022 for the Just In Reach Pay for Success (Pay for Success) Program for the provision of reduction of recidivism in Los Angeles County (County), with a maximum obligation not to exceed \$14.250 million, subject to prior approval by County Counsel and Chief Executive Office (CEO).
2. Delegate authority to the Director, or his designee, to execute Amendments to the Agreement, to add, delete and/or change non-substantive terms and conditions in the Agreement and approve necessary changes to scope in services needed to complete the

"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities."



Pay for Success Program, subject to prior review and approval by County Counsel and notification to the Board and the CEO.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Background

Pay for Success provides an opportunity for government to change the way services are delivered by utilizing resources to develop more effective programs, and ultimately improve the lives of people most in need. Pay for Success programs are set up so that governments, service providers, and funders agree on achieving pre-determined outcomes for a vulnerable underserved population. Private funders and/or philanthropy provide operating costs to fund the service providers. If the targeted outcomes are achieved, government makes success payments to the funders.

On August 11, 2015, the Board approved a motion recognizing the Pay for Success Program as the County's first Pay for Success Initiative, and directed the selection of an evaluator, project manager and service provider to implement the Pay for Success Program. In the most recent report of August 19, 2016, the Department of Health Services (DHS) Office of Diversion and Reentry (ODR) and the Corporation for Supportive Housing (CSH) confirmed their intention to move forward with the implementation of the Pay for Success Program. CSH successfully identified the National Council on Crime and Delinquency (NCCD) as its intermediary partner. Through an open procurement process (in compliance with federal procurement standards), The RAND Corporation was selected as the independent evaluator for the Pay for Success Program. The Sheriff's Department, CEO, Department of Mental Health, and County Counsel have been integral to and continue to support the Pay for Success project development.

Pay for Success Program

The Pay for Success Program will build upon DHS's existing Housing for Health Program and CSH's Just in Reach 2.0 project and will focus on the end-to-end provision of holistic, supportive jail in-reach (assessment and case management) and post-release permanent supportive housing services. Services will be provided to the inmate population in the County's correctional facilities by service providers under the Supportive Housing Services Master Agreement. Pay for Success service providers will receive referrals from the Correction Health system within the jails. Over the term of the Agreement, the Pay for Success Program is anticipated to create a total of 300 permanent supportive housing slots for inmates who are homeless and have a mental health and/or substance use disorders.

Pay for Success Financing and Investors

The Pay for Success is projected to cost \$21.761 million. This figure includes the costs of the Pay for Success infrastructure (intermediary costs, evaluation costs, interest to investors, capacity building services) and funding needed to sustain 300 permanent supportive housing slots over the term of the Agreement. Intensive Case Management Services and move-in costs are also included in the \$21.761 million total cost but are not included in the Pay for Success financing. Attachment A, Pay for Success Funding, Table 1 provides a breakdown of the Program budget.

Initial financing of \$10.000 million for the Pay for Success Program will originate from two investors: The Conrad N. Hilton Foundation and United Health Group. The Conrad N. Hilton Foundation has committed an investment of \$3.000 million, and United Health Group has committed an investment of \$7.000 million. The financial model allows success payments earned in the first two years to be reinvested into the project. For example, as success is achieved in the early years, instead of repaying investors immediately, these funds will pay for new and ongoing rental subsidies in later years. This “recycling” of funds is the reason that the investor funding is lower than the total cost of the Pay for Success funded program elements. Contracts with investors will be held by JIR PFS, LLC, and will mirror contract terms laid out in the Pay for Success Program Agreement between JIR PFS, LLC and the County.

County Success Measurements and Payments

In accordance with Attachment A, Pay for Success Funding, Table 2, the County will allocate approximately \$12.450 million to make repayments to funders for the principal and interest of their investment, assuming the Pay for Success Program meets anticipated success benchmarks. Costs to the County for success payments will be offset by the \$1.800 million the County was awarded from the Board of State Community Corrections (BSCC) grant competition, and the \$0.650 million from the Housing and Urban Development and Department of Justice (HUD/DOJ) award that will be paid directly to JIR PFS, LLC. The first round of success payments are expected to be issued in July 2018, one year after Pay for Success Program launch. Success payments to funders are based on individual participant outcomes for: 1) housing retention at six months; 2) housing retention at 12 months; and 3) reduced returns to jail during the first 24 months post-enrollment.

Attachment A, Pay for Success Funding, Table 3 provides the schedule and sources of funding for success payments. During Year 1 and Year 2 of the Pay for Success Program success payments are made with grant funding. County funding is anticipated to start in Fiscal Year (FY) 2018-19.

Success will be measured by monitoring rates of jail avoidance and housing stability for Pay for Success clients. Sixty percent of the total repayment resources available for success payments will be dedicated to the housing stability metric, and the remaining forty percent of the funds will be dedicated to the jail avoidance metric. After Program launch, performance of the Pay for Success Program (and applicable data) will be monitored by an Operating Committee and a Steering Committee. The Pay for Success Program Agreement further lays out the make-up and role of these committees and the County's related commitment to staff those committees and provide applicable program data.

Recommendations

Approval of the first recommendation will allow the Director, or his designee, to execute an Agreement with JIR PFS, LLC, substantially similar to Exhibit I, for the period July 1, 2017 through June 30, 2022, for the provision of an intermediary to coordinate the Pay for Success Program for the reduction of recidivism, with a maximum obligation not to exceed \$14.250 million. This term is inclusive of a six-month "wind-down" period to allow for evaluation activities and final payments.

Approval of the second recommendation will allow the Director, or his designee, to execute Amendments to the Agreement, to add, delete and/or change non-substantive terms and conditions in the Agreement, and approve necessary changes to scope in services needed to complete the Pay for Success Program.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2, "Support the Wellness of Our Communities" and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

DHS

There are no payments to JIR PFS, LLC in FY 2017-18 during the Pay for Success Program implementation.

If the Pay for Success Program is fully successful and meets the metrics and benchmarks, DHS will pay JIR PFS, LLC a total estimated cost of \$14.250 million with the first payment of \$1.893 million anticipated to start in FY 2018-19, thereafter an estimated \$6.061 million in FY 2019-20, \$4.871 million in FY 2020-21, and \$1.425 million in FY 2021-22. This is offset by \$1.800 million from the BSCC grant award and

\$12.450 million by ODR. Attachment A, Table 3 includes the total LA County obligation by fiscal year.

Funding will be requested in FY 2018-19 Recommended Budget and future fiscal years, as needed.

DMH

No fiscal impact.

DPH

No fiscal impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This agreement is authorized under California Code 31000, which authorizes the Board of Supervisors to contract for special services.

The terms and conditions of this Agreement deviate from standard County language to accommodate the unique structure of the relationship between the County and Pay for Success, which accommodates the unique components of the Evaluator and Investors. For example, the “County’s Quality Assurance Plan” provision has been removed as inapplicable because the substantive services to the homeless under this contract will be provided by DHS.

The HUD/DOJ grant at \$0.650 million was awarded to CHS, a partner in the JIR PFS, LLC, and will be paid directly to the investors as success payments.

The Pay for Success Program Agreement is primarily a financing arrangement. It is not a Proposition A Agreement because the nature of the financial arrangement in this Agreement cannot be provided by County employees, therefore, it is not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

CONTRACTING PROCESS

This contract is primarily a financing arrangement. This financing arrangement cannot be provided by County employees. Services to the homeless underlying this contract will be provided by DHS through existing arrangements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will expand access to services to reduce recidivism countywide for inmate populations in Los Angeles County who would be homeless and/or at-risk of homelessness, with the goal of improving access to resources to participants and reducing costs to the County of Los Angeles.

Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.
Director

MHK:ag

Enclosure (1)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Pay for Success - Just In Reach Program

Table 1

| Overall Program Financial Sources and Uses | | |
|--|----------------------|---|
| Program Related Costs | | Sources of Funding |
| Housing (Rental) Subsidy Cost | \$ 11,832,657 | Pay for Success Financing |
| Intensive Case Management Costs | \$ 6,381,841 | LA County and Whole Person Care |
| Move-in Costs | \$ 645,473 | LA County and Whole Person Care |
| Pay for Success Evaluation Expense | \$ 400,000 | HUD DOJ Grant and Pay for Success Financing |
| Pay for Success Project Manager/Financial Services Agent Costs | \$ 600,000 | HUD DOJ Grant and Pay for Success Financing |
| Capacity Building Costs | \$ 400,000 | Pay for Success Financing |
| Pay for Success Funder Interest Expense | \$ 1,501,000 | LA County Funds |
| Total | \$ 21,760,971 | -- |

Table 2

| Cost of PFS Financing to LA County | |
|--|----------------------|
| Success Payment Required from LA County (LAC) | \$ 12,450,000 |
| Success Payment Set Aside from LAC BSCC Funds | \$ 1,800,000 |
| Success Payment Set Aside from HUD-DOJ Funds | \$ 650,000 |
| Maximum Amount of Success Payments Required | \$ 14,900,000 |

Table 3

| Schedule for LA County Success Payment Allocations | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|----------------------|
| Success Payments | Year 1 FY 17/18 | Year 2 FY 18/19 | Year 3 FY 19/20 | Year 4 FY 20/21 | Year 5 FY 21/22 | Total |
| LAC Funds | \$0 | \$ 621,544 | \$5,532,050 | \$4,871,025 | \$ 1,425,381 | \$ 12,450,000 |
| LAC BSCC Funds | \$0 | \$1,271,544 | \$ 528,456 | \$0 | \$0 | \$ 1,800,000 |
| Total LAC Obligation | \$0 | \$1,893,088 | \$6,060,506 | \$4,871,025 | \$ 1,425,381 | \$ 14,250,000 |
| HUD-DOJ Funds | \$0 | \$ 650,000 | \$0 | \$0 | \$0 | \$ 650,000 |
| Grand Total | \$0 | \$2,543,088 | \$6,060,506 | \$4,871,025 | \$ 1,425,381 | \$ 14,900,000 |

DEPARTMENT OF HEALTH SERVICES



AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

JIR PFS, LLC

FOR THE

JUST IN REACH PAY FOR SUCCESS PROGRAM

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A STATEMENT OF WORK

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Annex A-2 – Scope of Services to be Provided Under NCCD Contract

Annex A-3 – Scope of Services to be Provided Under Independent Evaluator Agreement

Annex A-4 – Form of FHSP Agreement

Annex A-5 – Scope of Services to be Provided by ICMS Providers

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Annex A-7 – Evaluation Plan

B PAYMENT SCHEDULE

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Annex B-2 – Funding Plan

Annex B-3 – Form of Success Payments Report

C INTENTIONALLY OMITTED

D INTENTIONALLY OMITTED

E COUNTY’S ADMINISTRATION

F CONTRACTOR’S ADMINISTRATION

G FORM OF CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

H JURY SERVICE ORDINANCE

I SAFELY SURRENDERED BABY LAW

J COMMUNICATIONS PROTOCOL

K DEFINED TERMS

**AGREEMENT FOR THE
JUST IN REACH PAY FOR SUCCESS PROGRAM**

This Agreement, including its Exhibits (this “**Agreement**”), is made and entered into as of the ____ day of _____, 2017 (the “**Effective Date**”) by and between the County of Los Angeles, hereinafter referred to as “**County**,” and JIR PFS, LLC, hereinafter referred to as the “**Contractor**.” The County and the Contractor are referred to herein individually as a “**Party**” and collectively as the “**Parties**.” The Contractor’s principal place of business is located at 61 Broadway, Suite 2300, New York, New York 10006.

RECITALS

WHEREAS, on August 11, 2015, the County Board of Supervisors (“**Board of Supervisors**”) approved a motion recognizing the Just in Reach Program (the “**Program**”) as the County’s first Pay for Success initiative, and directed the selection of an evaluator, project manager and service provider to implement the Program; and

WHEREAS, on December 15, 2015, the Board of Supervisors approved a motion directing Health Agency – Department of Health Services (“**DHS**”) to take administrative actions to expedite the County’s ability to promptly increase the rate at which homeless persons are moved into interim and permanent housing; and

WHEREAS, on January 19, 2016, the Board of Supervisors reaffirmed the County’s commitment to submit a grant application for Assembly Bill 1837 and participation in the “Pay for Success” (“**PFS**”) grant project funded through the State Recidivism Reduction Fund and administered by the Board of State and Community Corrections (“**BSCC**”); and

WHEREAS, the Chief Executive Office submitted a grant proposal and was awarded State grant funds in the amount of \$2,000,000, of which \$1,800,000 is for Success Payments and \$200,000 is for the salaries of County staff to implement the Program, and signed an agreement with BSCC that State grant funds shall not be used to supplant expenditures controlled by the Board of Supervisors; and

WHEREAS, the Board of Supervisors has authorized the Director of DHS or his or her authorized designee (“**Director**”) to execute and administer an agreement with a private business to provide consultation and coordinate the PFS grant project for the purpose of reducing recidivism by use of various resources, including securing the participation and support of community philanthropies and private sector social impact bond investors; and

WHEREAS, the County desires to implement the Program to provide supportive housing to certain criminal justice involved individuals with histories of homelessness as further described herein; and

WHEREAS, the Corporation for Supportive Housing (“**CSH**”) and the National Council on Crime and Delinquency (“**NCCD**”) were selected to serve as intermediary organizations for the Program; and

WHEREAS, the Contractor is a limited liability company that was created jointly by CSH and NCCD to enter into and perform the obligations of the Contractor under this Agreement; and

WHEREAS, the Contractor, through its subcontractors, has the ability to perform the obligations of the Contractor under this Agreement; and

WHEREAS, each Party will enter into agreements with subcontractors, as specified in Exhibit A – Statement of Work, for the provision of services to the County and to the Contractor in support of the Program; and

WHEREAS, certain costs of the Program that are set forth in the budget attached to Exhibit B – Payment Schedule will be paid by the Contractor with funds provided by third parties in the form of loans and other transfers of money described in Exhibit B – Payment Schedule and in the Loan Documents (the “**Loans**” and the parties making such Loans, the “**Lenders**”); and

WHEREAS, the County will make Success Payments to the Contractor upon the County’s subcontractors achieving specific metrics of success with respect to the Program, as validated by an independent evaluator, all as further described in Exhibit A – Statement of Work and Exhibit B – Payment Schedule; and

WHEREAS, the Contractor will use the Success Payments to pay amounts due under the Loans, in accordance with the Loan Documents, as further described in Exhibit B – Payment Schedule; and

WHEREAS, this Agreement is authorized under Government Code section 31000, which authorizes the Board of Supervisors to contract for special services; and

WHEREAS, the Parties desire to enter into this Agreement to facilitate the implementation of the Program and to set forth each Party’s obligations with respect to the Program.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the Parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, and K are attached to and form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to this Agreement and then to the Exhibits according to the following priority:

Exhibits:

EXHIBIT A – Statement of Work

EXHIBIT B – Payment Schedule

EXHIBIT C – Intentionally Omitted

EXHIBIT D – Intentionally Omitted

EXHIBIT E – County’s Administration

EXHIBIT F – Contractor’s Administration

EXHIBIT G – Form of Contractor Non-Employee Acknowledgement and Confidentiality Agreement

EXHIBIT H – Jury Service Ordinance

EXHIBIT I – Safely Surrendered Baby Law

EXHIBIT J – Communications Protocol

EXHIBIT K – Defined Terms

This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the Parties, and supersedes all previous agreements, written and oral, and all communications between the Parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Sub-Paragraph 8.1 – Amendments and signed by both Parties.

2.0 DEFINITIONS

A list of defined terms can be found in Exhibit K – Defined Terms.

3.0 WORK

3.1 PROGRAM DETAILS

Details regarding the Program, including an overview of the Program, conditions to the launch of the Program, and details regarding Program implementation and operations, are set forth in Exhibit A – Statement of Work.

3.2 CONTRACTOR ACTIVITIES

Pursuant to the provisions of this Agreement, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and

other work designated as the Contractor's responsibility in this Agreement, including in Exhibit A – Statement of Work. The Contractor's obligations under this Agreement are limited to the express requirements of this Agreement, and the Contractor shall have no obligation to perform any other services or engage in any other activities not set forth herein. If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County with respect to such tasks, deliverables, good, services and other work.

3.3 COUNTY ACTIVITIES

The County shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work designated as the County's responsibility in this Agreement, including in Exhibit A – Statement of Work.

4.0 TERM OF AGREEMENT

- 4.1 The term of this Agreement (the “**Term**”) shall be July 1, 2017 to June 30, 2022, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.
- 4.2 Intentionally Omitted
- 4.3 The County maintains databases that track/monitor the Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will request an extension to this Agreement.

5.0 PAYMENTS

5.1 PAYMENTS BY THE CONTRACTOR TO THE COUNTY

- 5.1.1 The Contractor shall pay to the County certain costs of the Program within 21 days following the receipt of an invoice from the County. These invoiced costs may be more or less than the budgeted costs described in Annex B-1 to Exhibit B – Payment Schedule (\$1,241,078 for Year 1, \$3,181,179 for Year 2, \$4,207,600 for Year 3, \$4,322,800 for Year 4, and \$29,789 for Year 5), but shall not exceed a total of \$12,982,446 over the Term. The County shall invoice the Contractor for such costs on a Quarterly basis.
- 5.1.2 All invoices sent to the Contractor in accordance with this Sub-Paragraph 5.1 shall be submitted in two (2) copies to the following address:

Corporation for Supportive Housing
800 S. Figueroa Street, Suite 810
Los Angeles, CA 90017

5.2 PAYMENTS BY THE COUNTY TO THE CONTRACTOR

- 5.2.1 The County shall pay to the Contractor the Success Payments that are calculated and confirmed by the Independent Evaluator in accordance with Article II of Exhibit B – Payment Schedule within 30 days following the Independent Evaluator’s written confirmation of the applicable Success Payments.
- 5.2.2 All Success Payments Reports submitted to the County in accordance with Section 2.03(c) of Exhibit B – Payment Schedule shall be submitted in two (2) copies to the following address:

Office of Diversion and Reentry
Los Angeles County – Department of Health Services
313 N. Figueroa Street, Room 132
Los Angeles, CA 90012
Attn: Corrin Buchanan

- 5.2.3 All Success Payments Reports submitted by the Contractor for payment must have been confirmed in writing by the Independent Evaluator in accordance with Section 2.03(c) of Exhibit B – Payment Schedule prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written confirmation.

5.3 MAXIMUM OBLIGATION OF COUNTY

The maximum obligation of the County for all services provided by the Contractor hereunder shall not exceed \$14,250,000, as further described in Section 2.01 of Exhibit B – Payment Schedule.

5.4 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Except with respect to any Success Payments that have been earned by the Contractor but have not been paid at the time of expiration or termination, the Contractor shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Agreement. Should the Contractor receive any such payment it shall immediately notify the County and shall immediately repay all such funds to the County. Payment by the County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the County’s right to recover such payment from the Contractor. This

provision shall survive the expiration or other termination of this Agreement.

6.0 ADMINISTRATION OF AGREEMENT – COUNTY

The Director shall have the authority to administer this Agreement on behalf of the County. The Director retains professional and administrative responsibility for the services rendered under this Agreement. A listing of all County administration contacts referenced in the following Sub-paragraphs is set forth in Exhibit E – County’s Administration. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 PROJECT DIRECTOR

Responsibilities of the Project Director include:

- ensuring that the objectives of this Agreement are met; and
- providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

6.2 PROJECT MANAGER

6.2.1 The responsibilities of the Project Manager include:

- meeting with the Contractor’s Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

6.2.2 The Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate the County in any respect whatsoever.

6.3 PROJECT MONITOR

The Project Monitor is responsible for overseeing the day-to-day administration of this Agreement. The Project Monitor reports to the Project Manager.

7.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

7.1 CONTRACTOR’S PROJECT MANAGER

7.1.1 The Contractor’s Project Manager is designated in Exhibit F – Contractor’s Administration. The Contractor shall notify the County in

writing of any change in the name or address of the Contractor's Project Manager.

- 7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Agreement and shall coordinate with the Project Manager and Project Monitor on a regular basis.

7.2 CONTRACTOR'S AUTHORIZED OFFICIAL(S)

- 7.2.1 The Contractor's Authorized Official(s) are designated in Exhibit F – Contractor's Administration. The Contractor shall promptly notify the County in writing of any change in the name(s) or address(es) of the Contractor's Authorized Official(s).

- 7.2.2 The Contractor represents and warrants that all requirements of the Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Agreement on behalf of the Contractor.

7.3 INTENTIONALLY OMITTED

7.4 INTENTIONALLY OMITTED

7.5 INTENTIONALLY OMITTED

7.6 CONFIDENTIALITY

- 7.6.1 The Contractor shall maintain the confidentiality of all records and information provided by the County to the Contractor in connection with this Agreement in accordance with all applicable federal, state and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, the County policies concerning information technology security and the protection of confidential records and information.

- 7.6.2 The Contractor shall indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or subcontractors, to comply with this Sub-Paragraph 7.6, as determined by the County in its reasonable judgment. Any legal defense pursuant to the Contractor's indemnification obligations under this Sub-Paragraph 7.6 shall be conducted by the Contractor and performed by counsel selected by the Contractor and

approved by the County. Notwithstanding the preceding sentence, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the County in doing so. The Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of the County without the County's prior written approval.

7.6.3 The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality and indemnification provisions of this Agreement.

7.6.4 Intentionally Omitted

7.6.5 The Contractor shall cause each non-employee performing services covered by this Agreement to sign and adhere to the provisions of Appendix G-3 – Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

7.7 INTENTIONALLY OMITTED

7.8 STAFF PERFORMANCE UNDER THE INFLUENCE

The Contractor shall not knowingly permit any employee to perform services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic, or other substance which might impair their physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS

8.1.1 For any change which affects the scope of work, term, payments, or any term or condition included under this Agreement that are agreed by the Executive Steering Committee, an amendment shall be prepared by the County and then, subject to agreement by the Contractor, executed by the Contractor and by the Director on behalf of the County.

8.1.2 Intentionally Omitted

8.1.3 Intentionally Omitted

8.1.4 The Director or his/her designee may request, at his/her sole discretion, the addition and/or change of certain terms and conditions in this

Agreement to conform to changes in federal or state law or regulation, during the Term. The County reserves the unilateral right to add and/or change such provisions as required by law or regulation, without the need for the Contractor's written consent, to preserve this Agreement's conformity and compliance to federal and state law or regulation; provided, however, if the Contractor, following consultation with the Contractor's counsel, in good faith disagrees with the County's interpretation of the applicable law and presents the grounds for such disagreement, then the Parties will discuss the differences in interpretation, any such change to this Agreement will be subject to the Contractor's agreement. To implement such changes, an amendment to this Agreement shall be prepared by the County and then, subject to the foregoing, executed by the Contractor and by the Director. If the Parties are unable to reach a resolution of their differences and the County feels it is compelled to conform to changes in federal or state law or regulation, the County shall have the right to terminate pursuant to Sub-Paragraph 8.51.3 this Agreement upon 30 days' written notice; provided, however, that if within 30 days of having received such notice the Contractor agrees to the County's proposed addition and/or change of certain terms and conditions in this Agreement, then this Agreement shall not terminate.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1 The Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void; provided, however, that the Contractor may assign its rights or delegate its duties to the Lenders without the consent of the County if an event of default has occurred pursuant to a collateral assignment of rights under this Agreement from the Contractor to the Lenders, without the consent of the County. For purposes of this Sub-Paragraph 8.2.1, the County consent shall require a written amendment to this Agreement, which is formally approved and executed by the Parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at the County's sole discretion, against the claims, which the Contractor may have against the County. The rights and obligations of the Contractor shall inure to and be binding upon its successors and assigns.
- 8.2.2 Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of the Contractor to any person(s), corporation, partnership, or legal entity other than the majority

controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of the County in accordance with applicable provisions of this Agreement.

- 8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without the County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of this Agreement pursuant to Sub-Paragraph 8.51.3. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.3 REPRESENTATIONS AND WARRANTIES

8.3.1 Contractor Representations and Warranties

8.3.1.1 Authorization. The Contractor represents and warrants that the person executing this Agreement for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority. The Contractor has all requisite corporate power and authority to enter into, execute and to deliver this Agreement and to perform its obligations hereunder. The performance of the obligations hereunder, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Contractor and no other corporate proceedings or actions on the part of the Contractor are necessary to authorize the delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement constitutes a valid and binding obligation of the Contractor, enforceable in accordance with its terms, except as enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

8.3.1.2 Organization, Good Standing, and Qualification. The Contractor represents and warrants that it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is qualified to

conduct business in the State of Delaware, and has all requisite corporate power and authority to own, operate and lease its properties and assets, to carry on its business as currently conducted, and to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

8.3.1.3 Non-Contravention. The execution and delivery of this Agreement by the Contractor does not, and the performance by the Contractor of its obligations hereunder and the consummation of the transactions contemplated hereby shall not: conflict with, result in any violation of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person or another party a right of termination, cancellation or acceleration of any obligation or result in a loss of a benefit or an increase in a cost or liability under: (a) any provision of applicable organizational documents of the Contractor, (b) any statement of work, lease, agreement or instrument by which the Contractor is bound or to which the Contractor's assets or properties are subject, or (c) any law or governmental order applicable to or binding on the Contractor or any of the Contractor's assets and properties (except in each of (a), (b) or (c), where such conflict, violation, default, termination, cancellation, acceleration or loss would not reasonably be expected to have a material adverse effect on the Contractor or its ability to perform the Contractor services).

8.3.2 County Representations and Warranties

8.3.2.1 Authorization; Enforceability. The County represents and warrants that it has all requisite power and authority to enter into, execute and to deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance of the obligations hereunder, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the County, and no other proceedings or actions on the part of the County are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the County and constitutes a valid and binding obligation of the County, enforceable in accordance with its terms, except as enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other laws of general

application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

8.3.2.2 Non-Contravention. The execution and delivery of this Agreement by the County does not, and the performance by the County of its obligations hereunder and the consummation of the transactions contemplated hereby shall not conflict with, result in any violation of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person or another Party a right of termination, cancellation or acceleration of any obligation or result in a loss of a benefit or an increase in a cost or liability under any provision of the charter or other applicable organizational documents of the County.

8.4 INTENTIONALLY OMITTED

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

The Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, the Contractor certifies that neither it nor any of its owners, officers, partners, directors, other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, the Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owners, officers, partners, directors, other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. The Contractor shall immediately notify the County in writing, during the Term, should it or any of the aforementioned parties either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of the Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

8.6 INTENTIONALLY OMITTED

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

8.7.1 In the performance of this Agreement, the Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.

8.7.2 The Contractor shall indemnify, defend, and hold harmless the County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by the Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by the County in its reasonable judgment. Any legal defense pursuant to the Contractor's indemnification obligations under this Sub-Paragraph 8.7.7 shall be conducted by the Contractor and performed by counsel selected by the Contractor and approved by the County. Notwithstanding the preceding sentence, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from the Contractor for all such costs and expenses incurred by the County in doing so the Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of the County without the County's prior written approval.

8.7.3 Intentionally Omitted

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS – ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 U.S.C. Sections 2000(e)(1) through 2000(e)(17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person

shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

- 8.8.2 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti discrimination laws and regulations.
- 8.8.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.8.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation.
- 8.8.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.
- 8.8.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-Paragraph 8.8 when so requested by the County.

8.8.7 If the County finds that any provisions of this Sub-Paragraph 8.8 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate (pursuant to Sub-Paragraph 8.51.3) or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.

8.8.8 The Parties agree that in the event the Contractor violates any of the anti discrimination provisions of this Agreement, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

8.8.9 Intentionally Omitted

8.8.10 Intentionally Omitted

8.9 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("**Jury Service Program**") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H – Jury Service Ordinance.

8.9.2 Written Employee Jury Service Policy

8.9.2.1 Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a Contractor (as defined in Sub-Paragraph 8.9.2.2) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees (as defined in Sub-Paragraph 8.9.2.2) shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

- 8.9.2.2 For purposes of this Sub-Paragraph 8.9.2, except with respect to references to the Contractor that is a Party to this Agreement, “**Contractor**” means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any twelve (12)-month period under one or more County contracts or subcontracts. “**Employee**” means any California resident who is a full-time employee of a Contractor. “**Full-time**” means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) the Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12)-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under this Agreement, the subcontractor shall also be subject to the provisions of this Sub-Paragraph 8.9.2. The provisions of this Sub-Paragraph 8.9.2 shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the subcontract.
- 8.9.2.3 If the Contractor is not required to comply with the Jury Service Program when this Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program’s definition of “**Contractor**” (as set forth in Sub-Paragraph 8.9.2.2) or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Term and at its sole discretion, that the Contractor demonstrate, to the County’s satisfaction that the Contractor either continues to remain outside of the Jury Service Program’s definition of “**Contractor**” and/or that the Contractor continues to qualify for an exception to the Jury Service Program.
- 8.9.2.4 The Contractor’s violation of this Sub-Paragraph 8.9.2 may constitute a material breach of this Agreement. In the event of such material breach, the County may, in its sole discretion, terminate this Agreement pursuant to Sub-Paragraph 8.51.3 and/or bar the Contractor from the award of future County

contracts for a period of time consistent with the seriousness of the breach.

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with the County enables such employee to influence the award or administration of this Agreement or any competing contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.10.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the Term. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Sub-Paragraph 8.10 shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

8.12.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services (DPSS) Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall

mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. The Contractors shall report all job openings with job requirements to: GAINGROW@dps.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

8.12.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

8.13.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.13.3 Non-responsible Contractor

The County may debar the Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business

honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.13.4 Contractor Hearing Board

- 8.13.4.1 If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 8.13.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 8.13.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 8.13.4.4 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
- 8.13.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the

Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

8.13.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of the Contractor.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "**Safely Surrendered Baby Law**" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. The Contractor, and its subcontractor(s), can access posters and other campaign material at www.babysafela.org.

8.15 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.15.1 The Contractor hereby warrants that neither it nor any of its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal

government, directly or indirectly, in whole or in part (which includes Medicare, Medi-Cal and Healthy Families), and that the Contractor will notify Director within ten (10) days in writing of: (1) any event that would require the Contractor or any of the aforementioned parties' mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties' barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

8.15.2 The Contractor shall indemnify and hold the County harmless against any and all loss or damage the County may suffer arising from any exclusion or suspension of the Contractor or its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program.

8.15.3 Failure by the Contractor to meet the requirements of this Sub-Paragraph 8.15 shall constitute a material breach of contract upon which the County may immediately terminate (pursuant to Sub-Paragraph 8.51.3) or suspend this Agreement.

8.16 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.16.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.16.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the Term remain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 U.S.C. Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.17 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

8.17.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.17.2 Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the Term will maintain compliance, with Los Angeles Code Chapter 2.206.

8.18 INTENTIONALLY OMITTED

8.19 INTENTIONALLY OMITTED

8.20 EMPLOYMENT ELIGIBILITY VERIFICATION

8.20.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.20.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

8.21 FACSIMILE AND ELECTRONIC REPRESENTATIONS

The County and the Contractor hereby agree to regard facsimile and other electronic (e.g., PDF) representations of original signatures of authorized officers of each Party, when appearing in appropriate places on the amendments prepared pursuant to Sub-Paragraph 8.1, and received in accordance with Sub-Paragraph 8.39, as legally sufficient evidence that such original signatures have been affixed to amendments to this

Agreement, such that the Parties need not follow up facsimile or other electronic transmissions of such documents with subsequent (non-facsimile/non-electronic) transmission of “original” versions of such documents.

8.22 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys’ fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor’s employees for which the County may be found jointly or solely liable.

8.23 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(l) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(l)) is applicable, the Contractor agrees that for a period of (i) four (4) years following the furnishing of services under this Agreement, or (ii) if earlier, one (1) year following the termination of this Agreement, the Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorized representatives, the agreement, books, documents and records of the Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if the Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12)-month period with a related organization (as that term is defined under Federal law), the Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

8.24 FORCE MAJEURE

8.24.1 Neither Party shall be liable for such Party’s failure to perform its obligations under and in accordance with this Agreement (other than payment obligations), if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such Party or any of such Party’s subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such Party (such events are referred to in this Sub-Paragraph 8.24 as “**Force Majeure Events**”).

8.24.2 Notwithstanding the foregoing, a default by a subcontractor of a Party shall not constitute a Force Majeure Event, unless such default arises out of causes beyond the control of such Party and such subcontractor, and without any fault or negligence of either of them. In such case, the applicable Party shall not be liable for failure to perform, unless the services to be furnished by the subcontractor were obtainable from other sources (which, with respect to Contractor, have been approved by the County) in sufficient time to permit the affected Party to meet the required performance schedule. As used in this Sub-Paragraph 8.24, the terms “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.24.3 In the event a Party’s failure to perform arises out of a Force Majeure Event, such Party agrees to use commercially reasonable efforts to obtain the services that are within its area of responsibility under this Agreement from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such Force Majeure Event.

8.25 GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.26 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

8.26.1 The Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by the Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, the Contractor shall instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records for any reason whatsoever.

8.26.2 Notwithstanding the foregoing, the Parties acknowledge that in the course of the provision of services hereunder, the Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. The Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

8.26.3 Additionally, in the event of such inadvertent access, the Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify the Director that such access

has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, the Contractor shall indemnify, defend, and hold harmless the County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with the Contractor's or its officers', employees', or agents', access to patient medical records/patient information. The Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

8.27 INDEPENDENT CONTRACTOR STATUS

- 8.27.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one Party shall not be, or be construed to be, the employees or agents of the other Party for any purpose whatsoever.
- 8.27.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement on behalf of the Contractor all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.27.3 The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of workers' compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all workers' compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Agreement.
- 8.27.4 The Contractor shall adhere to the provisions stated in Sub-Paragraph 7.6 – Confidentiality.

8.28 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (“**County Indemnitees**”) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), incurred by the County, arising from claims by third parties relating to Contractor's

breach of this Agreement, except to the extent such loss or damage arises from the sole negligence or willful misconduct of the County Indemnitees.

8.29 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting the Contractor's indemnification of the County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, the Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Sub-Paragraph 8.29 and Sub-Paragraph 8.30 of this Agreement. These minimum insurance coverage terms, types and limits (the "**Required Insurance**") also are in addition to and separate from any other contractual obligation imposed upon the Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

8.29.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage ("**Certificate**") satisfactory to the County, and a copy of an additional insured endorsement confirming the County and its Agents (defined below) has been given insured status under the Contractor's General Liability policy, shall be delivered to the County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to the County not less than ten (10) days prior to the Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The insured party named on the Certificate shall match the name of the Contractor. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County-required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

The Contractor also shall promptly report to the County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to the Contractor. The Contractor also shall promptly notify the County of any third-party claim or suit filed against the Contractor or any of its subcontractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against the Contractor and/or the County.

8.29.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, elected officials, officers, agents, employees and volunteers (collectively, “**County and its Agents**”) shall be provided additional insured status under the Contractor’s General Liability policy with respect to liability arising out of the Contractor’s ongoing and completed operations performed on behalf of the County. The County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor’s acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County’s minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable provided it satisfies the Required Insurance provisions herein.

8.29.3 Cancellation of or Changes in Insurance

The Contractor shall provide the County with, or the Contractor’s insurance policies shall contain a provision that the County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to the County at least ten (10) days in advance

of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of this Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

8.29.4 Failure to Maintain Insurance

The Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of this Agreement, upon which the County immediately may withhold payments due to the Contractor, and/or suspend or terminate this Agreement. The County, at its sole discretion, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to the Contractor, deduct the premium cost from sums due to the Contractor or pursue the Contractor's reimbursement.

8.29.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by the County.

8.29.6 Contractor's Insurance Shall Be Primary

The Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to the Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.29.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against the County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.29.8 Subcontractor Insurance Coverage Requirements

The Contractor shall include all of its subcontractors as insureds under the Contractor's own policies, or shall provide the County with each subcontractor's separate evidence of insurance

coverage. The Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the County and the Contractor as additional insureds on the subcontractor's General Liability policy. The Contractor shall obtain the County's prior review and approval of any subcontractor request for modification of the Required Insurance.

8.29.9 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs with respect to the County, or to provide a bond guaranteeing the Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.29.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date shall precede the effective date of this Agreement. The Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

8.29.11 Application of Excess Liability Coverage

The Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.29.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.29.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, the Contractor's use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance

to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an additional covered party under any approved program.

8.29.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon the County's determination of changes in risk exposures.

8.30 INSURANCE COVERAGE

8.30.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming the County and its Agents as an additional insured, with limits of not less than:

| | |
|--|-------------|
| General Aggregate: | \$2 million |
| Products/Completed Operations Aggregate: | \$1 million |
| Personal and Advertising Injury: | \$1 million |
| Each Occurrence: | \$1 million |

8.30.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of the Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.30.3 Workers' Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If the Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that the County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to the Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.30.4 Professional Liability/Errors and Omissions insurance covering the Contractor's liability arising from or related to this Agreement, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, the Contractor understands and agrees it shall maintain such coverage for a period of not less than one (1) year following this Agreement's expiration, termination or cancellation. To avoid all doubt, if the required Professional Liability/Errors and Omissions insurance is claims-based, the Contractor shall maintain such coverage for a period not less than three (3) years following Agreement expiration, termination or cancellation, consistent with Sub-Paragraph 8.29.10.

8.31 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES

The Contractor shall obtain and maintain in effect during the Term, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees, and agents who perform services hereunder obtain and maintain in effect during the Term, all licenses, permits, registrations, accreditations, and certificates required by law which are applicable to their performance of services hereunder. All such licenses, permits, registrations, accreditations, and certifications relating to services hereunder shall be made available to the County upon request.

8.32 INTENTIONALLY OMITTED

8.33 INTENTIONALLY OMITTED

8.34 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict the County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.35 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either Party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that Party shall, within one (1) Business Day, give notice thereof, including all relevant information with respect thereto, to the other Party.

8.36 NOTICE OF DISPUTES

In the event of any dispute between the County and the Contractor regarding this Agreement, the Contractor shall bring such dispute to the

attention of the County's Project Manager and/or Project Director or the County shall notify the Contractor's Project Manager, as applicable, by providing notice pursuant to Sub-Paragraph 8.39. Each Party's Project Managers shall attempt to resolve the dispute informally. If the Project Managers are not able to resolve the dispute with ten (10) days following submission of the dispute, then the dispute will be escalated to the Voting Members of the Executive Steering Committee. If the Executive Steering Committee is not able to resolve the dispute within ten (10) days following such escalation, then either Party may pursue litigation in accordance with Sub-Paragraph 8.25. Notwithstanding the foregoing, any dispute as to any Success Payment determination shall be handled in accordance with Section 2.03(c) of Exhibit B – Payment Schedule.

8.37 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.38 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees who are employed, or reside, in Los Angeles County, and shall require each subcontractor to notify and provide to its employees who are employed, or reside, in Los Angeles County, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I – Safely Surrendered Baby Law to this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

8.39 NOTICES

All notices, requests, authorizations, directions, waivers or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt, mailed by first class registered or certified mail, postage prepaid, or sent by reputable overnight courier, and addressed to the applicable Party at the address set forth in Exhibit E – County's Administration or Exhibit F – Contractor's Administration, as applicable. A Party may change its addresses by giving ten (10) days' prior written notice thereof to the other Party.

8.40 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Notwithstanding the above, the Contractor and the County agree that, during the Term and for a period of one year thereafter, neither Party shall in any way intentionally induce or persuade any employee of one Party to become an employee or agent of the other Party. No bar exists against any hiring action initiated through a public announcement.

8.41 PUBLIC RECORDS ACT

8.41.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Sub-Paragraph 8.43 – Record Retention and Inspection/Audit Settlement; as well as any documents that may have been submitted in response to a solicitation process for this Agreement, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records, including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.41.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney fees, in action or liability arising under the Public Records Act.

8.42 PUBLICITY

8.42.1 The Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder, including in the Communications Protocol attached hereto as Exhibit J, or as required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Agreement within the following conditions:

- the Contractor shall develop all publicity material in a professional manner; and

- during the Term, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County representatives on the Executive Steering Committee. Such County representatives shall not unreasonably withhold written consent.

8.42.2 The Contractor may, without the prior written consent of the County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County.

8.43 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.43.1 The Contractor shall maintain, and provide, within a reasonable time period following request by the County, accurate and complete financial records of its activities and operations directly relating to this Agreement in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.

8.43.2 The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record directly relating to this Agreement, during normal business hours and upon a minimum of five (5) Business Days' notice. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available in accordance with this Sub-Paragraph 8.43.2 to the County during the Term and for a period of one year thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, California, provided that if any such material is located outside Los Angeles County, California, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.43.3 In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then the Contractor shall file a copy of each such audit report with the County's Auditor Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law,

the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.43.4 Failure on the part of the Contractor to comply with any of the provisions of this Sub-Paragraph 8.43 shall constitute a material breach of this Agreement upon which the County may terminate (pursuant to Sub-Paragraph 8.51.3) or suspend this Agreement.

8.43.5 Intentionally Omitted

8.44 RECYCLED BOND PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.45 RESTRICTIONS ON LOBBYING

If any Federal funds are to be used to pay for the Contractor's services under this Agreement, the Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

8.46 SUBCONTRACTING

8.46.1 The requirements of this Agreement may not be subcontracted by the Contractor without the advance written approval of the County, in its reasonable discretion. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Agreement. The subcontractors of the Contractor that are approved by the County as of the Effective Date are identified in Exhibit A – Statement of Work.

8.46.2 If the Contractor desires to subcontract to entities other than the approved subcontractors, the Contractor shall provide the following information promptly at the County's request:

- a description of the work to be performed by the subcontractor;
- a draft copy of the proposed subcontract; and
- other pertinent information and/or certifications requested by the County.

- 8.46.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the course of performance of services hereunder in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.
- 8.46.4 The Contractor shall remain fully responsible for all performances required of it under this Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.46.5 Intentionally Omitted
- 8.46.6 The Director or his/her designee is authorized to act for and on behalf of the County with respect to approval of any subcontract. After approval of the subcontract by the County, the Contractor shall forward a fully executed subcontract to the County for their files.
- 8.46.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.46.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street – 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants

before any subcontractor employee may perform any work hereunder.

8.47 SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Sub-paragraphs shall survive any termination or expiration of this Agreement:

Sub-Paragraph 5.4 (No Payment for Services Provided Following Expiration/Termination of Agreement)

Sub-Paragraph 7.6 (Confidentiality)

Sub-Paragraph 8.7 (Compliance with Applicable Laws, Rules and Regulations)

Sub-Paragraph 8.25 (Governing Law, Jurisdiction and Venue)

Sub-Paragraph 8.28 (Indemnification)

Sub-Paragraph 8.29 (General Provisions for all Insurance Coverage)

Sub-Paragraph 8.30 (Insurance Coverage)

Sub-Paragraph 8.43 (Record Retention and Inspection/Audit Settlement)

Sub-Paragraph 8.47 (Survival)

8.48 COUNTY TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-Paragraph 8.16 – Contractor's Warranty of Adherence to County's Child Support Compliance Program shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to Cure such default within ninety (90) days of written notice shall be grounds upon which the County may terminate this Agreement and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.49 COUNTY TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-Paragraph 8.17 – Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to Cure such default within ten (10) days of notice shall be grounds upon which the County may terminate this Agreement and/or pursue debarment of the Contractor, pursuant to County Code Chapter 2.206.

8.50 INTENTIONALLY OMITTED

8.51 COUNTY TERMINATION FOR CONTRACTOR'S DEFAULT

The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the judgment of the Director, the following events have occurred:

- 8.51.1 Failure of Contractor to Make Payments When Due. If the Contractor fails to make any payments required by this Agreement in accordance with Article I of Exhibit B – Payment Schedule and fails to Cure within fifteen (15) days following the Contractor's receipt of written notice after breach from the County.
- 8.51.2 Failure of the Contractor to Enforce Other Agreements. After receiving thirty (30) days' written notice from the County, the Contractor, after expiration of all applicable notice and Cure periods, fails to enforce the material terms of any agreement to which the Contractor is a party that is material to the Contractor's ability to perform its obligations under this Agreement (other than due to a breach by the County of this Agreement) such that (i) an on-going event of default is continuing under any such agreements, and (ii) the Contractor is not diligently exercising its contractual remedies to Cure such default.
- 8.51.3 Material Breach by the Contractor. The Contractor materially breaches (other than due to a breach by the County of this Agreement) any of its obligations under this Agreement other than those that give rise to an event described in Sub-Paragraph 8.51.2, and fails to Cure such breach within thirty (30) days following written notice from the County (provided that if such default by nature cannot reasonably be Cured with due diligence within thirty (30) days, then the Contractor shall continue to diligently pursue a Cure within 60 days of receiving notice).
- 8.51.4 In the event that the County terminates this Agreement in whole or in part as provided in this Sub-Paragraph 8.51, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Sub-paragraph.
- 8.51.5 Intentionally Omitted
- 8.51.6 The rights and remedies of the County provided in this Sub-Paragraph 8.51 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- 8.51.7 In the event the County terminates this Agreement, in whole or in part, pursuant to Sub-Paragraph 8.48, Sub-Paragraph 8.49, and Sub-Paragraph 8.51, the County shall reimburse funds previously disbursed by the Contractor to the County (or portion thereof applicable to the

services that are terminated, if terminated in part), plus interest accumulated to date, with such interest calculated at an annual rate of 5% for the period beginning on the date such funds were first disbursed and ending on the date such funds are reimbursed.

8.52 COUNTY TERMINATION FOR IMPROPER CONSIDERATION

- 8.52.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.
- 8.52.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Fraud Hotline at (800) 544-6861 or www.lacountyfraud.org.
- 8.52.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.
- 8.52.4 In the event the County terminates this Agreement, in whole or in part, pursuant to this Sub-Paragraph 8.52, the County shall reimburse funds previously disbursed by the Contractor to the County (or portion thereof applicable to the services that are terminated, if terminated in part), plus interest accumulated to date, with such interest calculated at an annual rate of 5% for the period beginning on the date such funds were first disbursed and ending on the date such funds are reimbursed.

8.53 COUNTY TERMINATION FOR INSOLVENCY

- 8.53.1 The County may terminate this Agreement forthwith in the event of the occurrence of any of the following:
- the Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code

and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- the filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- the appointment of a receiver or trustee for the Contractor; or
- the execution by the Contractor of a general assignment for the benefit of creditors.

8.53.2 The rights and remedies of the County provided in this Sub-Paragraph 8.53 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.53.3 In the event the County terminates this Agreement, in whole or in part, pursuant to this Sub-Paragraph 8.53, the County shall reimburse funds previously disbursed by the Contractor to the County (or portion thereof applicable to the services that are terminated, if terminated in part), plus interest accumulated to date, with such interest calculated at an annual rate of 5% for the period beginning on the date such funds were first disbursed and ending on the date such funds are reimbursed.

8.54 COUNTY TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

8.54.1 The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.

8.54.2 In the event the County terminates this Agreement, in whole or in part, pursuant to this Sub-Paragraph 8.54, the County shall reimburse funds previously disbursed by the Contractor to the County (or portion thereof applicable to the services that are terminated, if terminated in part), plus interest accumulated to date, with such interest calculated at an annual rate of 5% for the period beginning on the date such funds were first disbursed and ending on the date such funds are reimbursed.

8.55 CONTRACTOR TERMINATION FOR COUNTY'S OR LENDERS' DEFAULT

The Contractor may, but is not required to (except when required to pursuant to any Loan Documents with the Lenders), terminate this

Agreement for cause, by delivery of written notice to the County, under the following circumstances:

- 8.55.1 Failure of County to Make Success Payments When Due. If the County fails to make any Success Payments required by this Agreement in accordance with Article II of Exhibit B – Payment Schedule and fails to Cure within fifteen (15) days following the County's receipt of written notice after breach from the Contractor.
- 8.55.2 Material Breach by the County. The County materially breaches any of its obligations under this Agreement other than that which gives rise to an event described in Sub-Paragraph 8.55.1, and (i) fails to Cure such breach within thirty (30) days following written notice from the Contractor (provided that if such default by nature cannot reasonably be Cured with due diligence within thirty (30) days, then the County shall continue to diligently pursue a Cure within sixty (60) days of receiving notice), or (ii) if such default by its nature cannot reasonably be Cured with due diligence within thirty (30) days but can reasonably be Cured with due diligence within sixty (60) days following written notice from the Contractor, and fails to Cure such default within such sixty (60)-day period.
- 8.55.3 Appropriations Failure. If the County fails to appropriate monies for any Fiscal Year in the amount needed to fund all payments to be made by the County under the Program Budget by December 15th of the immediately preceding Fiscal Year, then the Contractor may terminate this Agreement.
- 8.55.4 Failure Under the Loan Documents. If a failure to fund or an event of default by any Lender under the terms of the Loan Documents occurs, after the expiration of any applicable notice and Cure provisions, including the failure of the Lenders to fund on behalf of any other Lender under the terms of the Loan Documents, then the Contractor may terminate this Agreement. The Contractor shall determine, in its sole discretion, whether an event of default or any such failure to fund takes place under the Loan Documents.
- 8.55.5 The rights and remedies of the Contractor provided in this Sub-Paragraph 8.55 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.56 TERMINATION BY EITHER PARTY

Either Party may, but is not required to, terminate this Agreement by delivery of written notice to the other Party under the following circumstances.

- 8.56.1 Force Majeure. Upon the occurrence of a Force Majeure Event which prevents the Parties', Executive Steering Committee's or Independent Evaluator's access to data or state or federal funding, or any event which prevents a Party from performing its material obligations under this Agreement for a period in excess of three (3) months.
- 8.56.2 Independent Evaluator Withdrawal or Termination. The voluntary withdrawal by the Independent Evaluator under the Independent Evaluator Agreement or the termination of the Independent Evaluator as a result of the Independent Evaluator's uncured default under such agreement, and either (i) the Contractor has not provided written notice to the County within fifteen (15) days after the voluntary withdrawal or termination of the Independent Evaluator that the Contractor intends to seek a replacement independent evaluator, or (ii) within one hundred twenty (120) days after the voluntary withdrawal or termination of the Independent Evaluator, a replacement independent evaluator has not received the approval of the Executive Steering Committee.

8.57 AUTOMATIC TERMINATION EVENTS

The Agreement shall automatically terminate in the event that any of the following occur:

- 8.57.1 Mutual Consent. The Voting Members of the Executive Steering Committee vote to terminate this Agreement, and the County and the Contractor thereafter agree in writing to terminate this Agreement.
- 8.57.2 Failure to Satisfy Program Launch Conditions. The Parties do not agree in writing that each of the Program Launch Conditions have either been satisfied or waived on or before December 31, 2017.

8.58 TERMINATION DUE TO NON-FULFILLMENT OF PERFORMANCE BENCHMARKS

- 8.58.1 Subject to Sub-Paragraph 8.58.2, this Agreement shall automatically terminate in the event of nonfulfillment of any of the following performance benchmarks:
- 8.58.1.1 If the cumulative total of Participants housed as of the first anniversary of the Program Launch Date is fewer than 75;
- 8.58.1.2 If, at the end of any given Quarter, the percentage resulting from the following calculation is not at least 63 percent:
- [Number of Participants who have been in Permanent Supportive Housing for at least six (6) months and are still in Permanent Supportive Housing as of the end of the applicable Quarter or have had a Good Exit /

Number of Participants enrolled in the Program for at least six (6) months as of the end of the applicable Quarter] * 100 percent;

8.58.1.3 If, on any twelve (12)-month anniversary of the Program Launch Date, the percentage resulting from the following calculation is not at least 63 percent:

[Number of Participants who have been in Permanent Supportive Housing for at least six (6) months and are still in Permanent Supportive Housing as of the applicable anniversary date or have had a Good Exit / Number of Participants enrolled in the Program for at least six (6) months as of the applicable anniversary date] * 100 percent; or

8.58.1.4 If, during any six-month period during the Term, more than fifty (50) percent of the Participants then enrolled in the Program have three or more Qualifying Returns.

8.58.2 Notwithstanding anything to the contrary in the foregoing, in the event of nonfulfillment of any of the benchmarks in this Sub-Paragraph 8.58, the Voting Members of the Executive Steering Committee may, upon unanimous consensus, agree to continue the Program, in which case such nonfulfillment shall not constitute a Termination Event and wind-down will not occur.

8.59 EFFECT OF TERMINATION OF THE AGREEMENT

8.59.1 Upon a Termination Event that results in termination of this Agreement in whole, the Parties shall cooperate in winding down the activities contemplated under this Agreement. All funds in the Contractor Operating Account (excluding funds to be used to make payments due to the Lenders for Individual Housing Stability Success Payments and Individual Jail Avoidance Success Payments) shall be applied to make the following payments in the following order of priority. In the event there are insufficient funds in the Contractor Operating Account to pay all amounts required below, the Contractor shall disburse the existing funds pro rata among the payees owed in each priority level, based on the amounts otherwise payable to each payee in each level:

8.59.1.1 First, all amounts necessary, in accordance with the Program Budget, to deliver housing subsidies that are designated as PFS Designated Costs for the three (3) months immediately following termination of this Agreement shall be paid to the appropriate third party (taking into account amounts already disbursed prior to termination of this Agreement).

- 8.59.1.2 Second, all payments scheduled in the Program Budget (if any) that are designated as PFS Designated Costs to have been paid to CSH, NCCD, the Independent Evaluator or other third parties in connection with the Program, up to the date of termination of this Agreement, shall be paid.
- 8.59.1.3 Third, all payments for services essential to complete the wind-down of the Program, in accordance with the Program Budget and as approved with Lender consent, shall be paid to other third parties in connection with the Program.
- 8.59.1.4 Finally, any cash remaining in the Contractor Operating Account after satisfaction of Sub-Paragraph 8.59.1.1, Sub-Paragraph 8.59.1.2 and Sub-Paragraph 8.59.1.3, above, shall be paid to the County. Notwithstanding the foregoing, if the Termination Event results from the County's failure to fulfill its obligations under this Agreement as outlined in Sub-Paragraph 8.55.1, Sub-Paragraph 8.55.2 or Sub-Paragraph 8.55.3, or if the County's nonfulfillment of its obligations under this Agreement results in nonfulfillment of any of the performance benchmarks outlined in Sub-Paragraph 8.58, then any cash remaining in the Contractor Operating Account after satisfaction of Sub-Paragraph 8.59.1.1, Sub-Paragraph 8.59.1.2 and Sub-Paragraph 8.59.1.3, above, shall be paid to the Lenders pro rata based upon the amounts funded by each Lender.
- 8.59.2 All Individual Housing Stability Success Payments owed in accordance with Section 2.03(a) of Exhibit B – Payment Schedule shall be paid to the Lenders pursuant to the Loan Agreement, and all Individual Jail Avoidance Success Payments owed in accordance with Section 2.03(b) of Exhibit B – Payment Schedule shall be paid to Lenders pursuant to the Loan Agreement.
- 8.59.3 After such time that the Contractor disburses all funds from the Contractor Operating Account, this Agreement shall be of no further force and effect, and the Parties shall have no liability in connection therewith.
- 8.59.4 Notwithstanding anything contained in this Sub-Paragraph 8.59, if the Termination Event results from the County's failure to fulfill its obligations under this Agreement as outlined in Sub-Paragraph 8.55.1, Sub-Paragraph 8.55.2 or Sub-Paragraph 8.55.3, or if the County's nonfulfillment of its obligations under this Agreement results in nonfulfillment of any of the performance benchmarks outlined in Sub-Paragraph 8.58, then the County shall pay to the Contractor 100% percent of the Success Payments earned and not paid prior to such

Termination Event, plus \$500,000. Any such additional payments made by the County shall be allocated in accordance with Sub-Paragraph 8.59.1.

8.60 ENFORCEMENT OF RIGHTS

In the event the Contractor misappropriates funds hereunder or commits fraud with respect to the handling of funds in its custody, the County may proceed to protect its rights hereunder and may exercise any other right or remedy upon such default as may be granted under any other applicable provisions of law. The County's sole remedy against the Contractor under this Agreement, in the absence of a misappropriation of funds or the Contractor's commission of fraud, is to terminate this Agreement. Notwithstanding anything in this Agreement to the contrary, the County shall not have recourse to any assets of the Contractor outside of the Contractor Operating Account except to the extent of misappropriation of funds or fraud in handling the funds entrusted to its custody.

8.61 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

- 8.61.1 The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting the Contractor from engaging in human trafficking.
- 8.61.2 If the Contractor or a member of the Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of the Contractor's staff be removed immediately from performing services under this Agreement. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.
- 8.61.3 Disqualification of any member of the Contractor's staff pursuant to this Sub-Paragraph 8.61 shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.62 LIMITED RECOURSE OF THE COUNTY AGAINST THE CONTRACTOR

Notwithstanding anything in this Agreement to the contrary, the Contractor shall be liable under this Agreement solely for the Contractor's misappropriation of funds under this Agreement or commission of fraud with respect to the handling of funds in its custody. The Contractor may rely on the genuineness of all signatures on all documents delivered to the Contractor. The Contractor's obligations under this Agreement do not benefit from any recourse whatsoever to any member, manager, director, or officer of the Contractor. Absent a misappropriation of funds or commission of fraud by the Contractor, the County shall have access only

to the funds within the Contractor Operating Account, subject to the rights and claims of third parties. The County's sole remedy against the Contractor under this Agreement, in the absence of a misappropriation of funds or the Contractor's commission of fraud in the handling of funds in its custody, is to terminate this Agreement in accordance with Sub-Paragraph 8.51. In the event the Contractor is found to have misappropriated funds under this Agreement, the Contractor's monetary liability shall be limited to the amount that is determined to have been so misappropriated. The Contractor will be obligated to repay any such misappropriated funds.

8.63 NO OBLIGATION TO COMPEL

Notwithstanding anything in this Agreement to the contrary, neither the Contractor nor the County shall have an obligation under this Agreement to compel compliance by the other person on behalf of any other person, including, without limitation, any Lender, nor shall the Contractor or the County have any obligation to file any suit in equity or at law on behalf of any other person.

8.64 TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.65 UNLAWFUL SOLICITATION

The Contractor shall inform all of its officers and employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers and employees. The Contractor agrees that if a patient requests assistance in obtaining the services of any attorney, it will refer the patient to the attorney referral service of all those bar associations within Los Angeles County that have such a service.

8.66 VALIDITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the

application of such provision to other persons or circumstances shall not be affected thereby.

8.67 WAIVER

No waiver by either Party of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of a Party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-Paragraph 8.67 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.68 WARRANTY AGAINST CONTINGENT FEES

8.68.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.68.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from this Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

9.1.1 Except as set forth in Sub-Paragraph 9.1.2, the Parties do not in any way intend that any person shall acquire any rights as a third-party beneficiary of this Agreement.

9.1.2 The County acknowledges that the Contractor may collaterally assign its right to payments under this Agreement to the Lenders in accordance with a collateral assignment that may be executed subsequent to the Effective Date (together with their successors and assigns, the “**Contractor Assignees**”) as collateral for the obligations of the Contractor to the Contractor Assignees, and the County hereby consents to such collateral assignment. Each Contractor Assignee shall be a third-party beneficiary of the payment provisions of this Agreement and shall be entitled to enforce the payment provisions hereof.

9.2 INTENTIONALLY OMITTED

9.3 OVERSIGHT AND REPORTING

9.3.1 Operating Committee. The Parties intend to have regular meetings of a committee of the Parties (the “**Operating Committee**”) to review the referral process, the enrollment of Participants and the performance of the Service Providers, to highlight concerns regarding the operation of the Program, and to review and, if necessary, adjust the operational aspects of the Program.

9.3.1.1 Composition. The Operating Committee shall be made up of (i) two representatives of the County and (ii) two representatives of the Contractor (together, the “**Operating Committee Members**”). In addition, the County and the Contractor may each designate additional representatives to attend Operating Committee meetings. The Operating Committee Members may from time to time invite representatives of other interested parties to attend Operating Committee meetings, in all such cases with such additional representatives or other invitees attending in a non-voting observer capacity.

9.3.1.2 Frequency of Meetings. The Operating Committee shall meet once a month at times and locations agreed to by the County and Operating Committee Members unless otherwise determined by the Parties. Additionally, either of the Parties may call for a special meeting of the Operating Committee upon two Business Days’ notice to discuss an urgent matter. The notice for a special meeting of the Operating Committee shall include the agenda and reason for the special meeting.

9.3.1.3 Operating Committee Authority. The Operating Committee shall have authority to (i) modify operational aspects of the Program so long as such changes would not change the Success Metrics set forth in Exhibit B – Payment Schedule or would not otherwise be reasonably be expected to change the terms upon which Success Payments are made or otherwise have a material impact on the Program Budget, Funding Plan or the ability of the Contractor to secure Success Payments and (ii) to make recommendations to the Executive Steering Committee regarding the implementation of the Program. All the decisions of the Operating Committee shall require a unanimous vote of all the Operating Committee members.

9.3.1.4 Operating Committee Meetings.

- (i) *Agenda.* A draft agenda for each Operating Committee meeting shall be prepared by the

Operating Committee Members and circulated to the attendees in advance of each meeting, and is expected to include, among other things:

- (A) a review of the Services being provided by the Service Providers and a discussion of any significant changes to the Services that are being considered;
 - (B) a discussion of any Independent Evaluator and Contractor reports that have been received by the Operating Committee since its previous meeting;
 - (C) a discussion of Program-level statistics;
 - (D) a discussion of any changes to the referral or intake process that should be or are being considered or implemented; and
 - (E) a discussion of any changes to the anticipated funding needs of the Program.
- (ii) *Location.* All Operating Committee meetings may be held in person or by phone or similar communication medium.
 - (iii) *Evaluation Procedure.* Any evaluation of the Service Providers by the Operating Committee Members shall take place outside of the presence of the Service Providers.
 - (iv) *Minutes.* The Operating Committee Members shall prepare and circulate minutes of all Operating Committee meetings reasonably promptly following the meeting to all meeting participants.

9.3.2 Executive Steering Committee. The Parties intend to have Quarterly meetings of an additional committee of the Parties (the “**Executive Steering Committee**”) to monitor and provide overall strategic direction to the Program, evaluate compliance with the terms of and/or the need for amendments to the Evaluation Plan, Program Budget, Funding Plan and this Agreement, and to review the results of any audit of the Contractor conducted by the County pursuant to Sub-Paragraph 8.43.

9.3.2.1 Composition. The Executive Steering Committee shall be made up of (i) four representatives of the County, (ii) one

designated representative of CSH, and (iii) one designated representative of NCCD (the “**Voting Members**”). The weight of the votes of each of the CSH and NCCD representatives will be two times the weight of the votes of the County’s representatives. In addition, the County, CSH, and NCCD may each designate additional representatives to attend Executive Steering Committee meetings. Further the Voting Members may from time to time invite the Independent Evaluator, certain other advisors specified by the Voting Members, or other interested parties to attend Executive Steering Committee meetings, in all such cases with such additional representatives or other invitees attending in a non-voting observer capacity. The Lenders may each appoint one representative to attend Executive Steering Committee Meetings, with each such appointed representative entitled to receive all notices and information relating to a meeting, unless the Voting Members determine that the delivery of such notice or information is inappropriate due to a potential conflict of interest between the Contractor or the County, on one hand, and the Lenders, on the other hand. The representative of each of the Lenders shall have no right to vote on any Executive Steering Committee matters, unless the vote would reasonably result in a change to a Success Metric or the Program Budget, in each case, that would directly result in the need for more funds to be invested to address the PFS Designated Costs.

9.3.2.2 Frequency of Meetings. The Executive Steering Committee shall meet at least once per Quarter at times and locations agreed to by the Voting Members, with the first meeting to occur no later than December 31, 2017. In addition, the Operating Committee may request additional special meetings of the Executive Steering Committee to address specific issues within the Executive Steering Committee’s authority (a “**Special Meeting**”). In the event that the Operating Committee requests a Special Meeting, the Executive Steering Committee shall meet to address the issue raised by the Operating Committee within one week of receipt of such request.

9.3.2.3 Executive Steering Committee Authority. The Executive Steering Committee shall have the authority to (i) amend the Program Budget, provided that no amendment may be implemented that is dependent on additional investment by the Lenders, (ii) amend the Evaluation Plan; (iii) oversee and, if necessary, revise modifications to operational aspects of the Program made by the Operating Committee; (iv) review audits

of the Contractor, and (v) make recommendations to the Parties about amendments to the Program Budget, Evaluation Plan, Funding Plan and this Agreement that are not within the authority of the Executive Steering Committee to directly approve. Any actions requiring the approval of the Executive Steering Committee shall require unanimous agreement of all members of the Executive Steering Committee.

9.3.2.4 Meetings.

- (i) *Agenda and Information.* A draft agenda for each Executive Steering Committee meeting shall be prepared by the designated representative of the Contractor and circulated to the attendees in advance of each meeting.
- (ii) *Location.* All Executive Steering Committee meetings may be held in person or by phone or similar communication medium.
- (iii) *Minutes.* The designated representative of the Contractor shall prepare and circulate minutes of all Executive Steering Committee meetings reasonably promptly following the meeting to Voting Members.

9.3.3 Reporting Obligations

9.3.3.1 Operating Committee Data.

9.3.3.1.1 The Contractor will provide the Operating Committee with the de-identified data described in Section 2.03(a)(i) and Section 2.03(b) of Exhibit B – Payment Schedule and such other data that the Contractor shall reasonably request from the County on a monthly basis. This data will be provided to the Contractor by the County and LASD, in the manner described in this Sub-Paragraph 9.3.3.1.1. In furtherance of these reporting obligations of the Contractor, the County shall:

- (i) commencing on the Program Launch Date, provide the Contractor with the de-identified Participant-level data as described in Section 2.03(a)(i)A – N of Exhibit B – Payment Schedule, on the 15th day of each calendar month. This data shall be current as of the last day of the preceding month;

- (ii) commencing on October 1, 2017, within 15 days following the end of the Quarter, DHS shall provide to LASD a complete list of Participants in the Program. Within 15 days of receipt of this list, LASD shall provide to DHS all data on Qualifying Returns for all Program participants, as described in Section 2.03(b)(ii) of Exhibit B – Payment Schedule. Within five days of receipt of such data, DHS will de-identify the combined DHS and LASD data, and without further modification provide it to the Contractor and the Independent Evaluator no later than the 35 days following the end of each reporting Quarter;
- (iii) commencing on August 15, 2017, provide the Contractor with housing placement data on the 15th day of each calendar month. This data shall be current as of the last day of the preceding month and shall include the number of housing applications made to the FHSP Operator and the number of placements into Permanent Supportive Housing for each one-month period during the Term; and
- (iv) provide a monthly report for each ICMS Provider that includes a “monthly snapshot” of the six (6)-month housing retention rate for all ODR caseloads handled by each such ICMS Provider.

9.3.3.1.2 The Contractor will provide the Operating Committee with aggregated data for all ODR housing clients, inclusive of Program Participants. All aggregate data will be reported by sub populations of Participants and non-Participants. Demographic breakouts (e.g., age, gender, race, ethnicity) will be provided for all reports listed below, where the demographic information is collected and available:

- (i) number of all referrals to ODR housing programs, including referral source. In addition, a breakdown of the number of referrals that are a pre-trial referral versus a

jail linkage/court linkage referral,
cumulative from start of program and most
recent month;

- (ii) number of referrals to ODR who enter Interim Supportive Housing, cumulative and most recent month;
- (iii) number of ODR clients who enter Interim Supportive Housing, and exit Interim Supportive Housing without a Permanent Supportive Housing move-in date, cumulative since start of Program and most recent month;
- (iv) number of ODR clients who enter Interim Supportive Housing and exit to Permanent Supportive Housing, cumulative and most recent month;
- (v) number of ODR housing clients (point in time snapshot) who are
 - referred but not yet in Interim Supportive Housing;
 - in Interim Supportive Housing;
 - in Permanent Supportive Housing;
- (vi) maximum, minimum and median number of days from eligible ODR referral to ODR Interim Supportive Housing intake date, cumulative from start of Program and for most recent reporting period (month);
- (vii) maximum, minimum and median number of days from intake in Interim Supportive Housing to Permanent Supportive Housing move-in date, cumulative from start of Program and for most recent reporting period (month);
- (viii) aggregate Permanent Supportive Housing retention rates at six (6) months and twelve (12) months, reported by service providers as well as demographic breakouts and Program Participants and non-Participants; and

(ix) such other data that the Contractor shall reasonably request from the County.

9.3.3.2 Executive Steering Committee Data. Prior to each Executive Steering Committee meeting, the Contractor will provide the Executive Steering Committee with aggregated data, a report on how performance is impacting Success Payments, and the Lenders' returns on investments in comparisons to projections in the Program financial model. The Contractor will also provide the Executive Steering Committee with the de-identified data described in Sub-Paragraph 9.3.3.1.1, which data will be provided to the Contractor by the County in the manner described in Sub-Paragraph 9.3.3.1.1(i)-(iv).

9.3.3.3 Notwithstanding anything to the foregoing in Sub-Paragraph 9.3.3.1 and Sub-Paragraph 9.3.3.2, the Contractor's obligations thereunder shall not arise until the County has provided the Contractor with the de-identified data described in Sub-Paragraph 9.3.3.1.1 in the manner described in Sub-Paragraph 9.3.3.1.1(i)-(iv).

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed by the County's Director of Health Services and the Contractor has caused this Agreement to be executed on its behalf by its duly authorized managers, all as of the Effective Date.

COUNTY OF LOS ANGELES

By _____ for

Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By _____
Laurie Wetzle
Manager

By _____
Beth Stokes
Manager

APPROVED AS TO FORM:

MARY C. WICKHAM

County Counsel

By _____

EXHIBIT A STATEMENT OF WORK

ARTICLE I OBLIGATIONS OF THE PARTIES PRIOR TO PROGRAM LAUNCH DATE

1.01 Contractor Obligations

Following the Effective Date and on or prior to the Program Launch Date, the Contractor will enter into the agreements described in this Section.

- (a) The Contractor will enter into an agreement with CSH to perform the responsibilities outlined in Annex A-1 (the “**CSH Contract**”). CSH is approved by the County as a subcontractor of the Contractor.
- (b) The Contractor will enter into an agreement with NCCD to perform the responsibilities outlined in Annex A-2 (the “**NCCD Contract**,” and together with the CSH Contract, the “**Contractor Contracts**”). NCCD is approved by the County as a subcontractor of the Contractor.
- (c) The Contractor will enter into an agreement with the RAND Corporation (the “**Independent Evaluator**”) to evaluate the Program (such agreement, the “**Independent Evaluator Agreement**”) and perform the responsibilities set forth in Annex A-3. RAND Corporation is approved by the County as a subcontractor of the Contractor.
- (d) The Contractor will enter into agreements (the “**Loan Documents**”) with the Lenders documenting Loans that provide the aggregate funding contemplated by the Funding Plan, outlined in Annex B-2.

1.02 County Obligations

Following the Effective Date and on or prior to the Program Launch Date, the County will enter into the agreements described in this Section.

- (a) The County has or will enter an agreement substantially in the form of Annex A-4 with Brilliant Corners, which is a Flexible Housing Subsidy Pool Operator, as well as any additional or substitute providers, for the provision of housing units (“**FHSP Housing Services**”) for use in the Program (Brilliant Corners is referred to herein as the “**FHSP Operator**”; such agreement between the County and the FHSP Operator being the “**FHSP Agreement**”). The County reserves the right to change providers of the FHSP Housing Services at its sole discretion.
- (b) The County has or will enter into an agreement in a form reasonably acceptable to the County and the Contractor (each, an “**ICMS Agreement**”) with each of Amity Foundation, The People Concern, Volunteers of America, Los Angeles and SSG

P180 (such entities as well as any additional or substituted service providers, collectively, the “**ICMS Providers**”) for the provision of the intensive case management (“**ICMS**”) services (the “**ICMS Services**”), substantially as described in Annex A-5. The County reserves the right to change the ICMS Providers at its sole discretion.

ARTICLE II PROGRAM LAUNCH

2.01 Program Launch Conditions

The “**Program Launch Date**” shall be the date on which the County and the Contractor shall have each provided written acknowledgment that each of the following conditions have either been satisfied or waived (collectively, the “**Program Launch Conditions**”):

- (a) The Contractor and CSH have executed the CSH Contract;
- (b) The Contractor and NCCD have executed the NCCD Contract;
- (c) The Contractor and the Independent Evaluator have executed the Independent Evaluator Agreement;
- (d) The Contractor and all of the Lenders have executed all Loan Documents documenting Loans that provide the aggregate funding contemplated by the Funding Plan;
- (e) The County and the FHSP Operator have executed the FHSP Agreement;
- (f) The County and each of the ICMS Providers have executed an ICMS Agreement;
- (g) Each of the FHSP Operator and each ICMS Provider has represented in its relevant agreement with the County that no further approvals or consents are required to enter into and perform under its relevant agreement with the County; and
- (h) The County has approved at least \$1,893,088 in appropriations for Fiscal Year 2018-2019.

2.02 Determination of Program Launch

- (a) All of the Program Launch Conditions are expected to be met on or around July 1, 2017. Following the Program Launch Date, the Operating Committee shall certify the official Program Launch Date in the minutes for the first meeting of the Operating Committee.
- (b) In the event the Parties do not agree in writing that the Program Launch Conditions have been satisfied on or before December 31, 2017, the Agreement shall automatically terminate and have no further force or effect, and no Party, or any of their respective affiliates or any of their members, managers, officers, or directors will have any liability of any nature whatsoever under the Agreement, and, as set

forth in the Loan Documents, the Contractor shall return to the Lenders, on a pro rata basis, any unused Loan proceeds provided by the Lenders to the Contractor by such date.

2.03 Ramp-up Phase

In order to facilitate an effective launch of the Program and allow the County to finalize certain referral and engagement processes for the Program, the County initiated a ramp-up phase in August 2016 (the “**Ramp-Up Phase**”). No payment obligations of the Parties will arise for services rendered or costs incurred during the Ramp-Up Phase.

2.04 Commencement of Parties’ Obligations

Except with respect to the Parties’ obligations described in Article I, the Parties shall start performing their duties and obligations in accordance with the terms and conditions of this Exhibit upon the Program Launch Date.

ARTICLE III PROGRAM; PROGRAM IMPLEMENTATION; SERVICES; EVALUATION

3.01 Program Overview

- (a) The Program will house Participants (defined in Section 3.01(b)(iii)) across the County, leveraging the resources and networks of the Parties to serve criminal justice involved individuals with histories of homelessness who currently live in the County. The Program is designed to identify the most vulnerable criminal justice involved individuals with histories of homelessness within the County and to connect them with permanent supportive housing, with the twin goals of increasing housing stability and reducing jail recidivism.
- (b) Pursuant to the FHSP Agreement and each of the ICMS Agreements between the County and each of the parties thereto, the following FHSP Housing Services and ICMS Services will be provided:
 - (i) Eligible Referrals (as defined in Section 3.03(b)) will be identified while they are still within the County jail and court systems (the “**Referral Pathways**”);
 - (ii) ICMS Providers will provide the Eligible Referrals with an opportunity to transition from the Referral Pathways to interim housing units (“**Interim Housing**”);
 - (iii) The FHSP Operator and ICMS Providers will identify permanent supportive housing units (“**Permanent Supportive Housing**”) and will transition each Eligible Referral from Interim Housing to Permanent Supportive Housing. Once an Eligible Referral has signed a lease for a permanent housing unit and has received the keys for the unit, such Eligible Referral will become officially enrolled in the Program (each such enrolled individual, a

“**Participant**”; the date of such enrollment in the Program being the Participant’s “**Enrollment Date**”);

- (iv) The FHSP Operator will administer a move-in assistance fund, which provides each Participant with a security deposit paid directly to the landlord, basic furniture, and household goods;
- (v) While Participants are enrolled in the Program, ICMS Providers will provide ongoing, intensive case management services to help each Participant maintain health and well-being, reach his or her individual goals, access health and substance abuse treatment facilities as needed, and maintain a connection to the community, among other services. The ICMS Providers will also provide ongoing housing-related support, particularly as it pertains to crisis response, landlord mediation, and eviction prevention.
- (vi) The Contractor, using the Loans, will provide to the County the funds necessary to make the required payments to the FHSP Operator pursuant to the FHSP Agreement (the “**PFS Designated Program Costs**”), as further described in Exhibit B – Payment Schedule. The County shall be responsible for the payment of all other costs of the Program whether set forth in the Program Budget or otherwise.

3.02 Referral Process; Pathways

The ICMS Providers will receive referrals from the Office of Diversion and Reentry (“**ODR**”), which, in turn, will receive referrals from the Referral Pathways. The County shall cause ODR to provide the number of referrals necessary to meet the Program needs, as further described below. The County, through DHS, shall ensure that the first 12 Eligible Referrals made to ODR for placement in Permanent Supportive Housing each month shall be allocated to the Program. In addition, the County shall cause ODR to provide additional Eligible Referrals for Permanent Supportive Housing units that become available due to Participant attrition from the Program on a month-by-month basis.

3.03 Referral Population

- (a) Target Population. The “**Target Population**” shall consist of individuals with histories of homelessness who are high-cost users of public systems and are involved with the criminal justice system at the time of the screening described in the next sentence. The Program will serve Eligible Referrals selected from individuals meeting all of the following criteria (the “**Screening Criteria**”):
 - (i) Are currently within the County criminal justice system;
 - (ii) Are expected to be discharged from custody in 30 to 120 days (this criteria applies to referrals coming from a custody setting and is subject to case-by-case exceptions), or are eligible for diversion services through alternative sentencing courts, or are identified through other referral sources under the auspices of ODR;

- (iii) Have been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter for at least one night during the year at any point in each of the prior three years or for 12 months cumulatively over the prior three years;
 - (iv) Score in the upper 3rd or 4th quadrant on the Vulnerability Index & Service Prioritization Decisions Assistance Tool as defined by the Los Angeles Coordinated Entry System, which is led by the Los Angeles Homeless Services Authority; and
 - (v) Have at least one of the following diagnosable conditions: substance use disorder, serious mental illness, a developmental disability, post-traumatic stress disorder, cognitive impairment(s) resulting from a brain injury, and/or a chronic physical illness or disability.
- (b) Identification of Eligible Referrals from Target Population. The members of the Target Population who are determined to be eligible for the Program are referred to as the “**Eligible Referrals.**” The use of the Screening Criteria shall help ensure that the Program serves those within the County’s jail system who have the highest need, particularly those who experience long-term homelessness and are frequent users of crisis interventions. Eligible Referrals who are subsequently placed in Permanent Supportive Housing shall become enrolled as Participants in the Program.

3.04 Program Implementation Schedule

During the period commencing on the Program Launch Date and ending on the second anniversary thereof (the “**Enrollment Period**”), Participants will be divided into groups based on enrollment start date (each group, a “**Cohort**”) to assist with program monitoring and reporting for the purpose of determining eligibility for Success Payments. Each Cohort is expected to consist of approximately 37 Participants, although the number of Participants for each Cohort may differ. The Program will be implemented for each Cohort pursuant to the following schedule:

- (a) Cohort 1 will be enrolled between the Program Launch Date and the day before the three-month anniversary thereof;
- (b) Cohort 2 will be enrolled between the three-month anniversary of the Program Launch Date and the day before the six-month anniversary of the Program Launch Date;
- (c) Cohort 3 will be enrolled between the six-month anniversary of the Program Launch Date and the day before the nine-month anniversary of the Program Launch Date;
- (d) Cohort 4 will be enrolled between the nine-month anniversary of the Program Launch Date and the day before the 12-month anniversary of the Program Launch Date;
- (e) Cohort 5 will be enrolled between the 12-month anniversary of the Program Launch Date and the day before the 15-month anniversary of the Program Launch Date;

- (f) Cohort 6 will be enrolled between the 15-month anniversary of the Program Launch Date and the day before the 18-month anniversary of the Program Launch Date;
- (g) Cohort 7 will be enrolled between the 18-month anniversary of the Program Launch Date and the day before the 21-month anniversary of the Program Launch Date; and
- (h) Cohort 8 will be enrolled between the 21-month anniversary of the Program Launch Date and the day before the 24-month anniversary of the Program Launch Date.

If a Participant leaves the Program during the Enrollment Period, a new Participant may be enrolled to fill the available housing slot. No Participants will be enrolled following the last day of the Enrollment Period.

3.05 County Activities

In addition to the obligations of the County described in Exhibit B – Payment Schedule, the County will be responsible for the obligations set forth in this Section.

- (a) Each of the FHSP Operator and the ICMS Providers (collectively, the “**Service Providers**”) will perform the FHSP Housing Services and the ICMS Services (collectively, the “**Services**”) pursuant to the FHSP Agreement and the ICMS Agreements, respectively.
- (b) The County acknowledges that the successful performance of the Services by the Service Providers is critical to the achievement of the Success Metrics and related realization of the Success Payments by the Contractor (as described in Exhibit B – Payment Schedule). Accordingly, the County shall use its best efforts to cause the Services to be provided fully and in a professional manner and to cause each Service Provider to perform diligently the Services each such Service Provider is obligated to perform under the relevant agreement. In furtherance of the foregoing, the County shall:
 - (i) monitor closely the performance of each Service Provider;
 - (ii) as promptly as practicable and in any event within ten Business Days, inform the Contractor in writing of (x) any default or anticipated default of any Service Provider under its Agreement with the County, or (y) any ongoing unsatisfactory performance by any Service Provider;
 - (iii) take, as promptly as practicable and in any event within ten Business Days, all action reasonably requested by the Contractor in connection with any Service Provider subject to a notice by the County to the Contractor pursuant to Section 3.05(b)(ii), including, without limitation, exercising any rights of termination available to the County under the applicable agreement;
 - (iv) consult with, and consider in good faith, the Contractor’s views, in appointing a replacement Service Provider in the event a Service Provider’s agreement with the County is terminated; and

- (v) perform its obligations specified in Annex A-6 (the “**Service Provider Review and Remediation Procedures**”).
- (c) The County shall pay in a timely manner the amounts designated as payable by the County in the Program Budget to the third parties designated in the Program Budget.

3.06 Contractor Activities

In addition to the obligations of the Contractor described in Exhibit B – Payment Schedule, the Contractor will be responsible for the obligations set forth in this Section.

- (a) Subject to the receipt of the funding contemplated by the Funding Plan, the Contractor shall pay to the County, in accordance with Sub-paragraph 5.1 of the Agreement, the amounts designated as payable by the Contractor in the Program Budget.
- (b) The Contractor shall cause to be provided in furtherance of the operations of the Program such services contemplated to be provided by CSH and NCCD pursuant to the CSH Contract and NCCD Contract, respectively. The Contractor may, subject to the County’s approval in accordance with Sub-paragraph 8.46 of the Agreement, cause other third parties to perform any or all of such services.
- (c) The Contractor shall perform its obligations specified in the Service Provider Review and Remediation Procedures.
- (d) Subject to the County’s payment to the Contractor of Success Payments in a sufficient amount, the Contractor shall repay the Lenders in accordance with the terms and conditions of the Loan Documents and the Funding Plan, as further described in Exhibit B – Payment Schedule.

3.07 Independent Evaluator; Evaluation Plan

- (a) The Independent Evaluator has prepared, and the Parties have hereby incorporated into this Exhibit, the “**Evaluation Plan**” attached hereto as Annex A-7.
- (b) The Evaluation Plan may be amended by written agreement of the Parties, subject to the approval of the Executive Steering Committee.
- (c) The Independent Evaluator shall not be terminated or replaced by the Contractor unless agreed by the Voting Members of the Executive Steering Committee.

3.08 Provision of Information

Each of the Parties hereby agrees to provide such information as is required pursuant to this Exhibit or the Evaluation Plan to each other and the Independent Evaluator, as is necessary for each Party and the Independent Evaluator to carry out its respective evaluation and other responsibilities in accordance with this Exhibit and the Evaluation Plan; provided that the Parties agree that the data collected by the Independent Evaluator and the sharing of such data shall be subject to the terms of the Independent Evaluator Agreement. The Independent

Evaluator Agreement will require that, upon termination of such Agreement, the Independent Evaluator will return to the County and the Contractor, and provide an irrevocable, perpetual license to the County and the Contractor to use, all of the data, reports, analyses, work product and intellectual property provided or acquired by the Independent Evaluator in connection with the Program, except for confidential information regarding any Participant, in a format specified by the County and the Contractor.

ANNEX A-1
SCOPE OF SERVICES TO BE PROVIDED UNDER CSH CONTRACT

Pursuant to the CSH Contract, CSH shall provide the following services:

| Ref. | Description |
|------|---|
| 1. | Lead collection of data for, and writing and publication of, the annual report as well as other materials created for the Program. |
| 2. | Liaise with the County’s project manager on a monthly or more frequent basis to analyze Service Provider data provided by the County pursuant to the Agreement, and the Service Providers’ performance towards outcomes. |
| 3. | Based on data provided by the County, produce data analysis reports for the Operating Committee on a monthly basis. |
| 4. | Proactively analyze implementation challenges and identify solutions to present at monthly Operating Committee meetings. |
| 5. | Provide technical expertise and assistance on Program-related topics, such as supportive housing, implementation and management of the Program (including jail in-reach, referral pathways, housing placement), and pay for success and performance management, during Program implementation. |
| 6. | Manage administration for the Operating Committee, including scheduling meetings, raising agenda items and facilitating discussion, preparing and circulating all meeting materials, coordinating membership, and liaising with Operating Committee Members. |
| 7. | Manage administration for the quarterly Executive Steering Committee meetings, including scheduling meetings, raising agenda items and facilitating discussion, preparing and circulating all meeting materials (including financial reports and data dashboards), coordinating membership, and liaising with Voting Members. |
| 8. | Manage the Program’s financial model and make adjustments as required on a monthly basis during the Program Term. |
| 9. | Create Success Payments Reports and calculate Success Payments on the basis of outcomes achieved, in accordance with the method of calculation described in the Agreement and Evaluation Plan. Send completed Success Payments Reports to the Independent Evaluator in accordance with the Agreement. |
| 10. | Process Success Payments Reports to the County in accordance with <u>Section 2.03(c)</u> of <u>Exhibit B – Payment Schedule</u> to, the Agreement. |
| 11. | Present Success Payments Reports at the Operating Committee and Executive Steering Committee meetings. |
| 12. | Manage the Loans in accordance with the Funding Plan including producing all required financial reports and ensuring the completion of an annual audit. |
| 13. | Disburse Loans to the County to provide supportive housing to Participants in accordance with the Agreement. |
| 14. | Disburse Success Payments made by the County to the Lenders in accordance with the Funding Plan. |
| 15. | Manage any monies awarded to the Program for the purposes of Success Payments, intermediary costs or evaluation costs. |

| | |
|-----|--|
| 16. | Support contracting between the Contractor and the Lenders, the County, the Independent Evaluator, and any subcontractors engaged by the Contractor to perform any Program services. |
|-----|--|

ANNEX A-2

SCOPE OF SERVICES TO BE PROVIDED UNDER NCCD CONTRACT

Pursuant to the NCCD Contract, NCCD shall provide the following services:

| Ref. | Description |
|------|--|
| 1. | NCCD will support, coordinate with and direct the Independent Evaluator to ensure the Evaluation Plan and its implementation are consistent with the Success Metrics as finalized in the Agreement. NCCD will help to identify and resolve evaluation issues as they arise and provide technical assistance to the County and the Contractor as it relates to evaluation. |
| 2. | Oversee successful, timely completion of the contract with the Independent Evaluator and work to address any identified challenges, and maintain an ongoing role in overseeing implementation of the contract after it has been executed. This work includes ensuring that the Independent Evaluator has access to appropriate data for validating Success Metrics and managing the Independent Evaluator contract for the broader impact study focused on social and fiscal impacts of the Program. |
| 3. | Support data collection, writing, and publication of the annual report, fact sheet, and other materials created for the project. |
| 4. | Provide technical assistance related to evaluating criminal justice initiatives and the intersection between the Program and criminal justice policy. Provide technical assistance related to Program implementation, as appropriate. |
| 5. | Attend and support all activities related to the Contractor's management of administration for the Quarterly Executive Steering Committee. On an as needed basis, attend and support all activities related to the Contractor's management of administration for the monthly Operating Committee. |
| 6. | NCCD will be fiscally prudent in all activities. |
| 7. | Publicize the Program to criminal justice communities. |
| 8. | Support contracting between the Contractor and the Lenders, the County, the Independent Evaluator, and any subcontractors engaged by the Contractor to perform any Program services. |

ANNEX A-3
SCOPE OF SERVICES TO BE PROVIDED UNDER INDEPENDENT
EVALUATOR AGREEMENT

Budget/Scope of Work

| 1. Contract Budget | | | |
|--|---|--------------------------|--------------------|
| 1a. Scope of Service | | | |
| <p>RAND will complete a two evaluation activities for the Program: (1) verifying outcomes tied to potential success payments to investors (i.e., housing stability and jail avoidance); and (2) estimating the broader impact of the Program on individuals' use of a spectrum of publicly funded services. The payment triggers are planned on two types of individual outcome metrics: (a) housing stability at six and 12 months and (b) individual jail avoidance over a two-year period. Jail avoidance metrics will include subsequent arrest, "qualifying return," or other measure as stated in the final Statement of Work to the Agreement. RAND will independently verify the program's housing retention status that is collected on a client-by-client basis at six months and 12 months after the client moves into permanent supportive housing. RAND will independently verify the jail avoidance metric, using administrative data from the LA Sheriff's Department to determine the number of rearrests during the two-year period following each individual's placement into permanent supportive housing. Individual jail avoidance success payments will be made to investors in different amounts, based on whether the individual was arrested zero, one, two, or three or more times. For the broader impact study, effects will be measured as the average difference between JIR PFS clients (enrolled in the first year of the program, from July 1, 2017 to June 30, 2018) and a comparison group in utilization of publicly funded health, mental health, social, and correction services. See the Evaluation Plan attached hereto as <u>Annex A-7</u> for details.</p> | | | |
| # | Task Title | Expected Completion Date | Budget Per Task |
| 1. | Year 1 of Program Evaluation Activities -- Measuring Success | 6/30/2018 | \$50,325.00 |
| <p>RAND will establish data sharing protocols to receive sensitive data from LA County Enterprise Linkages Protocol (ELP), Housing Management Information System (HMIS), Brilliant Corners, and LA County Sheriff's Department that will support independent verification of housing stability and jail avoidance performance metrics. RAND will establish and document the methodology for calculating individual client performance on established success metrics. RAND will independently verify six month housing stability for individual program participants in Cohort 1.</p> | | | |
| 2. | Year 2 of Program Evaluation Activities -- Measuring Success | 6/30/2019 | \$44,871.00 |
| <p>RAND will independently verify six month housing stability for individual program participants in Cohort 2, 3, 4 and 5; RAND will independently verify 12 month housing stability for individual program participants in Cohort 1, 2, and 3. RAND will participate in any meetings needed to resolve differences between their verification of participant success, and participant success as calculated using the same methodology by the project intermediary.</p> | | | |
| 3. | Year 3 of Program Evaluation Activities -- Measuring Success | 6/30/2020 | \$46,672.00 |
| <p>RAND will independently verify six month housing stability for individual program participants in Cohort 6, 7, and 8; RAND will independently verify 12 month housing stability for individual program participants in Cohort 4, 5, 6 and 7. RAND will independently verify 24 month jail avoidance for individual participants in Cohort 1, 2, and 3. RAND will participate in any meetings needed to resolve differences between their verification of participant success, and participant success as calculated using the same methodology by the project intermediary.</p> | | | |
| 4. | Year 4 of Program Evaluation Activities -- Measuring Success | 6/30/2021 | \$48,548.00 |
| <p>RAND will independently verify 12 month housing stability for individual program participants in Cohort 8. RAND will independently verify 24 month jail avoidance for individual participants in Cohort 5, 4, 6 and 7.</p> | | | |

| | | | |
|--|---|-------------------|---------------------|
| RAND will participate in any meetings needed to resolve differences between their verification of participant success, and participant success as calculated using the same methodology by the project intermediary. | | | |
| 5. | Year 4 of Program Evaluation Activities -- Broader Impact Analysis | 6/30/2021 | \$86,499.00 |
| Rand will begin the data analytics as described in the evaluation plan for the broader impact analysis. | | | |
| 6. | Year 4.5 of Program Evaluation Activities -- Measuring Success | 12/31/2021 | \$19,174.00 |
| RAND will independently verify 24 month jail avoidance for individual participants in Cohort 8, and participate in any meetings as needed to resolve differences between their verification of participant success and participant success as measured by the project intermediary | | | |
| 7. | Year 4.5 of Program Evaluation Activities -- Broader Impact Analysis | 12/31/2021 | \$103,700.00 |
| Rand will complete the data analytics for the broader impact analysis as described in the evaluation plan. RAND will provide a draft report by October 1, 2021 and a final report by December 31, 2021. | | | |
| Total Budget | | | \$399,789.00 |

ANNEX A-4 FORM OF FHSP AGREEMENT

WORK ORDER

1. SCOPE OF WORK

The FHSP Operator will be the central coordinating entity for the FHSP and will administer the FHSP funds. The FHSP Operator will collaborate with the following entities to implement and operate the FHSP:

- County Government - Represented by the Los Angeles County Department of Health Services. OHS will be responsible for overall program design, policy development, and monitoring.
- Participating Funders - Funding entities willing and able to contribute to the FHSP. It is envisioned that funding entities will include governmental, non-profit, and private organizations. OHS will identify the Participating Funders and will coordinate their participation in the FHSP.
- Housing Providers - This includes the totality of the Los Angeles County housing market. Housing Providers could be identified by OHS, the FHSP Operator, and/or Support Services Providers. Funds administered by the FHSP Operator could be used to secure any housing setting (interim or permanent) that is appropriate for the individual being housed and that meets applicable housing, health and safety codes as well as the guidelines promulgated for this program.
- Support Services Providers (SSP) - The SSP will assist eligible clients locate housing and provide "whatever it takes" wrap around services to assist the individual in regaining stability and improved health. Services provided by SSP include client outreach and engagement; case management with on-going monitoring and follow-up; linkage to health, mental health, and substance use disorder services; assistance with benefits establishment; assistance with life skills, job skills, and educational and volunteer opportunities; crisis intervention; etc. The SSP will either work with the client to locate housing directly or will access housing secured by the FHSP Operator. The FHSP Operator will provide the rental subsidy for either approach. OHS typically partners with SSP who have a Supportive Housing Services Master Agreement contract with OHS to provide Intensive Case Management Services or homeless services providers with experience working with individuals who are homeless in supportive housing environments.

The FHSP Operator will work at the direction of DHS to implement the FHSP. The FHSP Operator shall be responsible for, but not limited to:

- Act as the central coordinating entity for all activities of the FHSP. This includes establishing and maintaining relationships with project partners including

property owners/managers, Support Services Providers, public agencies, and Participating Funders.

- In conjunction with DHS, develop detailed program regulations for the FHSP.
- Identify and secure a broad range of decent, safe, and affordable housing countywide for DHS patients who are homeless (FHSP Housing Portfolio).
- Provide accurate and dependable monthly rent subsidy payments to a growing number of participating property owners/operators.
- Conduct data collection, management, and reporting for the FHSP.
- Work with DHS and other partners to address any tenant/client, property, and community issues.
- On a case by case basis and with prior approval from DHS, secure specialized goods and services necessary for patients to transition to the appropriate community setting when no other funding and resource options are available. Examples include in home support for a disabled client to live independently, specialized equipment such as adaptive devices and beds for bariatric patients, and specialized transportation.
- Utilize best practices to ensure that there are strong financial controls in place that govern the disbursement of all FHSP funds that include robust capabilities for tracking, reporting, and data analysis
- Provide DHS with quarterly reports of all financial transactions and all specialized goods and services provided to clients. DHS may require specific information to be included in the quarterly reports.

During the term of this Work Order, the FHSP Operator shall provide services in accordance with procedures formulated and adopted by the FHSP Operator's staff and approved by DHS, and consistent with laws, regulations, current health and mental health practices and standards, and the terms of this Work Order, including all exhibits and attachments.

1.1 FHSP COORDINATION

Specific duties include, but are not limited to, the following:

- 1.1.1 In conjunction with DHS, develop detailed program regulations for the FHSP to include target population, Housing Quality Standards, roles and responsibilities of DHS, SSP, and FHSP Operator; calculating rent subsidy; accessing FHSP funds; reporting requirements; etc.
- 1.1.2 Convene and/or attend regularly scheduled and as needed FHSP coordination and/or team meetings.

- 1.1.3 Maintain data and tracking systems and submit all reports as requested by DHS in a timely manner.
- 1.1.4 Participate in an evaluation of the FHSP. As directed and approved by DHS, the FHSP Operator may enter into an agreement with an independent evaluation entity to conduct the evaluation.
- 1.1.5 Maintain incident reports, including a plan of how and when issues were resolved. Incidents include injuries, death, disturbances, property damage, etc. Provide copies of incident reports to DHS within twenty- four (24) hours of incident taking place.

1.2 FHSP HOUSING PORTFOLIO

Specific duties include, but are not limited to, the following:

- 1.2.1 Identify safe, decent, and affordable housing countywide. Housing can include non-profit, affordable, and private market housing. Housing can be scattered site or project based and can include individual units, blocks of units, and master leasing of entire properties. The FHSP Housing Portfolio will include housing appropriate for individuals and families and also shared housing. Most housing will be unlicensed rental housing but on a case by case basis, and at the direction of DHS, housing could include Board and Care settings and other forms of housing that provide a higher level of on-site services. The FHSP Operator will independently identify and secure housing using guidelines provided by DHS and will also assess housing opportunities identified by DHS and Support Service Providers.
- 1.2.2 Enter into agreements with housing owners/operators to lease or procure housing. This could include entering into a lease agreement between FHSP Operator and housing owner/operator, entering into an agreement with owner/operator for a specified number of units/beds to be committed to the FHSP, assisting with lease agreements between owner/operator and tenant in coordination with SSP, etc. In certain instances, such as a master lease, the FHSP Operator may provide on-site property management services directly or through subcontract. Subcontracting shall be in accordance with Paragraph 8.45 of the Master Agreement.
- 1.2.3 Develop and implement a Housing Quality Checklist that incorporates elements of HUD Housing Quality Standards, local Housing Authority standards, and/or Home for Good Standards of Excellence. Housing Quality Checklist will be completed for each unit at initial rent up and subsequently at the request of DHS, SSP, or tenant if a concern with the unit or building property is identified.
- 1.2.4 Develop and implement a system to respond to tenant and/or SSP concerns about basic habitability, safety and cleanliness of FHSP Housing Inventory properties and work with owners/operators on solutions.

- 1.2.5 Provide service 24 hours a day, seven days a week, for 1) tenants to call if they are experiencing issues with their unit or the building and 2) property owners/operators to call if tenant is experiencing a non-emergency crisis and SSP is not available to respond. In most situations the SSP is the first point of contact for owner/operator for a non-emergency tenant crisis. Emergency situations should be handled by calling 9-1-1.
- 1.2.6 Conduct initial certification of tenant's income, complete tenant subsidy agreement, re-certify tenant's income annually, and adjust tenant contribution to rent accordingly. Depending on the housing and tenant situation this activity may be conducted solely by the FHSP Operator or it may be conducted by the SSP who will provide the information to the FHSP Operator. OHS will provide criteria for income certification.
- 1.2.7 Issue rent subsidy checks to housing providers consistent with terms of rental or lease agreements.
- 1.2.8 Work with SSP to address any issues related to late payment of tenant rent including the creation of rent payment plans or performance contracts.
- 1.2.9 Work with SSP to prevent eviction and to resolve issues that threaten the housing stability of tenants.
- 1.2.10 Work with SSP and OHS to address and resolve any tenant, property, and community issues.
- 1.2.11 Maintain data tracking systems to ensure that accurate building and tenant information is available at all times. Information should include, at a minimum: tenants' name, address, move-in date, monthly rent amount and due date, third party rent payer (if applicable), security deposit (original deposit and interest, if any), rent breakdown to include tenant portion and subsidy(ies), lease end date (if applicable), and reason for lease end (if applicable). Generate and maintain complete hard copy tenant files in a secure location that are accessible to authorized staff and OHS upon request. Generate and maintain electronic files as directed by OHS.
- 1.2.12 Develop FHSP Housing Portfolio and provide rental subsidies consistent with Flexible Housing Subsidy Pool Budget Assumptions (Attachment 1) or any updated version thereof.

1.3 SPECIALIZED GOODS AND SERVICES

The FHSP will include a component that will support the transition of OHS patients to the appropriate community setting. Specialized goods and services will be provided at the direction of OHS, on a case by case basis, and only after all other sources of funding and resources have been researched and exhausted. Specific duties include, but are not limited to, the following:

- 1.3.1 Implement solutions that allow for DHS patients to transition to the appropriate community setting. DHS and/or SSP will typically make all of the arrangements for these solutions and the FHSP Operator will act as the fiscal agent for the County. Goods and services may include, but are not limited to, the following:
 - i. Services needed by tenants with special needs to be successful in community settings such as meals, housecleaning, attendant services, care coordination, etc.
 - ii. Specialized equipment and supplies required by tenant to be able to live in a community setting such as durable medical equipment, adaptive devices, beds for bariatric patients, incontinence supplies, etc.
 - iii. Household furnishings, appliances, and goods.
 - iv. Utility deposits and payment of outstanding balances.
 - v. Transportation for medical and other appointments and activities that support independent living such as grocery shopping. Transportation could include specialized vans for disabled clients, taxi vouchers, bus tokens, etc.
 - vi. Long-distance transportation for patients (and accompanying individuals when indicated) who have secured residential placement in other jurisdictions including out of state and out of country.
 - vii. Documents needed to establish eligibility for benefits, housing subsidies, etc., such as driver's license, birth certificate, passport, photos, fingerprints, etc.
- 1.3.2 Issue checks to vendors for goods and services described above as approved by DHS consistent with Flexible Housing Subsidy Pool Budget Assumptions (Attachment 1) or any updated version thereof.
- 1.3.3 Maintain data tracking systems to ensure that accurate information on client support services is available at all times. Information should include, at a minimum: clients' name, type of service/supplies, vendor, cost of service/supplies, duration of expense (one time or ongoing), etc. Generate and maintain complete hard copy files in a secure location that are accessible to authorized staff and OHS upon request. Generate and maintain electronic files as directed by OHS.

1.4 FHSP FINANCIAL MANAGEMENT

FHSP Operator shall perform these duties in accordance with general accounting principles. Duties include, but are not limited to, the following:

- 1.4.1 Establish and maintain tight financial control over FHSP funds including strong internal controls over receipts, disbursements, financial statements, etc.
- 1.4.2 Develop and document clear policies and procedures for financial management of FHSP funds.
- 1.4.3 Issue checks to vendors for subsidies, goods, and services as approved by OHS.
- 1.4.4 Maintain an electronic accounting system to document all use of funds and issue monthly financial reports.
- 1.4.5 Retain invoices, receipts and documentation for all expenses included on monthly financial reports and make available to OHS upon request.

2. QUALITY CONTROL PLAN

2.1 Quality Control Plan Submission

The FHSP Operator shall utilize a comprehensive Quality Control Plan (QCP) to ensure the County consistently high level of quality and service throughout the term of this Work Order. The QCP, which is subject to approval by OHS, shall be submitted to OHS within thirty (30) calendar days from the effective date of the Work Order. Revisions to the QCP shall be submitted as changes occur during the term of the Work Order. The QCP shall specify activities to be monitored to ensure compliance with all Work Order requirements, monitoring methods to be used, frequency of monitoring, and title/qualifications of personnel performing monitoring (see Work Order Solicitation, Section 7.4). The QCP shall include, but not be limited to, methods for:

- 2.1.1 Ensuring that staff providing services under this Work Order has qualifying experience.
- 2.1.2 Monitoring to ensure that Work Order and Master Agreement requirements are being met.
- 2.1.3 Monitoring Subcontractor(s), if any, for compliance and quality of services.
- 2.1.4 Ensuring that confidentiality of client information is maintained.
- 2.1.5 Identifying and addressing staff training needs.
- 2.1.6 Monitoring progress towards achieving performance requirements.
- 2.1.7 Implementing policies and procedures.

3. QUALITY ASSURANCE PLAN

The County will evaluate the FHSP Operator's performance under this Work Order using the quality assurance procedures as defined in Paragraph 8.0 – Standard Terms and Conditions and sub-paragraph 8.17 – County's Quality Assurance Plan of the Master Agreement.

3.1 MEETINGS

The FHSP Operator is required to attend scheduled meetings with any and all project partners as it relates to the FHSP.

3.2 FHSP OPERATOR DISCREPANCY REPORT (ATTACHMENT 2)

3.2.1 Verbal notification of a Work Order discrepancy will be made to the FHSP Operator Project Manager as soon as possible whenever a discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the FHSP Operator.

3.2.2 OHS will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the FHSP Operator is required to respond in writing to OHS within five (5) business days with a plan for correction of all deficiencies identified in the FHSP Operator Discrepancy Report.

3.3 COUNTY OBSERVATIONS

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Work Order at any time during normal business hours. However, these personnel may not unreasonably interfere with the FHSP Operator's performance.

4. RESPONSIBILITIES

The County's and the FHSP Operator's responsibilities are as follows:

COUNTY

4.1 ADMINISTRATIVE

The County will administer the Agreement according to the Master Agreement, Paragraph 6.0, Administration of Master Agreement and any augments thereafter. Further, for the purposes of this Work Order, the County shall:

4.1.1 Monitor the FHSP Operator's performance in the daily operation of this Agreement.

4.1.2 Provide direction to the FHSP Operator in areas relating to policy, information and procedural requirements.

- 4.1.3 Prepare Amendments in accordance with Paragraph 8.0, Standard Terms and Conditions, sub-paragraph 8.1, Amendments of the Master Agreement.
- 4.1.4 Identify all clients who will receive a rental subsidy and/or other support through the FHSP. FHSP shall not administer rental subsidies to any person unless directed by DHS to do so.
- 4.1.5 Provide overall program design, policy development, implementation, reporting, and monitoring.

FHSP OPERATOR

4.2 PROJECT MANAGER

- 4.2.1 The FHSP Operator shall provide a full-time Project Manager or designated alternate who shall be responsible for the overall day-to-day activities, management and coordination of the Agreement, and liaison with OHS and FHSP partners. OHS must have access to the Project Manager or designated alternate twenty-four (24) hours, 365 days per year. The FHSP Operator shall provide a telephone number where the Project Manager or designated alternate may be reached on a twenty-four (24) hour per day basis.
- 4.2.2 Project Manager/Designated Alternate shall have a minimum of one year of experience with the following, but not limited to:
 - Agreement management and compliance
 - Budgets and expenditure tracking
 - Developing and implementing Quality Control plans
 - Working with governmental entities, housing providers, and service providers to provide housing to people who are homeless and who have complex health and/or behavioral health conditions.
 - Building collaborative partnerships
- 4.2.3 Project Manager/Designated Alternate shall be responsible for developing policies and procedures and creating forms that facilitate the effective operation of the FHSP and delivery of high quality FHSP services.
- 4.2.4 Project Manager/Designated Alternate shall have proficient writing and computer skills and have the ability to produce reports on a regular basis and as directed by OHS.
- 4.2.5 Project Manager/Designated Alternate shall have full authority to act

for the FHSP Operator on all matters relating to the daily operation of the Agreement.

4.3 PERSONNEL

- 4.3.1 The FHSP Operator shall assign a sufficient number of employees to perform the required work to meet the requirements of both the Master Agreement and this Work Order.
- 4.3.2 The FHSP Operator shall be required to conduct background checks as set forth in Paragraph 7.0, Administration of Master Agreement – the FHSP Operator, sub-paragraph 7.5, Background & Security Investigations, of the Master Agreement.
- 4.3.3 The FHSP Operator shall ensure their employees are identifiable through the use of badges to be worn at all times at as set forth in Paragraph 7.0, Administration of Agreement – the FHSP Operator, sub-paragraph 7.4, the FHSP Operator’s Staff Identification, of the Master Agreement.
- 4.3.4 The FHSP Operator shall ensure key management staff oversees the delivery of services and when there is a vacancy, a replacement is made within fifteen (15) days. The FHSP Operator shall ensure all staff levels needed for the delivery of direct services are filled and when there is a vacancy, a replacement is made within thirty (30) days.
- 4.3.5 Staff shall be recruited or current staff shall be assigned to this project within 30 days of execution of Agreement.

4.4 TRAINING

- 4.4.1 The FHSP Operator shall provide training programs for all new employees and provide continuing in-service training for all employees.
- 4.4.2 All employees shall be trained in their assigned tasks and in the safe handling of materials and equipment. All employees must wear safety and protective gear according to OSHA standards.
- 4.4.3 County may require additional mandatory trainings for any and all FHSP Operator staff, as deemed necessary by the County.
- 4.4.4 The FHSP Operator shall provide on-going staff training to promote continuous quality improvement.

4.5 THE FHSP OPERATOR’S OFFICE

- 4.5.1 The FHSP Operator shall maintain an office with a telephone in the company's name where the FHSP Operator conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquiries and

complaints which may be received regarding the FHSP Operator's performance of the Agreement. When the office is closed, an answering service shall be provided to receive calls. **The FHSP Operator shall answer calls received by the answering service within two (2) hours of receipt of the call.**

4.5.2 The FHSP Operator shall maintain an e-mail address that is checked regularly during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday. The FHSP Operator shall respond to inquiries and complaints within two (2) hours of receipt of the e-mail.

5. FHSP OPERATOR COMPENSATION

The FHSP Operator's compensation will be cost-reimbursement and based on the FHSP Budget Assumptions (Attachment 1) or any updated version thereof. The amount of funding for rental subsidies, specialized goods and services, and project evaluation will be determined by OHS and may vary during the term of the Work Order. OHS and the FHSP Operator will meet quarterly, unless waived by OHS, to review the FHSP Budget Assumptions and to make adjustments to the FHSP Operator's budget if indicated.

6. UNIQUE INSURANCE COVERAGE

Service Providers providing property related tenant services ("PRTS") services shall also be required to have the following coverage:

6.1 Crime Coverage

A Fidelity Bond or Crime insurance policy with limits of not less than \$50,000. Such coverage shall protect against all loss of money, securities or other valuable property entrusted by the FHSP Operator clients to the FHSP Operator, and apply to all of the FHSP Operator's directors, officers, agents and employees who regularly handle or have responsibility for such money, securities or property.

6.2 Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

7. IMPLEMENTATION PLAN

An implementation plan will be mutually agreed upon by the parties in writing prior to the execution of the Work Order. Implementation activities are to be completed according to the timelines agreed upon by the FHSP Operator and County and shall be documented and/or submitted as specified. All program

documents, completed materials, evaluations, etc., will be maintained on file and available for review by OHS upon request. Any failure by the FHSP Operator to comply with the implementation plan may constitute a material breach of this Work Order, upon which County may take corrective action, up to and including termination of this Work Order.

8. FLEXIBLE HOUSING SUBSIDY POOL EXPANSION

Various Los Angeles County departments are examining the feasibility of participating in the Flexible Housing Subsidy Pool. These departments include the Department of Mental Health and the Department of Public Social Services, among others. It is possible that in the future these Departments may contribute funds to the FHSP and will identify clients to receive rental subsidies. If the FHSP is expanded to include funding and serve clients from other County departments then the FHSP program regulations and the budget for the FHSP Operator will be modified accordingly.

**Attachment 1
to Annex A-4**

Flexible Housing Subsidy Pool Budget Assumptions

FHSP Housing Portfolio

Year 1: _____ units (____ units identified by FHSP Operator and ____ by DHS/SSP¹)
Year 2: _____ units (____ new units identified by FHSP Operator and ____ by DHS/SSP)
Year 3: _____ units (____ new units identified by FHSP Operator and ____ by DHS/SSP)
Year 4: _____ units (____ new units identified by FHSP Operator and ____ by DHS/SSP)

Rental Subsidy

Year 1: \$ _____ (____ subsidies at \$____/month for 12 months)
Year 2: \$ _____ (____ subsidies at \$____/month for 12 months)
Year 3: \$ _____ (____ subsidies at \$____/month for 12 months)
Year 4: \$ _____ (____ subsidies at \$____/month for 12 months)

Specialized Goods and Services

Year 1: \$ _____
Year 2: \$ _____
Year 3: \$ _____
Year 4: \$ _____

¹ DHS = Department of Health Services; SSP = Support Services Providers

**Attachment 2
to Annex A-4**

FHSP OPERATOR DISCREPANCY REPORT

TO:
FROM:
DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:
County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

ANNEX A-5

SCOPE OF SERVICES TO BE PROVIDED BY ICMS PROVIDERS

1. SCOPE OF WORK

The ICMS Providers, shall:

- Provide high quality ICMS to clients eligible for permanent housing through Housing for Health (HFH).
- Have a client-centered approach and provide excellent customer service that is sensitive to the challenges that homeless persons with a range of medical and behavioral health issues face as they move into and maintain permanent supportive housing.
- Employ a “whatever it takes approach” to assist clients in their transition from homelessness to permanent housing.

ICMS forms the core of the services provided to clients in permanent supportive housing. The clients served by the ICMS Providers will be DHS patients who are homeless and who have a chronic illness or physical disability or are a high utilizer of DHS services. ICMS shall be designed to assist homeless clients with achieving and maintaining health, mental health, and housing stability. The intensive case manager shall serve as the central point of contact for the referred client through which care and services are coordinated.

Intensive case managers will assist individuals at every stage of the housing stabilization process. ICMS services shall be flexible to meet the individual needs of clients and the intensity of services shall be regularly monitored and adjusted based on each client’s level of functioning and acuity of needs. Case management services may range from highly intensive individualized support as clients transition from homelessness to permanent housing to less intense support for activities related to maintaining housing and supportive services.

ICMS shall include, but is not limited to, the following authorized activities: outreach and engagement; intake and assessment; service planning; housing and rental assistance; linkages to health, mental health, substance use disorder services and other supportive services; ongoing monitoring and follow-up; assistance with benefits establishment, transportation, and legal issues; crisis management; eviction prevention; client education; housing location services; coordination and collaboration with HFH partners; etc.

2. SPECIFIC SERVICES TO BE PROVIDED

During the term of this Work Order, the ICMS Providers shall provide ICMS in accordance with procedures approved by DHS, and consistent with laws, regulations, current health and mental health best practices and standards, and DHS’ Supportive Housing Services Master Agreement.

Specifically, the ICMS Providers shall provide ICMS services that include, but are not limited to, the following activities and responsibilities:

2.1 Outreach and Engagement:

- 2.1.1 Process and accept referrals from DHS and other HFH partners and service providers as directed by DHS.
- 2.1.2 Establish rapport and build a trusting relationship with the potential client and determine if the potential client is appropriate for permanent housing with intensive case management services.
- 2.1.3 Employ a “screening in” philosophy and conduct a face-to-face screening within five (5) business days of receiving a HFH referral with high priority given to screening emergent clients within two (2) business days of referral. Screenings could take place in hospitals and clinics, recuperative care settings, transitional housing and emergency shelters, behavioral health facilities, and other locations. Screening could also include working with the client’s DHS social worker to determine eligibility.
- 2.1.4 Obtain all appropriate consents and authorizations for clients’ participation in ICMS and for ICMS staff to communicate effectively with HFH partners and other service providers/agencies to assist clients with linkages to resources, services and benefits acquisition, coordination of services, client advocacy, etc.
- 2.1.5 For individuals who are referred to HFH but who do not meet DHS’ eligibility criteria for the program, the ICMS provider shall provide assistance to referred individuals and refer and link these individuals to services and resources that can address their immediate needs, including housing location services, permanent housing, shelter, food, health and mental health care, case management, and other supportive services.

2.2 Intake and Assessment

Conduct intake and enrollment activities with eligible clients, including assisting clients with gathering other program eligibility documentation, completing project intake forms, and enrolling into ICMS.

2.3 Temporary Housing and Rental and Move-In Assistance

- 2.3.1 Assist clients with access to temporary housing, through referrals, until permanent housing placement is secured. Temporary housing can include but not be limited to, DHS-funded stabilization beds, local shelters, etc.
- 2.3.2 Assist clients with the timely completion, submission, and coordination of lease agreements. This includes gathering documentation and all related paperwork required by Housing Authorities, Flexible Housing Subsidy Pool, etc.

- 2.3.3 Coordinate client move-in and orient new tenants to their unit/building. Tenant orientation shall include meeting with onsite supportive services staff and other residents, and review of rules and responsibilities included in lease and other documents.

2.4 Client Support Services

- 2.4.1 Assist clients with accessing services to address their immediate needs (e.g., access to temporary housing, food, clothes, and other basic necessities).
- 2.4.2 Conduct a DHS-approved comprehensive psychosocial assessment within two (2) business days of the client's enrollment into ICMS. Assessments shall be conducted face-to-face and shall include an evaluation of the clients' medical, psychosocial, environmental, legal, financial, education, strengths and needs, and available resources.
- 2.4.3 Develop and implement an individualized case management services plan in collaboration with and authorized by the client based on the client's comprehensive psychosocial assessment and/or reassessment. The service plan shall address the needs identified in the comprehensive psychosocial assessment and describe client's goals, steps to reach goals, timeframes for completing goals, and disposition of each goal as it is met or changed.
- 2.4.4 Conduct DHS-approved comprehensive psychosocial re-assessments and update case management services plan on an ongoing basis, but not less than once every three (3) months. Updates to the case management services plan shall include, but not be limited to, development of new goals, progress made on achieving stated goals, and any changes to goals, steps and/or target dates.
- 2.4.5 Maintain regular ongoing client contact and tailor the intensity of services provided, including the frequency of face-to-face and home visits conducted, to client's level of functioning and acuity of needs. The frequency of visits will vary and may require a minimum of three (3) or more face-to-face visits per week at initial engagement and no less than once every three (3) months after clients are stable in housing and fully engaged in supportive services. ICMS services are mainly conducted in the field and the provider shall meet regularly with clients at their housing location, at medical/ service providers' offices, and other locations as appropriate.
- 2.4.6 Ensure clients are linked to and accessing health, mental health, and substance use disorder services as needed including assisting clients with establishing a medical home and maintaining continuity with their medical home. DHS, Department of Mental Health (DMH), and Department of Public Health (DPH) may provide additional medical and behavioral health services through linkages to directly operated or contracted service providers including on-site and mobile services, when available.

- 2.4.7 Assist clients with maintaining medication and treatment regimens, including accompanying clients to appointments with health, mental health and/or other care providers.
- 2.4.8 Assist clients with obtaining income and/or establishing benefits. This includes coordinating the completion and submission of applications for health insurance benefits (e.g., Medi-Cal, Medicare, Covered California, etc.), disability benefits (e.g., Supplemental Security Income [SSI], Supplemental Security Disability Income [SSDI], etc.), and other sources of financial assistance, (e.g., Unemployment, General Relief [GR], etc.). Provide advocacy on behalf of clients, as appropriate.
- 2.4.9 Assist clients with locating and securing employment and volunteer and/or educational opportunities.
- 2.4.10 Assist clients with obtaining basic needs, such as clothing and food.
- 2.4.11 Assist clients with life skills and community participation, including providing group programming in these areas.
- 2.4.12 Assist clients with gaining, restoring, improving and/or maintaining daily independent living, social/leisure, and personal hygiene skills.
- 2.4.13 Assist clients with budgeting and money management including, but not limited to, assistance with household budgeting; assistance with overcoming bad credit, no credit, and/or eviction histories; and arranging for representative payees for clients who require assistance in money management and/or are at-risk for non-payment of rent.
- 2.4.14 Assist clients with monitoring any legal issues and making appropriate referrals to overcome any barriers to accessing and maintaining permanent housing and supportive services (e.g., credit history, criminal records, and pending warrants).
- 2.4.15 Provide transportation, as needed, by means of bus fare/pass, agency vehicle(s), or private vendor. Assist clients with increasing their capacity to meet their own transportation needs.
- 2.4.16 Monitor and follow-up with clients and service providers to confirm timely completion of referrals and linkages, access to services, and maintenance of services.
- 2.4.17 Provide housing location services (including assisting clients with locating affordable permanent housing, establishing relationships with landlords/agencies willing to provide affordable permanent housing to project clients, providing assistance with negotiating rental agreements, etc.) if needed, such as in instances where there is no permanent affordable housing units available within the Housing for Health housing portfolio or the available units are not a good match for the client.

- 2.4.18 Establish a system for providing 24-hour/7 days a week on-call crisis intervention services for ICMS clients. This system shall include the establishment of policies and procedures and training ICMS staff on the responsibilities for each crisis response staff member and how ICMS staff will ensure a timely crisis response, effectively coordinate the crisis response, identify the appropriate service providers, etc.
- 2.4.19 Educate clients on the appropriate use of crisis intervention services versus 911 emergency calls, etc.
- 2.4.20 Educate clients on tenant rights and responsibilities including, but not limited to, how to communicate effectively with ICMS staff and property management staff and other entities; when and how to report maintenance problems or disclosure of financial problems; importance of complying with lease agreement, program policies, and house rules; importance of paying rent, budgeting appropriately, and participating in representative payee system; responsibility for apartment/house maintenance; getting along with neighbors; and crisis services resources.
- 2.4.21 Provide eviction prevention counseling, advocacy and intervention to develop and implement strategies to facilitate the early identification of issues that jeopardize clients' housing stability and the assistance needed by tenants to prevent evictions.
- 2.4.22 Work with property management staff and HFH partners to help clients resolve issues that threaten their housing stability. Meet jointly with clients and property management staff to address issues and develop plans for improvement.
- 2.4.23 Document within the clients' records all eviction prevention interventions provided.
- 2.4.24 For clients who are transitioning out of ICMS (e.g., moving out of the area, family reunification, or change in housing needs), ICMS staff shall coordinate activities with other service providers to ensure that the client receives assistance with relocating to other affordable housing and linking to ongoing primary health care, behavioral health services, and other supportive services. These activities shall be conducted with the cooperation and/or authorization of the client to be noted within case closure documentation.
- 2.4.25 At the County's discretion, provision of additional services and/or activities may be required, based on changes affecting ICMS and/or HFH properties or operations.

3. CLIENT SATISFACTION

- 3.1 Assess client satisfaction on a continual basis through feedback gained via one-on-one conversations and client/tenant meetings.

- 3.2 Develop, conduct, and analyze an annual survey to assess client satisfaction with ICMS and provide DHS with the results of the annual survey. Services should be adjusted as necessary and appropriate with DHS input and approval.

4. COLLABORATION AND PARTNERSHIPS

- 4.1 Collaborate with DHS, and other HFH partners to coordinate clients' care and ensure clients receive the services and support they need to achieve and maintain health, mental health, and housing stability.
- 4.2 Attend regularly scheduled and as-needed coordination and/or team meetings with DHS, and other HFH partners to manage the clients enrolled in ICMS and to problem-solve around tenant, building, and community issues.
- 4.3 Establish regularly scheduled ICMS staff meetings and ensure that client cases are discussed with the ICMS supervisor and other team members for guidance, support, and additional resources. Engage HFH partners and other service providers as appropriate.
- 4.4 Build and maintain collaborative partnerships with community organizations, service providers, and public entities to ensure clients have access to a comprehensive array of supportive services.

5. RECORDS, FORMS AND RECORD KEEPING

The ICMS Providers shall generate and maintain retrievable program records, records relating to each ICMS client that receives services under this Work Order, and data collection/tracking systems as directed by DHS. The ICMS Providers shall ensure appropriate safeguards are implemented to secure clients' protected health information at all times. These records shall include, but not be limited to, the following:

5.1 Client Files

Each client file should include, but not be limited to, the following:

- Confidentiality form
- Participation agreements and consent forms
- Authorizations to release, disclose, use, and/or share information
- Client/Tenant referral documentation
- Assessments and reassessments
- Case management service plans and updates
- Progress notes and documentation notating any contacts made with or on behalf of the client

- Case conference forms
- Documentation (e.g., housing and rental applications, referral forms, identification, etc.) related to accessing and obtaining housing, benefits, and other services
- Documentation of client referral and linkage to primary medical care, mental health services, and substance use disorder services
- Documentation of legal issues and all correspondences and notices
- Documentation of client housing stability status and retention in permanent housing
- Documentation of case closure and associated forms, if applicable
- Incident report/tenant grievance forms
- Client discharge / exit documentation, if applicable
- Other client documentation required at DHS' discretion

5.2 Program Records

The ICMS Providers shall maintain records and program documentation addressing the following areas:

- Program policies and procedures
- Agreements and/or Memorandums of Understanding with service providers, project partners, etc.
- Meetings or case conferences with property management staff and other partners
- Documentation related to increasing clients' access to resources and building collaborative partnerships
- Incident Report/Tenant Grievance Forms
- Client Satisfaction Surveys and Analysis
- Other documents related to quality control activities
- Staff trainings
- In-services conducted by ICMS staff

- Documentation of Performance Measures and Outcomes, as directed by DHS
- Other records and program documentation required at DHS' discretion

6. REPORTING AND INVOICING

- 6.1 The ICMS Providers shall maintain data systems to ensure that accurate client and case management information is managed appropriately and that clients' protected health information is kept secure at all times. Generate and maintain complete hard copy client files in a secure location that are accessible to authorized staff and DHS upon request. Generate and maintain electronic files such as Homeless Management Information System [HMIS] or other as directed by DHS and/or the Housing Authority of the City of Los Angeles (HACLA) and/or the Housing Authority of the County of Los Angeles (HACoLA).
- 6.2 The ICMS Providers shall complete and submit monthly, quarterly, and/or other reports with the required supporting documentation as requested by DHS and/or HFH partners. Reports shall include aggregate reporting/data elements required by DHS, HACLA, and/or HACoLA and shall be completed and submitted in the manner directed by DHS. Examples of required reporting/data elements includes but are not limited to information regarding: client demographic information, referral source data, case management services provided, referrals and linkages made, clients' health and income benefits, clients' health and behavioral health service providers, housing applications and placement, utilization of move-in assistance, etc.
- 6.3 The ICMS Providers shall submit invoices and requested reports in a timely manner in accordance with the Master Agreement and as directed by DHS. Retain receipts and supporting documentation for all expenses included on monthly invoices and make available to DHS upon request.
- 6.4 As directed by DHS, the ICMS Providers shall submit any other ad hoc reports as requested by DHS, the County, Board of Supervisors, the State or other County agencies or entities for budgetary or other purposes. Reports shall include all the required information and shall be completed in the manner and time frame to be described by DHS.

7. QUALITY CONTROL PLAN

7.1 Quality Control Plan Submission

The ICMS Providers shall utilize a comprehensive Quality Control Plan (QCP) to ensure the County consistently high level of quality and service throughout the term of this Work Order. The QCP, which is subject to approval by DHS, shall be submitted to DHS within thirty (30) calendar days from the effective date of the Work Order. Revisions to the QCP shall be submitted as changes occur during the term of the Work Order. The QCP shall specify activities to be monitored to ensure compliance with all Work Order requirements, monitoring methods to be used, frequency of monitoring, and title/qualifications of personnel

performing monitoring. The QCP shall include, but not be limited to, methods for:

- 7.1.1 Ensuring that staff providing services under this Work Order has qualifying experience.
- 7.1.2 Monitoring to ensure that Work Order and Master Agreement requirements are being met.
- 7.1.3 Monitoring Subcontractor(s), if any, for compliance and quality of services.
- 7.1.4 Identifying, preventing and correcting deficiencies in the quality of service before the level of performance becomes unacceptable.
- 7.1.5 Responding expediently to client concerns and concerns brought forth by other HFH partners.
- 7.1.6 Resolving issues and/or client crisis without the loss of housing.
- 7.1.7 Coordinating with the property management staff and resolving agency to agency or staff to staff issues/problems.
- 7.1.8 Ensuring that confidentiality of client information is maintained.
- 7.1.9 Resolving client problems and addressing any client grievances that include, but are not limited to, ensuring prompt and appropriate action and documenting/reporting when the problem(s) was first identified, the corrective action(s) taken, date(s) of resolution, etc. The report shall be provided to DHS upon request.
- 7.1.10 Identifying and addressing staff training needs.
- 7.1.11 Monitoring progress towards achieving performance target measures.
- 7.1.12 Implementing policies and procedures.

8. QUALITY ASSURANCE PLAN

The County will evaluate the ICMS Providers' performance under this Work Order using the quality assurance procedures as defined in Paragraph 8.0, Standard Terms and Conditions, sub-paragraph 8.17, County's Quality Assurance Plan, of the Master Agreement.

8.1 Meetings

The ICMS Providers are required to attend scheduled meetings with any and all HFH partners as requested.

8.2 ICMS Provider Discrepancy Report (Attachment 1)

- 8.2.1 Verbal notification of a Work Order discrepancy will be made to the respective ICMS Provider Project Manager as soon as possible whenever a discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the ICMS Providers.
- 8.2.2 DHS will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the ICMS Providers are required to respond in writing to DHS within five (5) business days with a plan for correction of all deficiencies identified in the ICMS Provider Discrepancy Report.

8.3 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Work Order at any time during normal business hours. However, these personnel may not unreasonably interfere with the ICMS Providers' performance.

9. RESPONSIBILITIES

The County's and the ICMS Providers' responsibilities are as follows:

COUNTY

9.1 Administrative

The County will administer the Work Order according to the Master Agreement, Paragraph 6.0, Administration of Master Agreement - County. Furthermore, for purposes of this Work Order, County shall:

- 9.1.1 Monitor the ICMS Providers' performance in the daily operation of this Work Order.
- 9.1.2 Provide direction to the ICMS Providers in areas relating to policy, information and procedural requirements.
- 9.1.3 Prepare Amendments in accordance with Paragraph 8.0, Standard Terms and Conditions, sub-paragraph 8.1, Amendments, of the Master Agreement.
- 9.1.4 Provide DHS patient referrals to ICMS provider.
- 9.1.5 Provide overall project coordination to link the ICMS provider, HFH partners, and other County departments involved in the project.

ICMS PROVIDERS

9.2 Project Manager

- 9.2.1 Each ICMS Provider shall provide a Project Manager or designated alternate who shall be responsible for the overall day-to-day activities, management and coordination of the Work Order, and liaison with DHS. DHS must have access to the Project Manager or designated alternate twenty-four (24) hours, 365 days per year. Each ICMS Provider shall provide a telephone number where the Project Manager or designated alternate may be reached on a twenty-four (24) hour per day basis.
- 9.2.2 Project Manager shall have experience with the following, but not limited to:
- Working with homeless and/or special needs populations
 - Provision of case management and/or mental health services in permanent supportive housing, including establishment of a crisis response system
 - Agreement management and compliance
 - Budgets and expenditure tracking
 - Providing administrative oversight to ICMS staff
 - Developing and implementing Quality Control plans
 - Working closely with property management agency and other supportive service agencies, including case management and mental health providers to ensure clients' needs are being met
 - Building collaborative partnerships
- 9.2.3 Project Manager/designated alternate shall be responsible for developing policies and procedures and creating forms that facilitate the effective operation of intensive case management in permanent housing and delivery of high quality ICMS services.
- 9.2.4 Project Manager/designated alternate shall have proficient writing and computer skills and have the ability to produce reports on a regular basis and as requested by DHS.
- 9.2.5 Project Manager/designated alternate shall have full authority to act for each ICMS Provider on all matters relating to the daily operation of the Work Order.

9.3 Personnel

- 9.3.1 The ICMS Providers shall assign a sufficient number of employees to perform the required work.

- 9.3.2 The ICMS Providers shall be required to conduct background checks prior to the hiring of employees as set forth in Paragraph 7.0, Administration of Master Agreement – ICMS Providers, sub-paragraph 7.5, Background & Security Investigations, of the Master Agreement.
- 9.3.3 The ICMS Providers shall ensure their employees are appropriately identifiable through the use of badges to be worn at all times at each HFH property as set forth in Paragraph 7.0, Administration of Master Agreement – ICMS Providers, sub-paragraph 7.4, ICMS Provider Staff Identification, of the Master Agreement.
- 9.3.4 The ICMS Providers shall ensure all staff levels needed for the delivery of direct services are present and when there is a vacancy, a replacement is made within thirty (30) – sixty (60) days.
- 9.3.5 Staff shall be recruited or current staff shall be assigned to this project within 30 days of execution of Work Order.
- 9.3.6 Intensive Case Managers shall:
- a. Be required to have at least one year of experience working with homeless individuals AND have a social work/mental health related bachelor's degree, or have a minimum of two years of experience providing direct mental health or intensive case management services, unless otherwise approved by DHS.
 - b. Have experience working with clients with mental illness, chronic health issues, and substance use disorders.
 - c. Have expertise in the following areas: chronic homelessness, outreach and engagement strategies, intensive case management services, best practice models, mental health and substance use disorder services, crisis intervention, suicide assessment and prevention, affordable housing and public benefits applications, housing and landlord/tenant rights, eviction prevention, etc.
 - d. Maintain a caseload ratio of one (1) full-time equivalent intensive case manager to 15-20 clients, unless otherwise approved by DHS.

9.4 Clinical Supervision

The ICMS Providers shall establish a system for providing appropriate clinical supervision to ICMS staff. Clinical supervision responsibilities include, but are not limited to, the following:

- 9.4.1 Clinical oversight of the case management services provided, staff interactions with ICMS clients, program and client services documentation, etc.

- 9.4.2 Chart review and case conferences on ICMS clients.
- 9.4.3 Regular clinical supervision sessions with ICMS staff.
- 9.4.4 Available on an on-call basis for emergency situations encountered by ICMS case management staff.

9.5 Training

- 9.5.1 The ICMS Providers shall provide training programs for all new employees and provide continuing in-service training for all employees. Training shall be focused on the following topics but not be limited to: customer service, crisis de-escalation/dealing with difficult people, cultural awareness, sexual harassment prevention, etc.
- 9.5.2 All employees shall be trained in their assigned tasks. The ICMS Providers shall ensure that ICMS staff providing direct client services have expertise in or receive training and supervision on topics that include, but are not limited to: chronic homelessness, outreach and engagement strategies, intensive case management services, best practice models, mental health and substance use disorder services, crisis intervention, suicide assessment and prevention, affordable housing and public benefits applications, housing and tenant/landlord rights, eviction prevention, data management, securing protected health information, etc.
- 9.5.3 County may require additional mandatory trainings for any and all ICMS Provider staff, as deemed necessary by the County.
- 9.5.4 The ICMS Providers shall provide ongoing staff training to promote continuous quality improvement.

9.6 ICMS Providers' Offices

The ICMS Providers shall establish a system addressing office management responsibilities including, but not limited to, responding timely to inquiries and complaints received from DHS and other HFH partners, ICMS staff, and/or clients; establishing appropriate office hours; handling of after-hours calls; maintaining a working email account(s) that are checked regularly during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday; etc. The Project Manager or his/her designee shall respond to inquiries and complaints within two (2) hours of receipt of the e-mail or call.

10. IMPLEMENTATION PLAN

An implementation plan will be mutually agreed upon by the parties in writing prior to the execution of the Work Order. Implementation activities are to be completed according to the timelines agreed upon by the ICMS Providers and County and shall be documented and/or submitted as specified. All program documents, completed materials, evaluations, etc., will be maintained on file and

available for review by DHS upon request. Any failure by the ICMS Providers to comply with the implementation plan may constitute a material breach of this Work Order, upon which County may take corrective action, up to and including termination of this Work Order.

**Attachment 1
to Annex A-5**

ICMS PROVIDER DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of Contractor Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

ANNEX A-6

SERVICE PROVIDER REVIEW AND REMEDIATION PROCEDURES

In the event that the performance of Services by any of the Service Providers reaches any of the below indicators of inadequate performance (the “**Performance Thresholds**”), the County and the Contractor shall be required to take certain corrective actions as set forth below (the “**Corrective Actions**”). Nothing in this Annex A-6 or elsewhere in Exhibit A shall be interpreted to require that the County or the Contractor must wait until a Service Provider’s provision of Services meets one of the below Performance Thresholds before taking Corrective Actions or other remedial measures to correct any perceived inadequacy in the provision of the Services.

Housing Placement Performance

On a monthly basis, the Operating Committee will review supportive housing placement and retention data by ICMS Providers for all ODR clients, and as a subset for Program Participants.

Initial Steps

Performance Threshold: If the FHSP Operator is unable to place 18 Participants into Permanent Supportive Housing within any period of two months during the Program Term, then:

Corrective Action: the County, in collaboration with the Contractor, shall investigate the reasons for the lack of housing placement and develop a corrective action plan. If the County can demonstrate that substantial increases in the costs of appropriate rental properties is the primary driver for the lack of housing placement into Permanent Supportive Housing, then the corrective action plan may include a recommendation to the Executive Steering Committee to amend the Program Budget to increase the rental subsidy payments by up to 5% to make the Program rental subsidies more competitive in the rental market.

Secondary Steps

Performance Threshold: If the FHSP Operator is unable to place 30 Participants into Permanent Supportive Housing within any period of four months during the Program Term, then:

Corrective Action: the County, in collaboration with the Contractor, shall investigate the reasons for the lack of housing placement and develop a corrective action plan. The corrective action plan must include the County’s addition of another housing location specialist. If the County can demonstrate that substantial increases in the costs of appropriate rental properties is the primary driver for the lack of housing placement into Permanent Supporting Housing, then the corrective action plan may include a recommendation to the Executive Steering Committee to amend the Program Budget to increase the rental subsidy payments by up to 5% to make the Program rental subsidies more competitive in the rental market.

Housing Retention Performance

Initial Steps

Performance Threshold: If the six-month housing retention rate for all ODR caseloads for any one ICMS Provider is less than 80% at any point in time during the Program Term, and it is still within the Enrollment Period:

Corrective Action: then the County shall stop referring new Program Participants to that particular ICMS Provider until the monthly rate for the ICMS Provider's ODR caseload is at or above 80%. Additionally, the County in collaboration with the Contractor shall investigate the reasons for the low housing retention rate and develop a corrective action plan.

Secondary Steps

Performance Threshold: If the six-month housing retention rate for all ODR caseloads for any one ICMS Provider is less than 70% for any consecutive three-month period during the Program Term:

Corrective Action: then the County shall transition all current Program Participants for whom that ICMS Provider is providing the ICMS Services to an ICMS Provider with a higher housing retention rate.

Jail Avoidance Performance

On a quarterly basis, the Operating Committee will review jail data for all Participants in the Program. Jail data will be inclusive only of Participants of the Program. Jail data will be cumulative for a Participant's entire tenure in the Program.

Initial Steps

Performance Threshold: If jail data indicates that 27% or more of Participants associated with one or more ICMS Providers experience three or more Qualifying Returns for any period of time while the Participants are enrolled in the Program:

Corrective Action: then, the County, in collaboration with the Contractor, shall investigate the factors contributing to such failure and develop a corrective action plan.

Secondary Steps

Performance Threshold: If, following three consecutive quarterly review periods, the jail data indicates that 35% or more of Participants associated with one or two ICMS Providers experience three or more Qualifying Returns for any period of time while the Participants are enrolled in the Program, and the remaining ICMS Providers demonstrate that 25% or fewer of their Participants experience three or more Qualifying Returns within that same period:

Corrective Action: then, the County shall transition Participants to ICMS Providers with lower rates of Qualifying Returns among Participants within any given time period.

ANNEX A-7 EVALUATION PLAN

Evaluation Plan

Evaluation Plan for the Los Angeles County Just in Reach Pay for Success Intervention

Sarah Hunter, Maya Buenaventura, Matthew Cefalu

RAND Justice, Infrastructure, & Environment

PR-2504 **REVISED DRAFT**

May 2017

Prepared for Corporation for Supportive Housing

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Preface

This document describes a plan for evaluating the Los Angeles (LA) County Just in Reach Pay for Success intervention (JIR PFS), which consists of permanent supportive housing placement, and case management for the chronically homeless population who are involved with the criminal justice system. The JIR PFS project plans to provide 300 permanent supportive housing slots for incarcerated individuals in the LA County Jail system over a four-year period starting in July 2017. JIR PFS will be evaluated for two purposes: (1) verifying outcomes tied to payments made to investors (i.e., housing stability and jail avoidance); and (2) estimating the broader impact of JIR PFS on individuals' use of a spectrum of publicly funded services. The payment triggers are planned on two types of individual outcome metrics: (1) housing stability at six and 12 months and (2) jail avoidance rates over a two-year period. Jail avoidance metrics will include subsequent "qualifying return," as stated in the final PFS contract Statement of Work. RAND will independently verify the program's housing retention status that is collected on a client-by-client basis at six months and 12 months after the client moves into permanent supportive housing. Individual housing success payments will be made as individuals meet their six- and 12-month marks. RAND will independently verify the jail avoidance metric, using administrative data from the LA Sheriff's Department to determine the number of qualifying returns during the two-year period following each individual's placement into permanent supportive housing. Individual jail avoidance success payments will be made to investors in different amounts, based on whether the individual was arrested zero, one, two, or three or more times. Individuals will be divided into eight cohorts to assist with monitoring and reporting: Cohort 1 will be enrolled from July 1 to September 30, 2017; Cohort 2 will be enrolled from October 1 to December 31, 2017; Cohort 3 will be enrolled from January 1 to March 31, 2018; Cohort 4 will be enrolled from April 1 to June 30, 2018; Cohort 5 will be enrolled from July 1 to September 30, 2018; Cohort 6 will be enrolled from October 1 to December 31, 2018; Cohort 7 will be enrolled from January 1 to March 3, 2019; and Cohort 8 will be enrolled from April 1 to June 30, 2019. For the broader impact study, effects will be measured as the average difference between JIR PFS clients (enrolled in the first year of the program, from July 1, 2017 to June 30, 2018) and a comparison group in utilization of publicly funded health, mental health, social, and correction services. The James Irvine Foundation generously supported this evaluation plan in collaboration with the Corporation for Supportive Housing.

RAND Justice Policy

The research reported here was conducted in the RAND Justice Policy Program, which spans both criminal and civil justice system issues with such topics as public safety, effective policing, police–community relations, drug policy and enforcement, corrections policy, use of technology in law enforcement, tort reform, catastrophe and mass-injury compensation, court resourcing, and insurance regulation. Program research is supported by government agencies, foundations, and the private sector.

This program is part of RAND Justice, Infrastructure, and Environment, a division of the RAND Corporation dedicated to improving policymaking and decisionmaking in a wide range of policy domains, including civil and criminal justice, infrastructure protection and homeland security, transportation and energy policy, and environmental and natural resource policy.

Questions or comments about this report should be sent to the project leader, Sarah Hunter (shunter@rand.org). For more information about RAND Justice Policy, see www.rand.org/jie/justice-policy or contact the director at justice@rand.org.

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Abbreviations

| | |
|----------|---|
| CEO | Los Angeles County Chief Executive Office |
| CSH | Corporation for Supportive Housing |
| DHS | Los Angeles County Department of Health Services |
| DMH | Department of Mental Health |
| DPH | Department of Public Health |
| DPSS | Department of Public Social Services |
| ELP | The Enterprise Linkages Project |
| FHSP | DHS Housing for Health Division's Flexible Housing Subsidy Pool |
| HFH | DHS's Housing for Health |
| HMIS | Homeless Management Information System |
| IRB | Institutional Review Board |
| JIR | Just in Reach |
| LA | Los Angeles |
| LASD | Los Angeles Sheriff's Department |
| NCCD | National Council on Crime and Delinquency |
| ODR | Office of Diversion and Reentry |
| PFS | Pay for Success |
| PSH | permanent supportive housing |
| SIB | Service Integration Branch |
| VI-SPDAT | Vulnerability Index & Service Prioritization Decision Assistance Tool |

1. Background

Homelessness and Incarceration in Los Angeles County

Los Angeles (LA) County is home to the largest jail system in the world, operated by the LA County Sheriff's Department (LASD). It is also the center of one of the most acute homelessness problems in the country. According to the 2016 LA County Point-In-Time count, there are more than 46,000 people experiencing homelessness within LA County.¹ On any given night, the LA County jail houses more than 16,000 inmates, and recent estimates suggest more than 20 percent are in need of mental health services, many whom have histories of homelessness.² Due to the lack of affordable housing and social services in the community, LA County jail has become by default services provider to homeless individuals with mental health and substance use issues. In Los Angeles, the recidivism rate among the general jail population has been estimated at 70 percent. Evidence suggests that for a population experiencing homelessness and chronic health conditions, the recidivism rates may be potentially higher, resulting in extreme costs to society.³

Supportive housing has emerged as a viable, cost-effective alternative for this costly subset of the LA County jail and probation populations. Acknowledging barriers to reentry and reintegration for homeless offenders with complex health and behavioral health conditions, the LA County Board of Supervisors is committed to dedicating resources and improving county infrastructure in order to scale a dedicated permanent supportive housing (PSH) program for this population.

Jail Recidivism and Housing

National research demonstrates that lack of stable housing is a strong predictor of jail recidivism. Recently released inmates who are homeless are at greater risk for recidivism than those who are stably housed.⁴ Additionally, addiction and mental illness put individuals at risk

¹ Los Angeles Homeless Services Authority, "The Greater Los Angeles Homeless Count," web page, 2016.

² Sachi A. Hamai, Interim Chief Executive Officer, County of Los Angeles, "Pay for Success Initiative – Recommended Project and Next Steps," memorandum to Los Angeles County Board of Supervisors, Los Angeles, July 28, 2015.

³ Kamala Mallik-Kane and Christy Ann Visher, *Health and Prisoner Reentry: How Physical, Mental, and Substance Abuse Conditions Shape the Process of Reintegration*, Washington, D.C.: Urban Institute Justice Policy Center, 2008.

⁴ Stephen Metraux and Dennis P. Culhane, "Recent Incarceration History Among a Sheltered Homeless Population," *Crime & Delinquency*, Vol. 52, No. 3, 2006, pp. 504–517; Stephen Metraux, Caterina G. Roman, and Richard Cho, "Incarceration and Homelessness," in Deborah Dennis, Gretchen Locke, and Jill Khadduri, eds.,

for recidivism. Compared with the general population, justice-involved individuals have a greater prevalence of substance abuse and complex physical and behavioral health issues.⁵ In fact, an estimated 75 percent of inmates with a mental health disorder have co-occurring substance use disorders.⁶ Individuals with co-occurring disorders are at great risk of reincarceration in the year following their discharge.⁷ Combined with limited or low income and criminal history, formerly incarcerated individuals reentering society who suffer from mental illness and/or a substance use disorder face significant barriers in securing stable housing and necessary treatment, resulting in higher rates of recidivism, homelessness, and poor health outcomes.⁸ A 2014 evaluation by the California Department of Corrections and Rehabilitation found that mentally ill individuals had significantly higher three-year prison recidivism rates than individuals with no mental health designations. The evaluation looked at three-year recidivism rates for three groups: (1) individuals with no mental health code; (2) individuals with an Enhanced Outpatient Program (EOP) designation (offenders who experience adjustment difficulties in a general population setting); and (3) individuals with a Correctional Clinical Case Management System (CCCMS) designation (individuals whose symptoms are less severe and receive treatment on an outpatient basis). Respective recidivism rates for these three groups are 52.4 percent, 69.6 percent, and 59.3 percent.⁹

Toward Understanding Homelessness: The 2007 National Symposium on Homelessness Research, Washington D.C.: U.S. Department of Housing and Urban Development, 2008.

⁵ More than two-thirds have a substance use disorder, compared with 9 percent of general population (see Jennifer C., Karberg and Doris J. James, *Substance Dependence, Abuse, and Treatment of Jail Inmates*, 2002, Washington, D.C.: U. S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, 2005). Rate of serious mental illness is four to six times higher in jails (see Seth J. Prins, “Prevalence of Mental Illnesses in U.S. State Prisons: A Systematic Review,” *Psychiatric Services*, Vol. 65, 2014, pp. 862–872). Health care problems are also more common (see David Cloud, Michelle Dougherty, and Robert L. May, “At the Intersection of Health and Justice,” *Perspectives in Health Information Management*, Vol. 11, 2014). More than a third of jail inmates reported having a current medical problem (Doris J. James, and Lauren Glaze, *Mental Health Problems of Prison and Jail Inmates—Special Report, NCJ 213600*, Washington, D.C.: United States National Institute of Justice, Bureau of Justice Statistics, 2006).

⁶ James and Glaze, 2006.

⁷ Roger H. Peters, Harry K. Wexler, and Arthur J. Lurigio, “Co-Occurring Substance Use and Mental Disorders in the Criminal Justice System: A New Frontier of Clinical Practice and Research,” *Psychiatric Rehabilitation Journal*, Vol. 38, No. 1, 2015, pp. 1–6.

⁸ Jacques Baillargeon, Stephen K. Hoge, and Joseph V. Penn, “Addressing the Challenge of Community Reentry Among Released Inmates With Serious Mental Illness,” *American Journal of Community Psychology*, Vol. 46, No. 3–4, December 2010, pp. 361–375; Nena Messina et al., “One Year Return to Custody Rates Among Co-Disordered Offenders,” *Behavioral Sciences and the Law*, Vol. 22, No. 4, 2004, pp. 503–518; Fred C. Osher, and Henry J. Steadman, “Adapting Evidence-Based Practices for Persons with Mental Illness Involved with the Criminal Justice System,” *Psychiatric Services*, Vol. 58, No. 11, November 2007, pp. 1472–1478; Roger H. Peters, and Nicole M. Bekman, “Treatment and Reentry Approaches for Offenders with Co-Occurring Disorders,” in Robert Greifinger, ed., *Public Health Behind Bars*, New York: Springer, 2007, pp. 368–384.

⁹ California Department of Corrections and Rehabilitation, “2014 Outcome Evaluation Report,” July 2015.

Costs Associated with Homelessness

As compared with the general population, homeless individuals report worse health status and are at a higher risk for acute and chronic illness and mental health disorders.¹⁰ These individuals are often unable to regularly access health care services, which results in high rates of emergency department visits and hospitalizations for preventable illnesses.¹¹ A small group of *high utilizers* accounts for most acute care usage. These high utilizers are more likely to be chronically homeless and to suffer from substance abuse, mental health issues, and physical health comorbidities.¹²

Homelessness is also associated with social service and criminal justice costs.¹³ According to a recent report on the costs of homelessness in Los Angeles, approximately 30.5 percent of the costs were social service-related, which included cash benefits and homeless services through the General Relief Program, as well as benefits through the CalFresh food program.¹⁴ Approximately 9.5 percent of the costs were criminal justice costs, including law enforcement spending on LASD arrests, jail days and probation costs in providing rehabilitative services.¹⁵ According to this report using fiscal year 2014–2015 data, the average annual costs to county departments was \$51,230 for the top 5 percent of service utilizers and \$33,540 for the top 10 percent, whereas the average annual costs for the average homeless individual were \$6,480. These findings underscore that the needs of the homeless affect multiple county service departments.

Multiple evaluations have shown that PSH programs can reduce hospital admissions, length of stay at hospitals, the use of acute care services, and incarceration among formerly homeless populations resulting in cost savings.¹⁶ Given these findings, the use of PSH to target

¹⁰ National Health Care for the Homeless Council, *Homeless & health: What's the Connection*, Nashville, Tenn.: National Health Care for the Homeless Council, 2011; David S. Morrison, "Homelessness as an Independent Risk Factor for Mortality: Results From a Retrospective Cohort Study," *International Journal of Epidemiology*, Vol. 38, No. 3, 2009, pp. 877–883.

¹¹ Travis P. Baggett et al., "The Unmet Health Care Needs of Homeless Adults: A National Study," *American Journal of Public Health*, Vol. 100, No. 7, July 2010, pp. 1326–1333; Margot B. Kushel et al., "Emergency Department Use Among the Homeless and Marginally Housed: Results From a Community Based Study," *American Journal of Public Health*, Vol. 92, No. 5, 2002, pp. 778–784; Margot B. Kushel, Eric Vittinghoff, and Jennifer S. Haas, "Factors Associated with the Health Care Utilization of Homeless Persons," *JAMA*, Vol. 285, No. 2, 2001, pp. 200–206.

¹² Jason D'Amore et al., "The Epidemiology of the Homeless Population and its Impact on an Urban Emergency Department," *Academic Emergency Medicine*, Vol. 8, No. 11, 2001, pp. 1051–1055; Kushel et al., 2002.

¹³ Mary E. Larimer et al., "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons with Severe Alcohol Problems," *JAMA*, Vol. 301, No. 13, 2009, pp. 1349–1357.

¹⁴ Fei Wu and Max Stevens, *The Services Homeless Single Adults Use and Their Associated Costs: An Examination Of Utilization Patterns And Expenditures In Los Angeles County Over One Fiscal Year*, Los Angeles, Calif.: Los Angeles County Chief Executive Office, 2016.

¹⁵ Wu and Stevens, 2016.

¹⁶ Dennis P. Culhane, Stephen Metraux, and Trevor Hadley, "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing," *Housing Policy Debate*, Vol. 13, No. 1, 2002, pp. 107–163; Tia E. Martinez and Martha R. Burt, "Impact of Permanent Supportive Housing on the Use of

incarcerated individuals with mental health, substance use and/or physical health conditions who are likely to be homeless upon reentry has the potential to produce substantial cost savings through the reduction in the use of intensive acute care services.

Just in Reach

Program Description

Initiative Background

Just in Reach (JIR) is a program designed by LA County and community stakeholders to address the need to provide supports to chronically homeless populations who are involved in the criminal justice system.¹⁷ Providing PSH and comprehensive supports using a “Housing First” philosophy has shown to reduce costs among chronically homeless individuals.¹⁸

JIR PFS will house clients across LA County building off two major supportive housing initiatives spearheaded locally over the last two years—DHS’s Housing for Health (HFH) and CSH’s Just in Reach 2.0 (JIR 2.0). The success of DHS’s HFH program, which maintains a 12-month housing retention rate of 97% after housing over 2,000 homeless individuals with complex physical and behavioral health conditions, clearly demonstrates DHS’s capacity to rapidly place and retain individuals in housing. JIR PFS intervention will leverage DHS HFH’s robust portfolio of permanent housing options, which includes scattered-site and site-based options. In addition, JIR PFS will leverage DHS’s already existing contracting process to select and subcontract with service providers. The program will contract with three to five high capacity intensive case management providers with experience working with forensically involved homeless populations, and who currently provide services under DHS’s Supportive Housing Master Services Agreement.

Acute Care Health Services by Homeless Adults,” *Psychiatric Services*, 2006; David L. Shern et al., “Housing Outcomes for Homeless Adults with Mental Illness: Results from the Second-Round McKinney Program,” *Psychiatric Services*, Vol. 48, No. 2, 1997, pp. 239–241; Julian M. Somers et al., “Housing First Reduces Re- Offending Among Formerly Homeless Adults with Mental Disorders: Results of a Randomized Controlled Trial,” *PloS One*, Vol. 8, No. 9, 2013, p. e72946.

¹⁷ Corporation for Supportive Housing (CSH), “Just in Reach: JIR 2.0,” web page, undated.

¹⁸ Larimer et al., 2009.

¹⁹ Whitney Lawrence et al., “The Intersection of Housing and Reentry in Los Angeles County,” slideshow presented at Housing First Partners Conference, March 23, 2016.

Enhancements to Existing Initiative

On August 11, 2015, the LA County Board of Supervisors approved JIR as LA County's first PFS initiative. Over a four- year period, this program is proposed to provide 300 permanent support housing slots for incarcerated individuals in LA County. The initiative will serve inmates of the LA County jail, which provides incarceration services for the entire county, including the cities of Los Angeles, Glendale, Burbank, and Long Beach.

The LA County Department of Health Services (DHS), Housing for Health (HFH) division will hold the community based contracts for jail in-reach and housing case management services and for the rental subsidy through the DHS HFH's Flexible Housing Subsidy Pool (FHSP). Since its inception in 2012, HFH has provided supportive housing to more than 2,000 homeless individuals with complex physical and behavioral health conditions, frequent users of county systems, and other vulnerable populations. With a 12-month housing retention rate of 97 percent, HFH has demonstrated its capacity to rapidly scale up successful housing programs.

In addition to supporting the intervention design, CSH will partner with another agency (i.e., National Council on Crime and Delinquency) to act as the PFS intermediary and will provide financial management of investments, project management support, and on-going technical assistance related to PFS and program implementation.

Target Population and Enrollment

The JIR PFS project is proposed to serve individuals who meet all of the following criteria:

1. Are currently within the LA County criminal justice system
2. Are expected to be discharged from jail in 30 to 120 days (this criterion applies to referrals coming through a custody setting and is subject to case- by-case exceptions) or are eligible for diversion services through alternative sentencing courts
3. Have been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter for at least one night during the year at any point in each of the prior three years OR for 12 months cumulatively over the prior three years
4. Score in the upper-third or -fourth quadrant on the Vulnerability Index & Service Prioritization Decision Assistance Tool (VI-SPDAT)
5. Have at least one of the following diagnosable conditions: substance use disorder, serious mental illness, a developmental disability, posttraumatic stress disorder, cognitive impairment(s) resulting from a brain injury, and/or a chronic physical illness or disability

Program staff plan to utilize the VI-SPDAT to identify and screen potential participants while they are still incarcerated or within the alternative court process. The VI-SPDAT assesses a potential client's history of housing and homelessness, interactions with health and emergency services, socialization and daily functions and wellness to determine the prospective client's degree of need. To be eligible, the person must receive a VI-SPDAT score in the upper-third or -

fourth quadrant of the scoring rubric. This cut-off is generally used to identify individuals in need of PSH.

Enrollment is expected to start in July 2017 and end in June 2019, and it is expected to provide 300 supportive housing slots. If an individual drops out of the program during the enrollment period, another individual will be selected to fill the vacated slot. The anticipated referrals for the program will come from jail mental health clinicians, the Jail Mental Evaluation Team, the Jail Medical Service Bureau, Jail In-Reach Providers, and Los Angeles County Court System. The number of individuals expected to be enrolled will be based on benchmarks achieved by similar PFS initiatives. More specifically, the planned enrollment rate was not set to meet statistical significance objectives for the evaluation, but rather is based on anticipated program resources.

Clients will be divided into eight cohorts to assist with program monitoring and reporting for payments: Cohort 1 will be enrolled from July 1 to September 30, 2017; Cohort 2 will be enrolled from October 1 to December 31, 2017; Cohort 3 will be enrolled from January 1 to March 31, 2018; Cohort 4 will be enrolled from April 1 to June 30, 2018; Cohort 5 will be enrolled from July 1 to September 30, 2018; Cohort 6 will be enrolled from October 1 to December 31, 2018; Cohort 7 will be enrolled from January 1 to March 3, 2019; and Cohort 8 will be enrolled from April 1 to June 30, 2019.

Although some PFS initiatives have utilized a randomization approach such that eligible participants are assigned to an intervention or comparison group in which approximately half receive the intervention, the PFS workgroup members did not perceive this approach as feasible for this project as it would require identifying through a referral and screening process twice as many individuals than would receive the intervention. This approach would require additional staffing to refer and screen individuals to a control condition.

JIR Intervention

The intervention will begin with referrals made to DHS from a variety of sources. DHS will assign a service provider to complete a psychosocial assessments and housing needs assessments as well as provide preliminary supportive services (see Figure 1.1). DHS contracted intensive case management services providers will carry out initial psychosocial and housing needs assessments as well as preliminary support services. These providers will connect participants to interim housing immediately upon release from jail and then to PSH. Once the participant is housed, the original service provider will continue to provide intensive case management services to help the participant maintain their housing and to support their health and wellbeing through connection to physical health, mental health, and substance use treatment services. This approach provides “continuity of care,” where the same service provider works with a participant both pre- and post-housing.

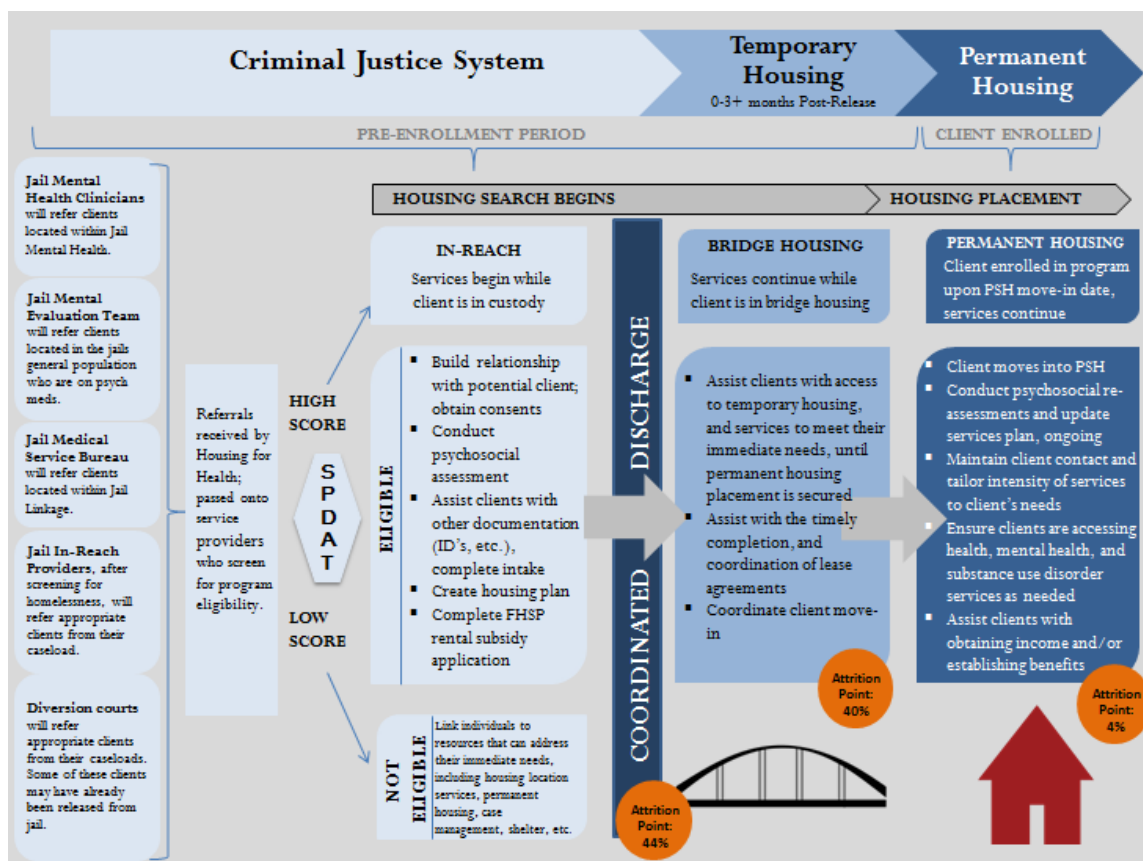
PSH, a key component of the program, will be provided through LA County’s FHSP.

Brilliant Corners, also a DHS-contracted provider, operates the FHSP program and provides

housing location services, on-going rental subsidy payments, and housing retention services. Units are planned to be offered in all of LA’s service planning areas with accessibility to transportation, grocery stores, and other community assets. Brilliant Corners operates a rapid rehousing program for the Probation Department (called Breaking Barriers) and, therefore, has existing relationships with landlords willing to rent to homeless, formerly incarcerated tenants.

Community-based organizations under DHS contract plan to provide intensive case management which includes the provision of outreach and engagement services; intake and assessment; service planning; housing and rental assistance; linkages to health, mental health, substance use disorder services and other supportive services; ongoing monitoring and follow-up; assistance with benefits establishment, transportation, and legal issues; crisis management; eviction prevention; and client education (e.g., basic life skills and independent living skills). More specifically, case managers are required to maintain regular ongoing client contact and tailor the intensity of services provided, including the frequency of face-to-face and home visits conducted, to client’s level of functioning and acuity of needs. For example, the frequency of visits vary and might require a minimum of three or more face-to-face visits per week at initial engagement and no less than once every three months after clients are stable in housing and fully engaged in supportive services.

Figure 1.1. Pre- and Post-Enrollment Flowchart



Length of Program

As noted earlier, program enrollment is expected to start in July 2017 and end in June 2019, and it is anticipated that at least 300 supportive housing slots will be provided during this period. As noted above, if an individual drops out of the program during the enrollment period, another individual will be selected to fill the vacated slot. The PFS initiative is planned for four- years, from July 2017 until June 2021.

2. Evaluation Plan

Evaluation Overview

The evaluation will consist of an outcomes and impact study to verify payment triggers for the project and to contribute to the broader field of supportive housing research for extremely vulnerable populations. The evaluation will have two components: (1) an analysis for the purpose of verifying outcomes tied to payments made to investors; and (2) a broader impact analysis.

The payment triggers will be based on two types of individual outcome metrics, (1) housing stability and (2) jail avoidance. Jail avoidance metrics will include subsequent arrest, “qualifying return,” or other measure as stated in the final PFS contract Statement of Work. Following similar PFS initiatives occurring elsewhere in the United States, the triggers for success payments will be linked to individual outcomes as described in Table 2.1. These metrics were derived by the PFS workgroup members based on data from the Enterprise Linkage Project and DHS’s Housing for Health program as well as from similar initiatives nationally.

Table 2.1. Outcome Measures

| | Success Metrics | Calculation Methods |
|--------------------------|---|---|
| Housing Stability | <ul style="list-style-type: none"> □ Six-month housing retention • 12-month housing retention | <ul style="list-style-type: none"> • An individual will be deemed to have achieved the housing retention six- or 12-month threshold if the individual continues to hold a lease for a permanent supportive housing unit under JIR PFS for such period, or has achieved a “good exit” from JIR PFS during the applicable time period. Re-arrests will not factor into this calculation as long as the individual is able to retain such lease. Individual housing stability success payments will accrue on a rolling basis, as individuals meet their six- and 12-month marks, |
| Jail Avoidance | <ul style="list-style-type: none"> • Jail avoidance during 2 years following housing placement. | <ul style="list-style-type: none"> • Jail avoidance metrics will include subsequent arrest, “qualifying return,” or other measure as stated in the final PFS contract Statement of Work. |

The evaluation will also include a broader impact analysis, but these findings will not be tied to success metrics. The broader analysis will include an estimation of the effect of PSH on utilization of a spectrum of publicly funded health, public health, mental health, social, and correction services and costs of those services. The goal of this broader analysis is to determine whether the program results in significant cost savings to ultimately cover the costs of scaling the model in Los Angeles or other jurisdictions.

In summary, the planned evaluation is designed to answer the following questions:

Evaluation Questions

- Were housing stability and jail avoidance performance goals met so that investors should be paid?
- Does supportive housing increase housing stability and decrease the utilization of high cost public services?

Success Metrics Tied to Payment

Increased Housing Stability

The JIR PFS program aims to end the cycle of homelessness for participants, as measured by increased stabilization in PSH. Of the JIR PFS clients that enter PSH, the JIR PFS workgroup members predict that 90 percent or more will remain stably housed for at least 12 months after the participant moves into a PSH unit. The U.S. Housing and Urban Development Department national standard indicates that if a formerly homeless person maintains PSH for at least six months, then he or she is likely to break the cycle of long-term homelessness.²¹ Current JIR PFS workgroup members have defined the housing stability success metric as assessed from the time the participant moves into PSH unit (i.e., the final “housing placement” phase in Figure 1.1 in Chapter One).

Individual housing success payments to the investor for each client are planned to accrue and become payable based on individual achievement of six and 12 months of housing stability. Payments are planned as cohorts meet their six- and 12-month marks.

²⁰ U.S. Department of Housing and Urban Development, Office of Community Planning and Development, “Supportive Housing Program Desk Guide,” 2008.

Data Sources

Specific data elements needed to independently verify the payment success metrics are listed in Table 2.2. The data elements for the outcome evaluation will be extracted from the following data systems.

Table 2.2. Data Elements for Success Payment Metrics

| Metric | Data Source | Description |
|------------------------------------|-------------------------|---|
| Six and 12-month housing retention | HMIS, Brilliant Corners | Individual client unique identifier (CHAMP ID); |
| | | Demographic data such as, age or date of birth, race, ethnicity, gender; |
| | | Permanent supportive housing enrollment date (start date of signed lease); |
| | | Permanent supportive housing move-in date; |
| | | Permanent supportive housing move-out date, if applicable |
| | | Reason for permanent supportive housing move out |
| Jail avoidance | LASD | Individual Client unique ID |
| | | All instances of qualifying returns, starting with July 1, 2017 and going through the end of the most recent quarterly reporting period, by date and type of return (arrest, flash incarceration, etc.) |

Permanent Supportive Housing Administrative Data

As noted earlier, Brilliant Corners provides housing location services, ongoing rental subsidy payments, and housing retention services. These data from Brilliant Corners will be shared to supplement the HMIS data on housing stability. DHS will also provide administrative data from the service providers.

Analysis Plan

Current JIR PFS workgroup members plan for success payments to be linked to individual outcomes. Housing retention will be calculated on a client-by-client basis at six months and 12 months using data from HMIS/Brilliant Corners. Rearrests will not factor into this calculation, as long as clients are able to retain their housing. For each individual, if a client retains housing for six months, investors will receive a percentage of the individual housing success payment. If a client retains housing for 12 months, investors will receive the remaining percentage of the individual housing success payment.

Jail avoidance

The JIR PFS program aims to reduce reincarceration of participants, as measured by returns to LA County jails over the evaluation period. Success payments will be made for individuals who met jail avoidance benchmarks during the two years after the individual moves into PSH, as detailed below.

Data Sources

Administrative data from LASD will be used to determine jail avoidance during the applicable time period.

Analysis Plan

The plan is for success payments to be linked to individual outcomes over a two-year period after each individual moves into PSH. The exact payment levels for housing stability and jail avoidance are articulated in the Just in Reach Pay for Success contract sign by LA County.

Broader Impact Analysis

Data Collection and Sources

The broader impact study is designed to be more inclusive than the measures used for payment triggers. The plan is to use administrative data to measure the effects of the JIR PFS program on individuals' use of a spectrum of publicly funded health, mental health, social, and criminal justice services. The service utilization metrics are detailed in Table 2.2. These effects will be measured as the average difference in utilization between the treatment and comparison groups over a period of two years following enrollment in PSH, estimated using the propensity score analysis plan described later in this chapter. Comparison group individuals will not be connected with any type of PSH. As described previously, RAND will receive deidentified data sets from the CEO SIB that contain a unique individual identifier so that service utilization across the different department data sets can be linked for this evaluation.

Table 2.3. Service Utilization Metrics

| Category of Services to Which Evaluator Will Attach Costs and/or Cash Benefits | Data Source | Description |
|---|--------------------|--|
| Physical health services received | DHS | Information on inpatient, outpatient, and ER services and procedures; diagnosis information; start date; end date |
| Mental health services received | DMH | Information on inpatient, outpatient, and ER services and procedures; diagnosis information; start date; end date |
| CalFresh or food stamps | DPSS | Amount of monthly value of benefit; start date; end date |
| General relief | DPSS | Amount of monthly value of benefit; start date; end date |
| Housing rental subsidy | DPSS/HMIS | Amount of monthly value of benefit; start date; end date |
| Housing services | HMIS | Type of service; start date; end date |
| Bundled services in jail | LASD | Incarceration start and end date; |
| Bundled services of probation | Probation | Probation start and end date |
| Alcohol and drug treatment | DPH | Type of service received (day care, detox, narcotic treatment program services, outpatient counseling, and residential services); start and end date |

Analysis Plan

Treatment and Comparison Groups

The treatment group will consist of individuals who met the eligibility criteria described in the Target Population and Enrollment section above, who enrolled in JIR, and who progressed to permanent supportive housing. In order to complete the analysis within the project timeframe, the treatment group will include only those enrolled in JIR permanent supportive housing in the first 12 months of the JIR PFS program..

Under our propensity score approach, we will create a comparison group that is as similar as possible to those enrolled in JIR in their distribution of relevant observable characteristics (see Table 2.3). The individuals in the comparison group will not be enrolled in JIR but will likely be enrolled in other County programs that do not involve permanent supportive housing. The comparison sample will be pulled from administrative data and meet the target criteria for our eligible sample enrolled in JIR at the time they are pulled. The information in Table 2.3 is a candidate list of characteristics for use in our propensity score analysis to construct a comparison group.

Table 2.4. Candidate List of Individual Characteristics to be Used in Propensity Score Analysis

| Characteristic | Data Source |
|--------------------------------|--------------------|
| Age | DHS |
| Gender | DHS |
| Race | DHS |
| Ethnicity | DHS |
| VI-SPDAT score | HMIS |
| Chronic Homeless | DHS/HMIS |
| Use of Homeless Services | HMIS |
| Prior arrests | LASD |
| Use of Medical Health Services | DHS; LASD |
| Use of Mental Health Services | DMH; LASD |
| Use of Substance Use Services | DPH |
| Use of General Relief Services | DPSS |

More specifically, LASD maintains a database that contains records on all individuals who have been incarcerated in the LA County jail system that will help us meet the first program criteria (i.e., those involved with the criminal justice system during the enrollment period of July 2017 through June 2019). In order to meet the second criteria (i.e., release period), we confirmed that the database contains information about release dates. We will use the database to identify the range in the release dates of those enrolled in the JIR program. We will then use that

information to identify other individuals who were also incarcerated with release dates in the same range as those enrolled in the JIR program to consider for inclusion in the comparison group. Next, this information will be coupled with information from other service branches, e.g., both the HMIS and DHS databases contain information about homelessness status, which we will use to identify individuals who meet the third criteria (i.e., have been homeless); the HMIS database also contains the VI-SPDAT score (fourth criteria), and a score of or 4 on the VI-SPDAT is indicative of the fifth criteria (i.e., at least one diagnosable condition) or this criteria also may be identified through the DHS records.

To estimate average treatment effects on JIR clients, we will use a weighted sample propensity score analysis. We will compare all JIR clients with all individuals in the comparison group, but weight individuals in the comparison group based on their similarity to the individuals in the treatment group (with more similar individuals receiving a larger weight). Next, we illustrate how this analysis would proceed.

Propensity Score Analysis

The propensity score is the estimated probability that an individual is a JIR client based on observed individual characteristics. We will estimate the propensity score via the following logistic regression:

$$g(\text{Pr}(E_i = 1)) = \alpha + \sum_{k=0}^{K^*} \beta_k X_{ik}$$

where E_i is a binary indicator for whether individual i is a JIR client; α is the overall intercept; X_{ik} is the k th covariate for the individual i , with associated coefficient β_k and $g()$ is the logistic function. The covariates to be used will be defined as a part of finalizing this methodology after exploring the full set of characteristics in each data source. Subject-matter knowledge will be used to determine whether each available characteristic is used in the propensity score model. We will estimate the program effect among clients like those enrolled in JIR (e.g., an average treatment effect on the treated). The weight for each individual enrolled in the program will be 1, and the weight for each comparison subject will be the estimated odds of enrollment in the program. Specifically, the weight for each individual will be:

$$W_i = \begin{cases} \frac{p_i}{1 - p_i} & \text{if } E_i = 0 \\ 1 & \text{if } E_i = 1 \end{cases}$$

where p_i is the estimated propensity score for each individual i .

The quality of the propensity score weights will be evaluated based on the balance of characteristics of individuals in the JIR and comparison group. Standardized differences in the mean of individual characteristics by JIR status will be evaluated before and after weighting. If the propensity score weights remove all differences, then no further adjustment is needed. If the

standardized difference exceed 0.10 standard deviations, then additional statistical adjustments, such as the regression adjustment, will be necessary to ensure equivalence between the JIR and comparison group. A variety of other propensity score estimation techniques will also be considered to ensure that optimal balance is obtained between the JIR and comparison groups.

Assuming the propensity score weights sufficiently balance the groups, the average treatment effect is estimated as the difference between the weighted average outcome (e.g., number of hospitalizations) for JIR clients (\hat{Y}_E) and the weighted average outcome for the comparison group (\hat{Y}_{CS}). Because each individual in the treatment group is assigned a weight of 1, this will be the difference between the observed mean among JIR clients and the weighted average in the comparison group for each outcome. The propensity score weighted effect will be estimated as:

$$ATT_{PS} = \hat{Y}_E - \hat{Y}_{CS} = \frac{\sum_{i=1}^n E_i W_i Y_i}{\sum_{i=1}^n E_i W_i} - \frac{\sum_{i=1}^n (1 - E_i) W_i Y_i}{\sum_{i=1}^n (1 - E_i) W_i}$$

The estimated effect ATT_{PS} and its corresponding confidence interval and standard error can be easily obtained in any standard statistical software using the following weighted regression model:

$$E[Y_i | E_i] = \gamma + \delta E_i$$

where γ is the effect of interest ($\gamma = ATT_{PS}$). A p-value from this weighted regression model will be used to determine if utilization differs between the groups. Any individual characteristic that is not balanced after weighting (i.e., standardized difference exceeding 0.10 standard deviation) will be included in this regression model as a covariate.

An alternative to the propensity score weighting approach is a propensity score matching procedure, where each JIR client is matched to the most similar comparison individual based on the propensity score. After matching, standard statistical approaches can be used to estimate the effect of the program. The use of a propensity matching procedure rather than weighting is used when the comparison group is similar in size to the treatment group and the potential pool of comparison group participants is relatively different from the treatment group. Upon review of data of the potential comparison group for this project, a decision will be made by the analytic team on whether a propensity weighting or matching approach is most appropriate for this project.

A limitation of the propensity score approach is the necessary assumption that all of the important differences between the JIR and comparison groups have been observed (i.e., no unmeasured confounding). If this assumption is not met, then it is likely that the propensity score will result in a biased estimate of the effect of JIR. If time permits, a missing variable sensitivity analysis will be performed to understand the impact of unobserved factors on the intervention effect estimate.

Assuming the effective sample size of the comparison group after weighting is similar to the number of JIR clients (*approximate n=300 - 500*), the proposed propensity score analysis has 80-percent power to detect a change of 0.22 standard deviations in each of the service utilization metrics listed in Table 2.2. For the service utilization metrics that are indicators of a service, the proposed approach has 80-percent power to detect a change of 5 percent to 12 percent in the prevalence of use of the service, depending on the current use rate.

Translating Effects into Monetary Terms

We will measure the effect of the JIR permanent supportive housing program on utilization of the services listed in Table 2.2 at the end of Year 4 (June 30, 2021) for, and ultimately translate these effects into monetary terms.

We will focus only on monetary expenditures and not so-called “hidden costs,” such as the opportunity costs (or net benefit) of staff working on other programs. The reality is that there is a first-order question as to whether the direct costs of the JIR program can be cost-effective at this stage. Therefore, we focus on providing a solid, reliable study on the known, measurable costs and benefits of the program. To detail cost categories, we will ask stakeholders to identify major cost ingredients, such as staff for case management services, rental operating subsidy and maintenance costs, rental income, property management costs, client intake costs, and housing inspection costs. We will also assess the benefits of rearrests avoided. Costs of (or benefits of avoiding) rearrest would include law enforcement, judicial/legal, and corrections (jail, prison, probation, and parole) costs.

Once we have estimated costs for each of the relevant services, we can determine the total monetary effect of changes in service utilization for JIR participants who enrolled in the first 12 months of the program.

Enterprise Linkages Project

The Enterprise Linkages Project (ELP) is an integrated data system developed and managed by the CEO.²² ELP tracks service utilization across a spectrum of publicly funded health, public health, mental health, social, and corrections services. Data for this project are expected to include service utilization from six LA County agencies: DHS, DMH, Department of Public Health (DPH), Department of Public Social Services (DPSS), LASD, and Probation. The Homeless Management Information System (HMIS), which was recently added to the ELP, tracks individual homelessness status, use of such services as shelters, and transition into temporary and permanent housing, will also likely be used.

In addition to service utilization patterns, ELP data includes information on individual-level characteristics, such as demographics (gender, age, and place of birth), disability status, insurance status and source of insurance. For this project, the CEO Service Integration Branch’s

(SIB's) office will be responsible for providing the unique identifier link so that the evaluation team can match data across the different service branches. The CEO SIB office will have access to the complete data set (including individual names, along with other identifiable information, such as age and address) that will help it determine unique individuals. Much of this identifiable information will be removed from the data set before it is shared for RAND for data safeguarding purposes. This process has been used for a previous RAND project demonstrating the CEO SIB's ability to execute this task.

Cost information will be gathered from the respective LA County agencies. More specifically, RAND researchers will work with the JIR PFS workgroup members to identify cost experts from each of the different service branches to inform our analyses. Of note, there are reports using the same data sets that have been produced by CEO SIB and others (e.g., the Economic Roundtable) demonstrating the feasibility of this approach.²³ We will examine the estimates used in these reports in relation to the cost estimates we receive to ensure that the estimates appear in line with previous values (e.g., taking into account inflation and other policy or external influences that can change costs). We will also ask key stakeholders to review estimates before using them in the analyses. For example, we will query the DPH to provide cost estimates for the substance abuse treatment services reported in the CEO SIB data set (e.g., one

²⁰ Thomas Byrne et al., "Los Angeles County's Enterprise Linkages Project: An Example of the Use of Integrated Data Systems in Making Data-Driven Policy and Program Decisions," *California Journal of Politics and Policy*, Vol. 4, No. 2, 2012, pp. 95–112.

²¹ Wu and Stevens, 2016; Halil Toros, Max Stevens, and Manuel Moreno, *Project 50: The Cost Effectiveness of the Permanent Supportive Housing Model in the Skid Row Section of Los Angeles County*, Los Angeles, Calif.: County of Los Angeles, Chief Executive Office, Service Integration Branch, 2012; Daniel Flaming, Patrick Burns, and Michael Matsunaga, *Where We Sleep: Costs When Homeless and Housed in Los Angeles*, Los Angeles, Calif.: Los Angeles Homeless Services Authority by the County of Los Angeles, City of Los Angeles, Corporation for Supportive Housing, The California Endowment, and the Economic Roundtable, 2009.

outpatient treatment service), and we expect DPH to provide us a cost estimate for that unit of service (e.g., \$33 per outpatient treatment service). This approach has been successfully used for other RAND evaluations.

For health care costs, we will explore obtaining estimates from the state (i.e., the Office of Statewide Health Planning and Development) to estimate costs based on ICD-9 procedure codes and zip codes where the services were delivered. These data give us more refined estimates than what is provided at the county level (e.g., see Wu and Stevens (2016) report that utilizes an average cost per hospital day, not taking into account health condition or treatment location). This is the method being used in the current HFH evaluation that RAND is leading and appears feasible as the ELP health care data contains ICD-9 procedure code and the zip code where the services were delivered.

Data Security

The proposed data sharing and storing procedures will be reviewed by RAND's Institutional Review Board (IRB), that is, a committee whose purpose is to monitor human safety in research studies, before commencing the evaluation. The planned approach for data sharing is that the data set transferred to the evaluation team will contain a unique ID that allows one to match service records for individuals across the different department data sets but does not identify the individual (e.g., the ID will not be a composite of one's name, social security number or birthdate). The data will be transferred using a Secure File Transfer Protocol that requires a username and password to access or other technology that ensures the safe transfer of information between parties. The data will be stored on a secure server and only evaluation team members with permission to access the data set will be given a username and password to obtain the data (or some other IRB-approved protocols will be used). Research team members with access to the data will need to have completed IRB training and have demonstrated they have a secure device in which to store the data during analyses. Analyses will be conducted on groups of individuals and reported in aggregate form to further protect individual identities

Project Monitoring and Outcomes Reporting

CSH will maintain a monthly dashboard to track individual-level housing stability and jail avoidance for success payment purposes that RAND will help develop and independently verify throughout the project. Housing retention data will be collected from Brilliant Corners and Housing for Health once a month and from HMIS on a quarterly basis. Jail avoidance data will be collected from LASD and delivered by DHS at least quarterly. Monitoring is slated to begin in August 2017, one month after the planned intervention start date (July 2017).

Quarterly, CSH will provide a list of how many individuals have reached housing stability and jail avoidance payment milestones during the relevant period. RAND will independently verify these payments before sharing with investors. CSH will send the list for each quarter within two months of the closing of the period. Table 2.4 provides a timeline of the enrollment schedule and metric reporting and analysis schedule.

Table 2.5. Data Timeline for Enrollment and Metric Reporting and Analysis for Cohorts 1 through 8

| | 2017 | | 2018 | | | | 2019 | | | | 2020 | | | | 2021 | | |
|--------------------------------------|---------------------------|--------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | Q1 July 1- Sept. 30 | Q2 Oct. 1- Dec. 31 | Q3 Jan. 1- March 31 | Q4 April 1-June 30 | Q5 July 1- Sept. 30 | Q6 Oct. 1- Dec. 31 | Q7 Jan. 1- March 31 | Q8 April 1-June 30 | Q9 July 1- Sept. 30 | Q10 Oct. 1- Dec. 31 | Q11 Jan. 1- March 31 | Q12 April 1-June 30 | Q13 July 1- Sept. 30 | Q14 Oct. 1- Dec. 31 | Q15 Jan. 1- March 31 | Q16 April 1-June 30 | Q17 July 1- Sept. 30 |
| Enrollment | Cohort 1 | Cohort 2 | Cohort 3 | Cohort 4 | Cohort 5 | Cohort 6 | Cohort 7 | Cohort 8 | | | | | | | | | |
| Metric reporting and analysis | | | | | | | | | | | | | | | | | |
| 6-Month Housing Retention | | | Cohort 1 | Cohort 2 | Cohort 3 | Cohort 4 | Cohort 5 | Cohort 6 | Cohort 7 | Cohort 8 | | | | | | | |
| 12-Month Housing Retention | | | | | Cohort 1 | Cohort 2 | Cohort 3 | Cohort 4 | Cohort 5 | Cohort 6 | Cohort 7 | Cohort 8 | | | | | |
| 2-year Jail Avoidance | | | | | | | | | Cohort 1 | Cohort 2 | Cohort 3 | Cohort 4 | Cohort 5 | Cohort 6 | Cohort 7 | Cohort 8 | |

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EXHIBIT B PAYMENT SCHEDULE

ARTICLE I PROGRAM FUNDING; PAYMENTS

1.01 Program Budget

The total costs for delivery of the Services and administration of the Program (including housing costs and costs associated with any third-party financial audits required by the Program, but excluding any payment obligations set forth in the Loan Agreements with respect to the payment of principal, interest and associated amounts under such agreements) (such total costs, collectively, “**Total Program Costs**”) are anticipated to be approximately \$21,760,760 over the Term, as further described in the budget attached hereto as Annex B-1 (the “**Program Budget**”). For the avoidance of doubt, the Program Budget specifically sets forth the PFS Designated Program Costs, which will be the responsibility of the Contractor to pay to the County pursuant this Section 1.01 when any such amounts are due and payable. All other costs comprising the Total Program Costs are the responsibility of the County.

1.02 Funding Plan

The funding to be provided by the Lenders to the Contractor for funding of the Program in accordance with the Program Budget is described in the plan set forth in Annex B-2 (the “**Funding Plan**”). The principal of the Loans will be repaid solely out of funds resulting from Success Payments made by the County to the Contractor in accordance with Article II, with repayment to be made by the Contractor in accordance with, and subject to the terms and conditions of, the Loan Agreements and the Funding Plan. The Funding Plan may be amended only by written agreement of the Parties.

1.03 Contractor Operating Account

The Contractor shall maintain a bank account (the “**Contractor Operating Account**”) at HSBC or any successor financial institution appointed by the Contractor. All monies received by the Contractor from the Lenders pursuant to the Loan Documents and from the County for Success Payments shall be deposited into the Contractor Operating Account. Any interest earned on such monies shall be held within the Contractor Operating Account. Any monies within the Contractor Operating Account may only be transferred from the Contractor Operating Account to:

- (a) pay PFS Designated Program Costs;
- (b) at the end of the Program Term, disburse any funds remaining in the Contractor Operating Account in a manner that is consistent with this Exhibit and the Loan Documents;

- (c) disburse proceeds from Success Payments to the Lenders in accordance with the Loan Documents; and
- (d) in the event of a Termination Event that results in termination of this Agreement, distribute any funds remaining in the Contractor Operating Account as described in Sub-paragraph 8.59 of the Agreement.

It is acknowledged that the Contractor Operating Account will be collaterally pledged to the Lenders pursuant to a collateral assignment and account control agreement. Prior to the date of the first payment that is due to be transferred into the Contractor Operating Account pursuant to this Exhibit, the Contractor shall give notice to the County and the Lenders of the account number and wire transfer instructions to be used for all transfers of amounts payable into the Contractor Operating Account pursuant to this Exhibit. After such notice is given, no change in such account number or wire transfer instructions shall be made without further notice to the Lenders and the County.

Notwithstanding the foregoing, to the extent the Services do not yield results such that the County is obligated to make Success Payments in a sufficient amount for the Contractor to pay all amounts due under the Loans, any resulting shortfall of amounts due on the Loans will be forgiven, and the Contractor will not have any obligation to pay any such shortfall on the Loans pursuant to the Loan Documents.

1.04 County Notification

In the event the Funds designated as “LA County Funds” in the Program Budget are not appropriated for any Fiscal Year, the County will notify the Contractor and the Lenders of such occurrence in writing no later than 60 days after the conclusion of the immediately preceding Fiscal Year.

ARTICLE II SUCCESS PAYMENTS

2.01 Maximum Success Payments

The Contractor shall be entitled, subject to Section 2.02, to receive outcome-based payments from the County in an aggregate amount not to exceed (i) \$8,940,000 with respect to the Individual Housing Stability Success Payments (as defined in Section 2.02(a)) and (ii) \$5,960,000 with respect to the Individual Jail Avoidance Success Payments (as defined in Section 2.02(a)) in accordance with this Exhibit B (collectively, the Individual Housing Stability Success Payments and the Individual Jail Avoidance Success Payments are referred to herein as the “**Success Payments**”). For the avoidance of doubt, the County’s maximum obligation pursuant to Sub-Paragraph 5.3 of the Agreement shall be supplemented by a \$650,000 grant from the U.S. Department of Housing & Urban Development to meet the maximum amount of Success Payments under this Section 2.01.

2.02 Success Metrics and Payment Amounts

- (a) **Thresholds.** Success Payments to the Contractor for each Participant will accrue and become payable based on the achievement of specified thresholds of success with regard to both housing (the “**Individual Housing Stability Success Metrics**”) and jail avoidance (the “**Individual Jail Avoidance Success Metrics**”) (collectively, the Individual Housing Stability Success Metrics and the Individual Jail Avoidance Success Metrics are referred to herein as the “**Success Metrics**”). The Success Metrics on an individual Participant basis are described below. The Success Payments will be paid in accordance with this Section 2.02, and will accrue and become payable according to the following schedule:

| Success Payment Threshold: | Success Payment Amount for Meeting Applicable Success Metric (per Participant): | Maximum Success Payment Pursuant to Applicable Success Metric |
|--|--|--|
| <i>“Individual Housing Stability Success Payments”</i> | | |
| Participant who reaches six months of housing retention (as further described in <u>Section 2.03(a)(ii)</u>) | \$6,076 | No more than 300 such Success Payments shall be made (or \$1,822,800 in the aggregate). |
| Participant who reaches 12 months of housing retention (as further described in <u>Section 2.03(a)(ii)</u>) | \$26,190 | No more than 300 such Success Payments shall be made (or \$7,832,700 in the aggregate). |
| <i>“Individual Jail Avoidance Success Payments”</i> | | |
| Participant who is subject to a Qualifying Return (as defined in <u>Section 2.03(b)(ii)</u>) zero times during the Jail Avoidance Evaluation Period (as defined in <u>Section 2.02(b)</u>) | \$27,385 | Achievement of the Individual Jail Avoidance Success Metric shall be measured for no more than 300 Participants. Thus, there are many different ways the \$5,960,000 aggregate maximum amount may be achieved. |
| Participant who is subject to a Qualifying Return one time during the Jail Avoidance Evaluation Period | \$24,646 | |
| Participant who is subject to a Qualifying Return two times during the Jail Avoidance Evaluation Period | \$17,800 | |
| Participant who is subject to a Qualifying Return three or more times during the Jail Avoidance Evaluation Period | No payment | |

- (b) **Evaluation Period.** For purposes of evaluating each Participant’s Individual Housing Stability Success Metrics, evaluation will occur at the conclusion of each of (i) the period commencing on the Participant’s Enrollment Date and ending the day before the six-month anniversary thereof and (ii) the period commencing on the Participant’s Enrollment Date and ending the day before the 12-month anniversary thereof (each, a “**Housing Stability Evaluation Period**”), in accordance with Section 2.03. For purposes of evaluating each Participant’s Individual Jail Avoidance Success Metrics, evaluation will occur at the conclusion of the period commencing on the Participant’s Enrollment Date and ending on the day before the second anniversary thereof (each, a “**Jail Avoidance Evaluation Period**”), in accordance with Section 2.03.

2.03 Calculation Methods

(a) Individual Housing Stability Success Payments

- (i) Data. With respect to the Individual Housing Stability Success Payments, the County shall cause DHS, through its Housing for Health Program, to provide all reasonably relevant housing retention data, including, without limitation, the data set forth in this Section 2.03(a)(i) to (A) the Contractor within 15 days of the end of each calendar month and (B) to the Independent Evaluator within 15 days of the end of each Quarter. This data shall serve as the basis for the Contractor’s determination, pursuant to Section 2.03(c), of whether Individual Housing Stability Success Payments are due and payable.

- (A) Individual client unique identifier (CHAMP ID);
- (B) Demographic data such as, but not limited to, age or date of birth, race, ethnicity, gender;
- (C) Identifier for Program Participants within the ODR housing portfolio;
- (D) Date of referral;
- (E) Date of Program intake;
- (F) Current ICMS Provider;
- (G) Assignment date to ICMS Provider;
- (H) Discharge/exit date from ICMS Provider, if applicable;
- (I) Move-in date to Interim Supportive Housing;
- (J) Permanent Supportive Housing enrollment date (defined as start date of signed lease);
- (K) Permanent Supportive Housing move-in date;
- (L) Permanent Supportive Housing move-out date, if applicable;
- (M) Reason for Permanent Supportive Housing move out; and
- (N) Such other data that the Contractor shall reasonably request from the County.

- (ii) Calculation of Payments. Housing retention will be evaluated on a Participant-by-Participant basis at the conclusion of each Housing

Stability Evaluation Period, with payments calculated in accordance with Section 2.02(a). A Participant shall be deemed to have achieved the housing retention six- or 12-month threshold if such Participant continues to hold a lease for a Permanent Supportive Housing unit under the Program for such period, or has achieved a Good Exit from the Program during the applicable time period. Re-arrests will not factor into this calculation as long as Participants are able to retain such lease. Individual Housing Stability Success Payments will accrue on a rolling basis, as individuals meet their six- and 12-month marks. Payments will be calculated at the end of each Quarter and paid by the County to the Contractor within 30 days of the County's receipt of an invoice from the Contractor.

- (A) *Prolonged Absences.* A housing retention threshold may be met even if the Participant is absent from Permanent Supportive Housing for an extended period of time so long as such Participant continues to hold the relevant lease to the housing unit or has achieved a Good Exit from the Program during the applicable time period. With respect to a Participant who is absent from his or her Permanent Supportive Housing unit, the County will continue to pay rent for at least 90 days as long as it seems reasonable that the Participant may return, with such rent payment to be extended, at the County's discretion, on a case-by-case basis.
- (B) *Replacement Participants.* If a Participant leaves the Program during the Enrollment Period and prior to achieving 12 months of housing retention, pursuant to Section 2.03(a)(ii), a new Participant may be enrolled in the Program to fill such available housing unit, and the housing retention of such new Participant shall be measured to determine whether any Individual Housing Stability Success Payments are due and payable for such new Participant; provided, however, if the original Participant met the housing retention threshold of six months and a related six-month Individual Housing Stability Success Payment was paid to the Contractor, only a 12-month Individual Housing Stability Success Payment would be made with respect to housing stability achieved by the new Participant. For the avoidance of doubt, in no event will the County be obligated to make more than 300 Success Payments relating to the six-month housing retention Success Metric and 300 Success Payments relating to the 12-month housing retention Success Metric.
- (C) *Effects of Participant Exit.* If a Participant leaves the Program for any of the following reasons or destinations (a "**Good Exit**"), such Participant's housing retention and jail avoidance shall continue to be monitored by the ICMS Provider who previously provided or continues to provide case management for the Participant for

purposes of determining whether any of the Success Payments shall become due and payable:

- (A) Long-term care facility or nursing home;
- (B) Housing owned by the Participant, with no ongoing housing subsidy;
- (C) Housing owned by the Participant, with an ongoing housing subsidy;
- (D) Permanent housing for formerly homeless persons;
- (E) Rental by Participant, with no ongoing subsidy;
- (F) Rental by Participant, with an ongoing subsidy;
- (G) Staying or living with family or friends, with permanent tenure;
- (H) Long-term substance abuse or psychiatric treatment facility.

If the ICMS Provider cannot establish contact with a Participant with a Good Exit, the County will assume that the Participant is still stably housed unless specific contradictory information is presented.

- (D) *Participant Death.* If a Participant dies during the Enrollment Period, then a new Participant may be enrolled to fill the available supportive housing slot, and the Contractor will be eligible for Success Payments based on the achievement of Success Metrics with respect to the new Participant. The methodology for evaluating achievement of Success Metrics will be the same as in Sub-paragraph 2.03(a)(ii)(B). If a Participant dies following the Enrollment Period, then the Contractor will automatically be eligible for all remaining Individual Housing Stability Success Payments associated with that Participant, and the Individual Jail Avoidance Success Payments will be calculated as though the Participant is still alive, taking into account any Qualifying Returns that occurred prior to the time of death.

(b) **Individual Jail Avoidance Success Payments**

- (i) Data. With respect to the Individual Jail Avoidance Success Payments, the County shall cause the Los Angeles Sheriff's Department (“**LASD**”) to provide all reasonably relevant data, including, without limitation, identified arrest and other Qualifying Return data for each Participant on a Quarterly basis, which data shall include, at minimum, any and all arrest and other Qualifying Return incidents for each Participant since his or her Enrollment Date, for all Participants to DHS in accordance with Section 2.03(b)(i)(A)-(D) below. The County shall cause DHS to provide such data to the Contractor and the Independent Evaluator in accordance with Section 2.03(b)(i)(A)-(D) below. Within the first three months of the Program and prior to the first data extraction, LASD will provide/confirm

the process for matching individual records across data systems, including instances where a Participant may be in the LASD database under an alias name, with a name configuration similar but not identical to the DHS record (example, Christopher Jones may be listed as Chris Jones, Kris Jones, Topher Jones, etc.). Specifically,

- (A) DHS will provide a list of Participants to LASD, including full name, date of birth, gender, social security number and other client identifying information, within 15 Days of the end of each Quarter.
- (B) LASD will complete a manual lookup of each individual, and report on all Qualifying Returns as defined in Section 2.03(b)(ii) of this Exhibit B – Payment Schedule, from July 1, 2017 through the end date of the most recent Quarterly reporting period, and provide
 - All instances of Qualifying Returns, starting with July 1, 2017 and going through the end of the most recent Quarterly reporting period;
 - Instances of Qualifying Returns, which will be described by data and type of return (arrest, flash incarceration, etc.); and
 - Such other data that the Contractor shall reasonably request from the County.
- (C) LASD will transmit Qualifying Return data on each Participant to DHS within 30 days of the end of each Quarter, assuming timely receipt of data from DHS.
- (D) DHS will de-identify the matched data, and without further modification provide it to the Contractor and the Independent Evaluator within 35 Days of the end of each Quarter.

This data shall serve as the basis for the Contractor’s determination, pursuant to Section 2.03(c), of whether the Individual Jail Avoidance Success Payments are due and payable.

- (ii) Calculation of Payments. Individual Jail Avoidance Success Payments will accrue on a rolling basis for each Participant during such Participant’s Jail Avoidance Evaluation Period, two years after each Participant moves into Permanent Supportive Housing. A “**Qualifying Return**” shall mean:
 - (A) Misdemeanor arrests where there has been a new criminal filing or a violation in lieu of a new criminal filing;
 - (B) Felony arrests where there has been a finding of probable cause through a preliminary hearing or grand jury indictment;
 - (C) Convictions of a misdemeanor or felony, although in the event that a Participant is housed and then convicted for an offense that precedes the Participant’s Enrollment Date, then that conviction will not be a Qualifying Return;
 - (D) Revocations of community supervision; or

- (E) Flash incarceration, which occurs when someone who is on parole has violated his or her parole or is not conforming to the conditions of their parole.
- (c) **Success Payment Determination.** Based on the data provided to the Contractor pursuant to Section 2.03(a)(i) and Section 2.03(b)(i), and within 21 days of the receipt of all the data required to be provided pursuant to Section 2.03(a)(i) and Section 2.03(b)(i), the Contractor shall determine whether any Success Payments are due and payable. The Contractor shall summarize its determination in a written report, substantially in the form of Annex B-3 (the “**Success Payments Report**”), and provide a copy of the Success Payments Report to each of the County and the Independent Evaluator. The summary shall include a case-level list of Participants that demonstrates which of the Participants have achieved each applicable Success Metric. Within 15 days of the receipt of a Success Payments Report, the Independent Evaluator, pursuant to the terms of the Independent Evaluator Agreement, shall indicate in writing to each of the Contractor and the County whether it confirms the Contractor’s determinations regarding Success Payments set forth on the Success Payments Report. If the Independent Evaluator objects to any Success Payment determination set forth in the Success Payments Report, it shall explain in writing and in reasonable detail the basis for such objection. Within 15 days of the receipt by the Contractor of any such objection, the Contractor, the County and the Independent Evaluator shall meet to discuss the objection and attempt to resolve each item set forth in the objection. Such resolution may include modification of applicable Success Metrics by the Executive Steering Committee. If the Contractor, the County and the Independent Evaluator resolve all or any part of the objected items, the Independent Evaluator shall so confirm in a writing delivered to each of the Contractor and the County. The Independent Evaluator’s determination with respect to the validity of a Success Payment following such escalation meeting will be final and binding on the Parties. The County shall pay to the Contractor the Success Payments that have been confirmed in writing by the Independent Evaluator in accordance with Sub-Paragraph 5.2 of the Agreement.

ANNEX B-1 PROGRAM BUDGET

| Overall Program Financial Sources and Uses | | |
|--|----------------------|---|
| Program Related Costs | Sources of Funding | |
| Housing (Rental) Subsidy Cost | \$ 11,832,657 | <i>PFS Financing / PFS Designated Program Costs</i> |
| Intensive Case Management Costs | \$ 6,381,841 | <i>LA County and Whole Person Care</i> |
| Move-in Costs | \$ 645,473 | <i>LA County and Whole Person Care</i> |
| PFS Evaluation Expense | \$ 399,789 | <i>HUD DOJ Grant and PFS Financing</i> |
| PFS Project Manager/Financial Services Agent Costs | \$ 600,000 | <i>PFS Financing / PFS Designated Program Costs</i> |
| Capacity Building Costs | \$ 400,000 | <i>PFS Financing / PFS Designated Program Costs</i> |
| PFS Funder Interest Expense | \$ 1,501,000 | <i>LA County Funds</i> |
| Total | \$ 21,760,760 | -- |

Annual PFS Project Budget

| PFS PROJECT BUDGET | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|------------------|----------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
| Permanent Subsidy Cost | \$ 961,078 | \$ 2,901,179 | \$ 3,927,600 | \$ 4,042,800 | \$ - | \$ 11,832,657 |
| Evaluation (SPV Contribution) | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 | \$ 29,789 | \$ 149,789 |
| Project Manager/Financial Services Agent | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ 150,000 | \$ - | \$ 600,000 |
| Capacity Building Subcontracts | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ - | \$ 400,000 |
| Total Budget | \$ 1,241,078 | \$ 3,181,179 | \$ 4,207,600 | \$ 4,322,800 | \$ 29,789 | \$ 12,982,446 |

Budget Narrative

Permanent Subsidy Costs are rental payments for supportive housing administered on behalf of JIR PFS program participants.

Evaluation: The total cost of the evaluation services conducted by RAND is \$399,789. Of that amount, \$250,000 will be funded with resources provided by the U.S. Department of Housing and Urban Development as part of its PFS Demonstration Grant through a grant agreement with the Corporation for Supportive Housing. The remaining amount (\$149,789) is represented herein. The U.S. Department of Housing and Urban Development is solely responsible for overseeing the use of funds provided under its PFS Demonstration Grant.

Project Manager/Financial Services Agent includes insurance, annual financial audits, banking fees, and fiscal management fees as well as project management services performed by the Corporation for Support Housing and the National Council on Crime and Delinquency. In addition to the \$600,000 provided herein, the Corporation for Supportive Housing may leverage an additional \$350,000 for project management services funding through the U.S. Department of Housing and Urban Development PFS

Demonstration Grant. The U.S. Department of Housing and Urban Development is solely responsible for overseeing the use of funds provided under its PFS Demonstration Grant.

Capacity Building Subcontractors: Upon mutual agreement of the Parties, the Contractor may sub-contract with individuals or organizations for additional capacity building services. Subcontractors may be but are not limited to consulting and other contract staff for the Office of Diversion & Reentry to build out and operate referral pathways, including mapping of the criminal justice system to identify streamlined mechanisms to assess and refer eligible clients. Subcontractors may support data collection, reporting, and systems, including supporting access to data for validation and the evaluation. Subcontractors may be consulting and other contract staff to coordinate and manage housing resources and provider contracts and/or provide additional training or other capacity building for FHSP and ICMS contractors.

ANNEX B-2 FUNDING PLAN

Lender Disbursement Schedule

| LENDER DISBURSEMENT | | |
|---------------------|----------------------------|--------------------------------|
| | United Healthcare Group | Conrad N. Hilton Foundation |
| Quarter 1 | \$ - | \$ 3,000,000 |
| Quarter 2 | \$ - | \$ - |
| Quarter 3 | \$ 2,520,000 | \$ - |
| Quarter 4 | \$ - | \$ - |
| Quarter 5 | \$ - | \$ - |
| Quarter 6 | \$ - | \$ - |
| Quarter 7 | \$ 4,480,000 | \$ - |
| Quarter 8 | \$ - | \$ - |
| Quarter 9 | \$ - | \$ - |
| Quarter 10 | \$ - | \$ - |
| Quarter 11 | \$ - | \$ - |
| Quarter 12 | \$ - | \$ - |
| Quarter 13 | \$ - | \$ - |
| Quarter 14 | \$ - | \$ - |
| Quarter 15 | \$ - | \$ - |
| Quarter 16 | \$ - | \$ - |
| Quarter 17 | \$ - | \$ - |
| Quarter 18 | \$ - | \$ - |
| Quarter 19 | \$ - | \$ - |
| Quarter 20 | \$ - | \$ - |
| Quarter 21 | \$ - | \$ - |
| Total | \$ 7,000,000 | \$ 3,000,000 |

Anticipated SPV Cash Balance

| Anticipated SPV Cash Balance | |
|------------------------------|---------------|
| | Cash Balance |
| Quarter 1 | \$ 2,855,984 |
| Quarter 2 | \$ 2,602,413 |
| Quarter 3 | \$ 4,758,020 |
| Quarter 4 | \$ 4,284,030 |
| Quarter 5 | \$ 3,677,028 |
| Quarter 6 | \$ 3,353,775 |
| Quarter 7 | \$ 8,045,505 |
| Quarter 8 | \$ 8,135,619 |
| Quarter 9 | \$ 8,173,245 |
| Quarter 10 | \$ 8,431,157 |
| Quarter 11 | \$ 9,200,569 |
| Quarter 12 | \$ 10,005,496 |
| Quarter 13 | \$ 10,562,688 |
| Quarter 14 | \$ 11,149,968 |
| Quarter 15 | \$ 10,860,094 |
| Quarter 16 | \$ 10,575,010 |
| Quarter 17 | \$ 11,427,731 |
| Quarter 18 | \$ 11,996,392 |
| Quarter 19 | \$ 11,994,891 |
| Quarter 20 | \$ 11,993,388 |
| Quarter 21 | \$ 498,385 |

Note: The above table assumes full receipt of Success Payments and repayment of Loans.

**ANNEX B-3
FORM OF SUCCESS PAYMENTS REPORT**

Success Payments Report

Date: ____/____/____

Quarter Evaluated in this Report: ____/____/____ to ____/____/____

Total Success Payments Due: \$ _____

Breakdown of Total Success Payments Due:

| Individual Housing Stability Success Payments | | | | | |
|--|--|--|--------------------------------|--------------|---|
| Category¹ | Number of Eligible Participants | Number of Participants Achieved in this Quarter | Payment per Participant | Total | Number of Participants Achieved, Project to Date |
| Six months of housing retention | | | \$6,076 | | |
| 12 months of housing retention | | | \$26,190 | | |
| | | | <i>Subtotal</i> | | |
| | | | | | |
| Individual Jail Avoidance Success Payments | | | | | |
| Category² | Number of Eligible Participants | Number of Participants Achieved in this Quarter | Payment per Participant | Total | Number of Participants Achieved, Project to Date |
| Qualifying Return zero times during the Jail Avoidance Evaluation Period | | | \$27,385 | | |

| | | | | | |
|---|-----------------|--|------------|--|--|
| Qualifying Return one time during the Jail Avoidance Evaluation Period | | | \$24,646 | | |
| Qualifying Return two times during the Jail Avoidance Evaluation Period | | | \$17,800 | | |
| Qualifying Return three or more times during the Jail Avoidance Evaluation Period | | | No payment | | |
| | <i>Subtotal</i> | | | | |
| | TOTAL | | | | |

¹ This report covers Participants whose Housing Stability Evaluation Period (six-month or 12-month) end date was in the Quarter that is the subject of this report.

² This report covers Participants whose Jail Avoidance Period end date was in the Quarter that is the subject of this report.

Summary of Success Payments Determination:

A copy of this report shall be given to each of the County and the Independent Evaluator.

EXHIBIT C

[INTENTIONALLY OMITTED]

EXHIBIT D

[INTENTIONALLY OMITTED]

EXHIBIT E
COUNTY'S ADMINISTRATION

AGREEMENT NO. _____

COUNTY'S PROJECT DIRECTOR:

Name: Corrin Buchanan
Title: Interim Deputy Director, Office of Diversion and Reentry
Address: 313 N. Figueroa Street
Los Angeles, CA 90012
Telephone: (213) 833-8544 Facsimile: (213) 580-0191
E-Mail Address: cbuchanan@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER:

Name: Corrin Buchanan
Title: Interim Deputy Director
Address: Same as above

Telephone: _____ Facsimile: _____
E-Mail Address: _____

COUNTY'S PROJECT MONITOR:

Name: Corrin Buchanan
Title: Interim Deputy Director
Address: Same as above

Telephone: _____ Facsimile: _____
E-Mail Address: _____

**EXHIBIT F
CONTRACTOR'S ADMINISTRATION**

CONTRACTOR'S NAME: JIR PFS, LLC

AGREEMENT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: Danielle Wildkress
Title: Director, CSH
Address: 800 S. Figueroa Street, Suite 810
Los Angeles, CA 90017
Telephone: 415.481.1006
Facsimile: 213.623.4382
E-Mail Address: Danielle.Wildkress@csh.org

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Beth Stokes
Title: Manager for JIR PFS, LCC; Western Region Managing Director for CSH
Address: 800 S. Figueroa Street, Suite 810
Los Angeles, CA 90017
Telephone: 213.623.4342 ext 11
Facsimile: 213.623.4382
E-Mail Address: Beth.Stokes@csh.org

Name: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
E-Mail Address: _____

Notices to Contractor shall be sent to the following:

Name: _____
Title: _____
Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

EXHIBIT G
FORM OF CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND
CONFIDENTIALITY AGREEMENT

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Agreement. Work cannot begin on the Agreement until County receives this executed document.)

Contractor Name _____ Agreement No. _____
Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into an Agreement with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced Agreement. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced Agreement.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Agreement. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced Agreement is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future Agreement.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Agreement between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced Agreement. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this Agreement or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____ DATE: ____/____/____
PRINTED NAME: _____
POSITION: _____

EXHIBIT H

JURY SERVICE ORDINANCE

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Page 1 of 3

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.
- C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002; Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002; Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Page 3 of 3

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

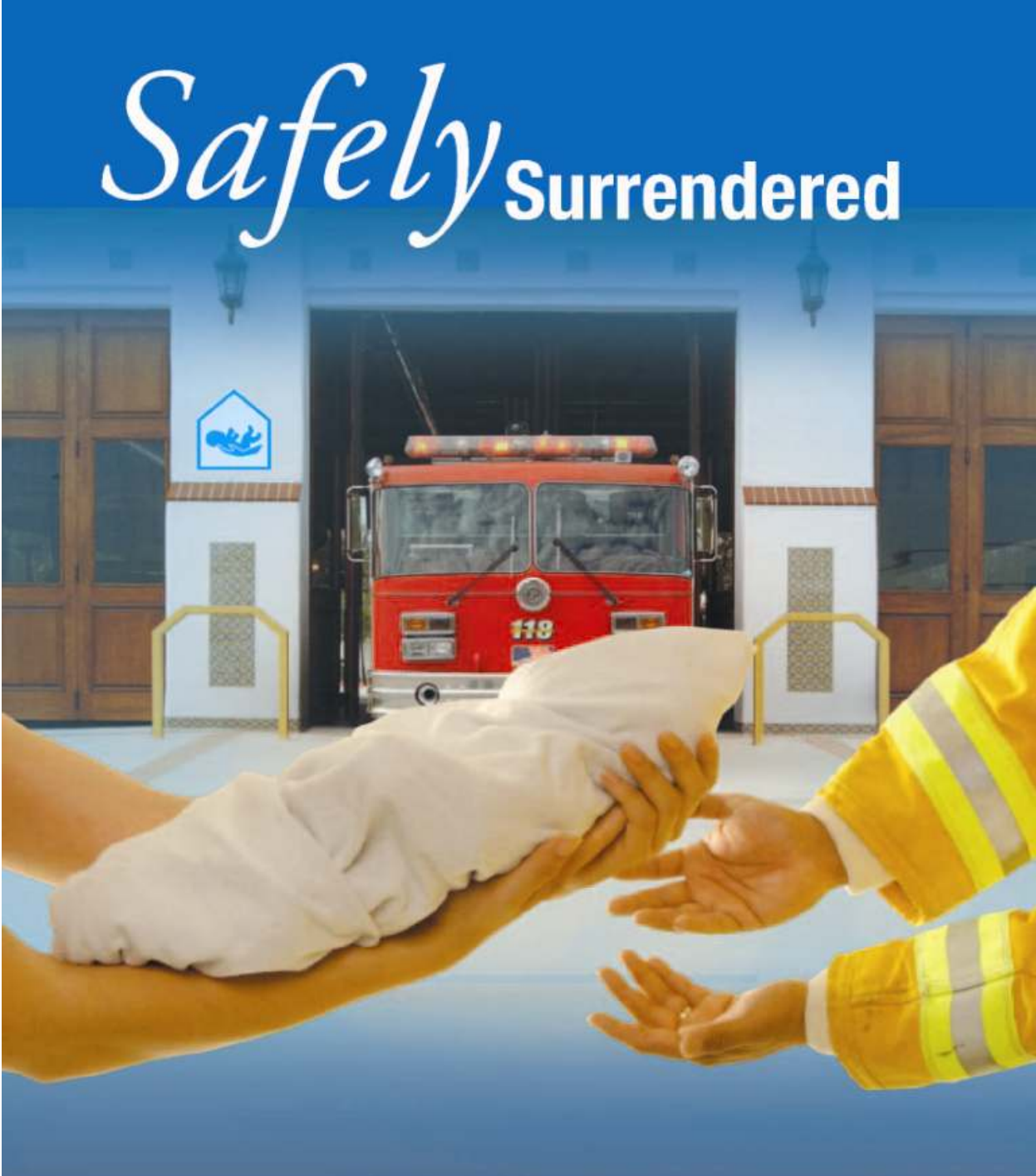
“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

**EXHIBIT I
SAFELY SURRENDERED BABY LAW**




Safely Surrendered

No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



EXHIBIT J COMMUNICATIONS PROTOCOL

Los Angeles Just in Reach Pay for Success Communications Protocol

DHS, in partnership with CSH, NCCD, the LASD and the County CEO's Office, will operate Los Angeles County's first Pay for Success initiative. Over a four-year period, Just in Reach Pay for Success will create 300 supportive housing slots for homeless, criminal-justice-involved individuals in Los Angeles County. In order to ensure communications related to the project is consistent across all Program stakeholders, all parties have agreed to adhere to the Communications Protocol that is outlined below. The following Communications Protocol outlines what project information can be shared with external partners and the process by which external communications will be reviewed.

External Requests and Press Inquiry Process:

DHS's Deputy Director of the Office of Diversion and Reentry or designee will be the lead for all formal external communication requests and press inquiries. When possible, the DHS Deputy Director of the Office of Diversion and Reentry will first consult with CSH and NCCD prior to engaging in external communications. The primary point of contact for CSH and NCCD will be the CSH Program Manager assigned to develop Program agendas and materials, per the terms of the Agreement. CSH and NCCD will review external communications for consistency and accuracy, in partnership with DHS. For the avoidance of doubt, the County may share any information required to be shared by law, including but not limited to the California Public Records Act.

Conferences, Webinars, Peer-to-Peer and Similar Communications:

All Program stakeholders may be invited or required by funding entities (such as BSCC and HUD) to share information, including lessons learned, at conferences, symposiums, webinars, as part of peer-to-peer groups, etc. Except for instances required by funding entities, project stakeholders shall not share outcome data that has not been previously approved by the Executive Steering Committee (see further detail below). Project stakeholders are encouraged to share General Project Information and reports approved by the Executive Steering Committee as well as any insights, lessons learned, and similar information that can add to the field of study around Pay for Success, supportive housing, and criminal justice system improvements. Project stakeholders are encouraged, but not required, to inform the Operating and Executive Steering Committees of presentations prior to these engagements.

What can be shared?

General Project Information:

When responding to general inquiries about the project, only information from the Program fact sheet or summary will be shared. These documents have been pre-approved by all parties involved in the transaction. The fact sheet and summary can be found on the Program shared drive. All Program stakeholders are free to post the fact sheet and summary to their respective websites as desired. More detailed questions about project construction and operations can be directed to DHS's Deputy Director for the Office of Diversion and Reentry and/or the CSH

Program Manager.

Annual Reports:

The Contractor will work with all Program stakeholders to produce annual project reports within 90 days of the end of each calendar year. All Program stakeholders will be recognized in these reports for their role in the Program and each organization's logo will be used in final reports. Annual reports may include lessons learned, de-identified Participant stories and/or information about Program coordination and successes. Additionally, annual reports may include data from the Program dashboard and outcome data from the Program's two primary outcome measures (housing stability and jail avoidance rates) as the data is available (see table 2.4 below). Annual reports will be shared in draft form with the Executive Steering Committee for final approval before being shared externally. Final approved annual reports may be posted online by any Program stakeholder who wishes to do so, including Program investors.

Other reports:

Periodically, other reports may be produced by the project evaluation team, the Contractor and/or DHS. This may include information about cost savings related to the project or other topics of interest to the Program stakeholders. Any party interested in creating additional reports is encouraged to inform the Executive Steering Committee in advance. All additional reports must be presented in draft format for final approval of the Executive Steering Committee. After Executive Steering Committee approval, additional reports can be shared externally.

Dashboard Data:

The Program data dashboard will be updated the 15th of each month by the Contractor with information provided by DHS. Program dashboards will be stored electronically in a cloud based storage system or shared drive. All Program stakeholders will be given access to the shared drive which can be accessed at any time. A variety of data points can be shared from the Program Housing Placement and Engagement Dashboard. It is important that the external communications only include information from the most recent Dashboard and not ad-hoc reports. The most recent Dashboard can always be found on the Program's shared drive. Any combination of the following data points can be shared externally. Items not listed here are not to be shared.

1. Housing Placements to Date: Housing Placements to date can be shared with external parties. Information about recent housing placements should be pulled from the Program's most recent Dashboard.
2. Additional data points from the Program dashboard: As the data dashboard is developed, additional data points from the dashboard will be selected and approved by the Executive Steering Committee. After approval, the additional data points can be shared with external parties.

What cannot be shared?

Outcome information:

Due to the nature of the evaluation and the four-year term of the Program, outcome data and related Success Payment calculations will not be available on a real-time basis. Enrollment data will be available for Cohorts 1 through 4 in December 2017 through June 2018. Six-month housing retention data will be available starting in December of 2018 and will be available Quarterly for Cohorts 2 through 4 through June 2020. 12-Month housing retention data will be available for Cohort 1 in June 2019 and will be available Quarterly for cohorts 2 through 4 through December 2020. Jail recidivism data will be calculated over a two-year timeframe and will be available for Cohort 1 in June 2020 and be available Quarterly for Cohorts 2 through 4 through December 2021. The detailed Outcome Reporting schedule can be found below and in the Evaluation Plan (set forth in [Annex A-7](#)), in chart 2.4 on page 20 and is pasted below.

A final Outcome Report will be produced by the Contractor and include both six and 12 month housing retention and jail recidivism data and will be available in December 2021.

Once the first set of outcome data is received, it will be shared with Program stakeholders on the Executive Steering Committee. No interim outcome data can be shared before securing approval of the Executive Steering Committee – this restriction includes information from the Dashboard that is not listed above (for example: housing exits, number of arrests, or aggregate housing retention rates are not approved data points for external sharing).

Table 2.4. Data Timeline for 6-Month Housing Retention, 12-Month Housing Retention, and Recidivism Success Metrics for Cohorts 1 through 4

| Benchmark | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | |
|----------------------------|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| | | July- Dec. | Jan.- June | July- Dec. | Jan.- June | July- Dec. | Jan.- June | July- Dec. | Jan.- June | July- Dec. | Jan.- June | |
| Enrollment | | 1 | 2 | 3 | 4 | | | | | | | |
| 6-Month Housing Retention | | | | 1 | 2 | 3 | 4 | | | | | |
| 12-Month Housing Retention | | | | | 1 | 2 | 3 | 4 | | | | |
| 2-Year Recidivism Lookback | | | | | | | 1 | 2 | 3 | 4 | | |

EXHIBIT K DEFINED TERMS

1. Certain Defined Terms. The following terms have the meanings set forth below:

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in Los Angeles County.

“**Contractor’s Project Manager**” means the individual designated by the Contractor to manage the operations under this Agreement.

“**Cure**” means, with respect to a particular set of facts and circumstances constituting a Termination Event, that a Party has taken actions such that there is no longer a Termination Event, including by implementing or modifying appropriate procedures.

“**Day(s)**” means calendar day(s) unless otherwise specified.

“**DHS**” means the Department of Health Services.”

“**Fiscal Year**” means the twelve (12)-month period beginning July 1st and ending the following June 30th.

“**Project Director**” means the person designated by the County with authority for the County on administrative matters relating to this Agreement that cannot be resolved by the Project Manager.

“**Project Manager**” means the person designated by Project Director to manage the operations under this Agreement.

“**Project Monitor**” means the person with responsibility to oversee the day to day activities under this Agreement, including responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.

“**Quarter**” means calendar quarter (i.e., each three-month period beginning on January 1st, April 1st, July 1st and October 1st).

“**Special District**” means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

“**Termination Event**” means the facts and circumstances described in each of Sub-Paragraph 8.51, Sub-Paragraph 8.52, Sub-Paragraph 8.53, Sub-Paragraph 8.54, Sub-Paragraph 8.55, Sub-Paragraph 8.56, Sub-Paragraph 8.57 or Sub-Paragraph 8.58.1 of the Agreement.

2. Table of Definitions. The following terms have the meanings set forth in the Sections referenced below (*note* that references below to a section number *only* refer to

definitions found in the Agreement; definitions found in this Exhibit document will also, or alternatively, refer to an Exhibit number):

| | |
|--|--|
| Agreement.....preamble | Executive Steering Committee9.3.2 |
| Board of Supervisors.....recitals | FHSP AgreementEx. A 102(a) |
| BSCCrecitals | FHSP Housing Services.....Ex. A 1.02(a) |
| Certificate.....9.29.1 | FHSP Operator.....Ex. A 1.02(a) |
| Cohort Ex. A 3.04 | Force Majeure Events8.24.1 |
| Contractorpreamble | Full-time.....8.9.2.2 |
| Contractor Assignees9.1.2 | Funding Plan Ex. B 1.02 |
| Contractor ContractsEx. A 1.01(b) | Good Exit.....Ex. B 2.03(a)(ii)(C) |
| Contractor Operating Account Ex. B 1.03 | Housing Stability Evaluation PeriodEx. B 2.02(b) |
| Corrective Actions Ex. A Annex A-6 | ICMS.....Ex. A 1.02(b) |
| County.....preamble | ICMS AgreementEx. A 1.02(b) |
| County Indemnitees8.28 | ICMS Provider(s).....Ex. A 1.02(b) |
| CSH.....recitals | ICMS ServicesEx. A 1.02(b) |
| CSH Contract.....Ex. A 1.01(a) | Independent EvaluatorEx. A 1.01(c) |
| DHS.....recitals | Independent Evaluator AgreementEx. A 1.01(c) |
| Directorrecitals | Individual Housing Stability Success MetricsEx. B 2.02(b) |
| Effective Datepreamble | Individual Housing Stability Success Payments.....Ex. B 2.02(a) |
| Eligible ReferralsEx. A 3.03(b) | Individual Jail Avoidance Success MetricsEx. B 2.02(b) |
| Employee(s)8.9.2.2 | Individual Jail Avoidance Success Payments.....Ex. B 2.02(a) |
| Enrollment DateEx. A 3.01(b)(iii) | Interim HousingEx. A 3.01(b)(ii) |
| Enrollment PeriodEx. A 3.01(b)(iii)/3.03(b) | Jail Avoidance Evaluation PeriodEx. B 2.02(b) |
| Evaluation PlanEx. A 3.07(a) | |

| | | | |
|--------------------------------------|--------------------|--|------------------|
| Jury Service Program..... | 8.9.1 | Required Insurance | 8.29 |
| LASD | Ex. B 2.03(b) | Screening Criteria | Ex. A 3.03(a) |
| Lenders..... | recitals | Service Provider(s)..... | Ex. A 3.05(a) |
| Loan Documents | Ex. A 1.01(d) | Service Provider Review and Remediation Procedures | Ex. A 3.05(b)(v) |
| Loans..... | recitals | Services..... | Ex. A 3.05(a) |
| NCCD | recitals | Special Meeting | 9.3.2.2 |
| NCCD Contract..... | Ex. A 101(b) | Success Metrics..... | Ex. B 2.02(a) |
| ODR | Ex. A 3.02 | Success Payments | Ex. B 2.01 |
| Operating Committee..... | 9.3.1 | Success Payments Report | Ex. B 3.03(c) |
| Operating Committee Members..... | 9.3.1.1 | Target Population..... | Ex. A 3.03(a) |
| Participant | Ex. A 301(b)(iii) | Term..... | 4.1 |
| Party(ies)..... | preamble | Total Program Costs | Ex. B 1.01 |
| Performance Thresholds | Annex A-6 | Voting Members | 9.3.2.1 |
| Permanent Supporting Housing..... | Ex. A 3.01(b)(iii) | | |
| PFS..... | recitals | | |
| PFS Designated Program Costs..... | Ex. A 3.01(b)(vi) | | |
| Program..... | recitals | | |
| Program Budget | Ex. B 1.01 | | |
| Program Launch Conditions | Ex. A 2.01 | | |
| Program Launch Date | Ex. A 2.01 | | |
| PRTS | Annex A-4 | | |
| Qualifying Return | Ex. B 2.03(b)(ii) | | |
| Ramp-Up Phase | Ex. A 2.03 | | |
| Referral Pathways | Ex. A 3.01(b)(i) | | |