

## **SECOND AMENDMENT TO AGREEMENT**

THIS SECOND AMENDMENT TO AGREEMENT (Amendment) effective as of August 30, 2023, amends the Agreement heretofore entered into between the CITY OF FRESNO, a California municipal corporation, acting through its Planning and Development Department, Housing and Community Development Division (GRANTEE), and the HOUSING AUTHORITY CITY OF FRESNO, a Body Corporate and Politic (SUBRECIPIENT). GRANTEE and SUBRECIPIENT are collectively referred to as Parties.

### **RECITALS**

WHEREAS, GRANTEE and SUBRECIPIENT entered into an Agreement, dated April 1, 2021, for the use of HOME Investment Partnerships Program (HOME program) funds for the administration and implementation of the HOME program to provide rental housing assistance to extremely low and very low-income persons or households that are homeless, threatened with homelessness, those transitioning from a homeless housing assistance program or rapid rehousing for chronically homeless individuals within the City of Fresno.

WHEREAS, GRANTEE and SUBRECIPIENT entered into a First Amendment, effective December 31, 2022, to extend the term of the Agreement to June 30, 2024.

WHEREAS, GRANTEE and SUBRECIPIENT desire to amend the scope of work contained in the Agreement.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledge, the Parties agree that the aforesaid Agreement be amended as follows:

1. Exhibit "A" is deleted in its entirety and replaced with the attached Revised Exhibit "A".
2. In the event of any conflict between the body of this Amendment and any Exhibit or Attachment hereto, the terms and conditions of the body of this Amendment shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the Parties, provided for within the body of this Amendment, shall be null and void.
3. Except as otherwise provided herein, the Agreement entered into by GRANTEE and SUBRECIPIENT, remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, on the day and year first above written.

CITY OF FRESNO,  
a California municipal corporation

HOUSING AUTHORITY CITY OF  
FRESNO

By:  12/19/23  
Georgeanne A. White Date  
City Manager

By: 

Name: Tammy Townsend

Title: Deputy Executive Director  
(If corporation or LLC, Board Chair, Pres. Or Vice Pres.)

APPROVED AS TO FORM:  
ANDREW JANZ  
City Attorney


By: \_\_\_\_\_

By:  \_\_\_\_\_  
Tracy N. Paryanian Date  
Supervising Deputy City Attorney 12-13-23

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(If corporation or LLC, CFO, Treasurer, Secretary or Assistant Secretary)

ATTEST:  
TODD STERMER, CMC  
City Clerk

By:  12/27/2023  
Deputy \_\_\_\_\_ Date  
Mary Quinn

Addresses:  
CITY:  
City of Fresno  
Attention: Karen Jenks,  
Housing & Neighborhood Revitalization  
Manager  
2600 Fresno Street, CHN 3065  
Fresno, CA 93721  
Phone: (559) 621-8064  
FAX:

SUBRECIPIENT:  
Housing Authority of City of Fresno  
Attention: Tyrone Rodrick Williams  
Executive Officer 1331 Fulton Street  
Fresno, CA 93721  
Phone: (559) 443-8400  
FAX:

Attachment:  
1. Revised Exhibit "A"

## REVISED EXHIBIT "A"

### PROJECT DESCRIPTION AND SCOPE OF SERVICES

#### PURPOSE

The purpose of the Tenant Based Rental Assistance (TBRA) Program is to provide rental housing assistance to extremely low and very low-income persons or households that are homeless, threatened with homelessness, those transitioning from a homeless housing assistance program or rapid rehousing for chronically homeless individuals.

#### PROGRAM OVERVIEW

TBRA provides rental housing assistance to low-income households whose income levels limits access to market rent housing. The assistance is available to individuals and families and allows clients to select the housing unit that best provides acceptable space, quality of housing, and access to neighborhood services. TBRA assistance is limited to:

- Those who are homeless, transitioning from a homeless assistance program, or appropriate for rapid rehousing for chronically homeless individuals.
- Household incomes at or below 50% of the area median income (AMI);
- Only those persons listed on the application and lease;
- Up to two years of assistance;

#### A. Eligible Activities and Payment Standards

The following activities are eligible under TBRA:

- Rent of a residential dwelling that meets the Housing Quality Standards (HQS);
  - Minimum rent charged set at \$50.00
  - Maximum rent charged cannot exceed 30% of the client's adjusted income. TBRA will cover the gap between the client's minimum payment and the actual cost of rent plus utilities TBRA will cover the gap between a household's rent portion and actual cost of rent plus utilities.
  - Security deposits
  - Utility deposits

- Rent charges cannot exceed HUD's Fair Market Rent Limits, unless a participant has found housing outside of a high-poverty area or voucher holders have difficulty finding housing to lease under the program within the voucher term. At which time the Fresno Housing Authority can approve leases and execute payment contracts above unit Fair Market Rent, up to 120% of Fair Market Rent so long as it is determined that the rent is reasonable as compared to comparable units in the market and area.

## **B. Ineligible Activities**

The following activities are ineligible to TBRA:

- Duplicate existing rental assistance programs that already reduce a client's rent payment;
- Assisting a resident owner;
- Preventing displacement or relocation as a result of activities other than the HOME Program;
- Provide overnight or temporary shelter to homeless persons;
- Used with existing HOME Investment Partnerships developments currently under a mandated affordability period;
- Commitments to specific owners for specific projects; and
- Assistance to resident owners of cooperative housing that qualifies as home ownership housing.

## **C. Location**

For TBRA assistance to be rendered, rental property must be located within the City of Fresno. The program allows for client choice and movement to a unit that best suits the needs of the household, as such the housing subsidy remains with the client as long as the chosen unit is located within the City of Fresno. Assistance cannot be transferred out of the City of Fresno limits.

## **D. Record Retention**

All records must be retained for five years after final rental assistance is provided.

## **E. Marketing**

Agency must establish how potential applicants will be notified and selected for the TBRA program. Description should include:

- Local preferences: utilization of the Coordinated Entry System and use of the VI-SPDAT (Vulnerability Index Services Prioritization Decision Assistance Tool) for homeless and chronically homeless individuals (as defined by CFR 578.3); preference for chronically homeless VI-SPDAT score of 10 or more; homeless individuals VI-SPDAT score of 1-5.
- Where applications are available and how they are submitted
- Agency steps to reach applicants who are least likely to apply
- Outreach to property owners

Marketing Description – Purpose of TBRA funding is to provide stable, permanent housing for a limited period (up to two years) for those individuals who are homeless, or transitioning from a homeless program or chronically homeless who are appropriate for rapid rehousing. Potential participants will be identified via Coordinated Entry System (CES) via street

outreach and presentation at a MAP Point location. Potential participants will undergo the VI-SPDAT and be matched to most appropriate housing solution which will include HOME TBRA. Upon verification of CES housing solution, potential participant will be contacted via phone, street outreach or MAP Point contacts.

#### **F. Fair Housing**

The following information should be included in marketing and agreements with the landlords/owners.

**Non-Discrimination:** The Agency or landlord shall not, in the provision of services or in any other manner, discriminate against any person on the grounds of age, race, color, creed, religion, sex, handicap, national origin, or familial status.

#### **G. Tenant Selection**

All applicants must be screened and selected through a fair, written and public process.

- 1. Applications:** Obtain a written application to determine eligibility. Application will include the following information: income, household, program rules and policies, complaint and grievance procedures, rent standards, rent calculation form, income limits and adjustments, demographic, family composition, verification of homelessness, prior program participation and VI-SPDAT score.
- 2. Residency Eligibility:** Tenants must be residents of the city of Fresno.
- 3. Eligibility:** Eligibility will be determined upon admission to the program. Thereafter review of eligibility including, income verification, will occur at annual re-examinations. Where a family experiences a change in household composition and/or income between annual re-examination, the Fresno Housing Authority will process an interim re-examination. The family is required to report all changes in household composition and/or income to the Fresno Housing Authority within ten calendar days of the occurrence.

Should an applicant have income above 50% of AMI at annual re-examination, rental assistance will cease. However, the applicant will remain on the program for 180 days.

- 4. Waiting list:** All clients will be complete an application including documentation of homelessness/chronic homelessness, if applicable, inclusion in homeless housing assistance program and VI-SPDAT score. Said applicants will be placed on a Preliminary Wait list. When openings in the program occur, applicants will be selected from the Preliminary Wait list: homeless individuals – VI-SPDAT score 1-5; chronically homeless – VI-SPDAT score of 10 or more; transitioning from a homeless program. All attempts will be made to reach individuals selected including street outreach, message boards dedicated to homeless individuals and communication with agency partners. Should a client not respond to all summonses, the name will be placed back on the Preliminary Wait list.

Prospective tenants must be notified in writing regarding the outcome of their application. Requirement extends to all unsuccessful applicants as well as selected tenants. It is noted that as some prospective tenants are homeless, there may be no valid address with which to communicate. As such all attempts will be made to contact the client – street outreach conducted to last known place and places where homeless congregate and outreach to varying agency partners regarding whereabouts.

#### **H. Rental Assistance Certificate**

Upon admission into the TBRA program, prospective tenants are issued a Rental Assistance Certificate which authorizes households to begin the search for appropriate housing. At the time the coupon is issued a meeting explaining the responsibilities of each party and the impact of the housing choice upon the payment. The certificate should include:

- Agency name
- Household name
- Unit size
- Date issued
- Location restrictions
- Expiration date
- Estimated rent calculation based on tenant income
- Tenant requirements
- Agency processes and responsibilities
- Security Deposit Policy
- Owner/landlord requirements
- Length of assistance
- Equal housing opportunity statement

#### **I. Income Eligibility and Subsidy Amount**

A three step process is used to arrive at the maximum subsidy amount.

- Income Determination
- Calculating Adjusted Income
- Total Tenant Payment Calculation

#### **J. Income Determination Process**

Agencies will use the Annual Income as Defined in 24 CFR Part 5, to determine TBRA income eligibility. This is also referred to as Part 5 Annual Income; and was based on the Section 8 model. The income definition is defined as the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. Program participants will provide proof of income (such as wages or governmental benefits) at enrollment and each time household income changes. A copy of the proof of income or self-declaration of no income is stored in the program participant file.

#### **K. Calculating Adjusted Income**

After gross income is determined, calculation for the "adjusted income" as defined in 24 CFR 5.611 is used to determine total tenant payment (TTP), which is a measure of a household's ability to pay housing costs.

#### **L. Total Tenant Payment Calculation**

The TTP is the final calculation used to determine the Agency's subsidy and tenant's share of rent under a HOME-funded TBRA program. Resident rents are calculated by using annual incomes and applying standard allowances for dependents, childcare, disabilities and medical expenses and based upon established HUD guidelines, Notice CPD-96-03.

If all utilities are included in the rent, the tenant's entire share of housing costs goes directly to the landlord. If utilities are paid separately, the Agency must make utility reimbursements to the household whenever the household's share of housing costs is insufficient to cover expected utility costs. Agencies must use the utility allowance established by the local Housing Authority.

#### **M. Maximum Income**

Family income must not be above 50% adjusted median income (AMI) on admission and recertification. Income limits are established by household size and revised annually by the Department of Housing and Urban Development.

#### **N. Unit Selection/Approval**

Upon admission into the TBRA program, prospective tenants are issued a Coupon (described above) along with a Request for Unit approval. This document must be completed and forwarded to the Agency to trigger the housing quality inspection.

#### **O. Unit Inspections**

Prior to completing the lease or making any payments, a unit must be inspected to meet the housing quality standards (HUD-52580).

- Unit must meet housing quality standards (HQS) before tenancy and at least annually. Complete records of certification, inspections, and follow-up actions must be kept in the client's files.

#### **P. Occupancy Standards**

HUD has established occupancy standards that comply with the HQS requirements and how the number of bedrooms needed by the household will impact the unit size and subsidy. The following basic standards can be modified to take into consideration specific household composition and circumstances (i.e., pending child custody cases, chronic illnesses, family member who is absent most of the time, etc.). Occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible and thus, the amount of assistance to be provided. Fair housing rules permit a household to select smaller units that do not create seriously overcrowded conditions.

- No more than two persons are required to occupy a bedroom;
- Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples) and unrelated adults are not required to share a bedroom;
- Children of the same sex (regardless of age) and couples cohabitating (whether or not legally married) must share the same bedroom for purpose of assigning the bedroom size on housing coupon;

- A live-in care attendant who is not a member of the family is not required to share a bedroom with another household member.
- Individual medical problems (i.e., chronic illness) sometimes require either separate bedrooms for household members who would otherwise be required to share a bedroom or an extra bedroom to store medical equipment;
- In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military.

#### **Q. Ownership**

Units may be privately or publicly owned.

#### **R. Rent Reasonableness**

Rent for each unit must be determined to be reasonable when compared to unassisted units.

#### **S. Rent Increases**

Any rent increase must be approved by the Housing Authority. Individuals will be asked to provide documentation from the landlord about rent adjustments. Adjustment of the subsidy may be recalculated providing rent amounts continue to maintain the Fair Market Rent standards for the area.

#### **T. Landlord-Tenant Law**

Tenants should receive a user-friendly copy of the Landlord-Tenant Law and be informed on how to use this law when problems arise. Copies of signed receipt of the Landlord-Tenant Law should be included in the individual's file.

#### **U. Lead Based Paint**

Tenants will be notified of the potential presence and hazard of lead. All individuals receiving tenant-based rental subsidies will receive a copy of the Environmental Protection Agency brochure titled "Protect Your Family from Lead in Your Home". A signed receipt of the copy should be maintained in the individual's file. EPA Disclosure Requirements for All Leased Housing Built Before 1978.

#### **V. Lease Addendum**

Terms: Initially one year, with a month-to-month renewal at expiration, for a period no longer than two years of assistance. Throughout the assistance period, Fresno Housing Authority retains the right to terminate assistance as detailed below.



## **W. Un-allowable terms in lease**

The lease between the owner and the tenant may not contain the following:

- Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. However, the owner may dispose of personal property left by a tenant in accordance with state law;
- Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- Agreement by the tenant to waive any right to a trial by jury;
- Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses. See Attached Form 13 – Lease Addendum.

## **AGREEMENT WITH PROPERTY OWNER/LANDLORD**

The Housing Authority should have an agreement with the property owner/landlord providing information regarding terms, amounts, security deposit fair housing and termination.

## **TERMINATION**

Agency must notify tenant in writing when terminating tenant assistance. Agency must follow landlord tenant rules of the State of California:

- 1. End of Assistance Time Period:** Provide notice in writing to tenant and landlord.
- 2. Property Owner Termination:** If a property owner terminates the tenancy through no fault of the tenant, and the tenant is still eligible for assistance, the Agency will work to find another unit.
- 3. Tenant Caused Eviction:** If tenant is evicted due to breaking the lease or participating in illegal activities, the agency is under no obligation to continue to provide rental assistance.
- 4. Tenant Moves:** Tenant moves are accommodated only on rare instances such as family size or job change.

## **UTILITIES**

1. **Utility Costs:** Utilities costs are included in the fair market rental calculation. Agencies must use the utility allowance established by the Housing Authority of the City of Fresno. The rents must be reduced for tenant paid utilities.

## **BENEFICIARY DATA / RECORDS**

- Housing Authority will track TBRA tenants, rents and occupancy data and submit to the City of Fresno with each invoice.
- Each agency will maintain a Microsoft Excel reporting checklist format provided by City of Fresno that includes:
  - Individual's name
  - Individual's date of birth
  - Receiving case management
  - Financial eligibility
  - Rent below FMR
  - HQS Inspection completion date
  - Lead based paint inspection
  - Lease in file
  - Amount of subsidy
  - Rental start date

## **REQUIRED DOCUMENTATION**

Note: all forms must have signatures.

All forms must be signed by relevant party at the time of submission.

Agencies receiving HOME funding are required to maintain adequate documentation of the eligibility of persons served using the HUD, Community Planning and Development, Office of Affordable Housing Programs, Tenant Based Rental Assistance Guidelines –A HOME Program Model, January 1997.

Records will be retained for five years after final rental assistance is provided.

- Application
- Coupon (rent calculation)
- Income verification and subsidy calculations
- Notice of eligibility or ineligibility to prospective applicants Rent Reasonableness
- HQS Inspection Checklist
- Tenant, Rents and Low-Income Occupancy Data
- Lead Based Paint Inspection Report – (Units built before 1978)
- Lease and addendums
- Agreement with owner/landlord
- Case management records
- Notice of end of rental assistance to both tenant and landlord/property owner

## Fresno MSA Fair Market Rent

Link to HUD FMR Webpage:

[https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023\\_code/2023summary.odn?&year=2023&fmrtype=Final&cbsasub=METRO23420M23420](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn?&year=2023&fmrtype=Final&cbsasub=METRO23420M23420)

### Final FY 2023 & Final FY 2022 FMRs By Unit Bedrooms

<u>Year</u>	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 23 FMR	\$991	\$997	\$1,258	\$1,772	\$2,029
<u>FY 22 FMR</u>	\$899	\$904	\$1,137	\$1,607	\$1,847