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June 29, 2012

Ms. Jaclyn Brilling
Secretary of the Public Service Commission
3 Empire State Plaza
Albany, N.Y. 12223
Filed with the Office of Secretary at: secretary@dps.ny.gov

Supplemental Filing – Tenant Population at The Hegeman


**Petition For A Waiver To Allow Master Metering
39 Hegeman Avenue, Brooklyn, N.Y. 11212
12-E-0040**

Dear Ms. Brilling:

Please see the attached letter from Common Ground in support of Hegeman Avenue Housing L.P.'s Petition for a waiver to allow master metering of a supportive housing facility located at 39 Hegeman Avenue, Brooklyn, N.Y. 11212. This filing supplements the February 3, 2012 Petition and February 17, 2012 letter to Ms. Kennedy.

Thank you in advance for your attention to this matter. Please contact me if you have any questions or need further information.

Very truly yours,


Scott E. Buckhout, Esq.

Cc: Ms. Honor Marie Kennedy
Mr. Steven Kramer, Esq.

Enclosures: Letter from Common Ground
HAP contract
HASA Memorandum of Understanding



505 Eighth Avenue, 12th Floor
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Ms. Jaclyn Brilling
Secretary of the Public Service Commission
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Supplemental Filing – Tenant Population at The Hegeman

Petition For A Waiver To Allow Master Metering 39 Hegeman Avenue, Brooklyn, N.Y. 11212

The Hegeman provides supportive, affordable, rent-stabilized housing for 160 formerly homeless and low-income single adults. Common Ground is the property manager and Center for Urban Community Services (CUCS) provides on-site social and psychiatric services for all residents. The Hegeman is the 10th Permanent Supportive Housing residence Common Ground will operate in New York City. Common Ground also operates Scatter Site housing in New York City, permanent supportive housing buildings in Rochester and Connecticut, and programs such as Safe Havens, Street to Home Outreach in Brooklyn, Queens and Manhattan.

The Hegeman propels Common Ground's mission, to end homelessness in New York City, and embraces the approach known as "housing first," which refers to a city-wide initiative to house the most vulnerable individuals directly from the streets without traditional prerequisites of stability, such as sobriety. This model aims to prevent high-risk individuals from returning to homelessness and supports them in achieving the goals of housing stability and independence in the community.

73 of the studios at The Hegeman are set aside for individuals referred by the New York City Department of Homeless Services (DHS). To qualify, these residents must be chronically street homeless and have a diagnosis of severe and persistent mental illness. These 73 residents pay 30% of their gross monthly income towards rent and a Section 8 Project-Based Voucher Program pays the balance. The New York City Department of Housing Preservation and Development (HPD) is the administrator of the Voucher Program on behalf of the U.S. Department of Housing and Urban Development (HUD). The Voucher Program is memorialized in a Housing Assistance Payment (HAP) contract, which stipulates that the landlord must pay all utilities.

The HAP Contract specifically says that:

"The Hegeman will provide electricity and gas heat / hot water to tenants. Tenants will not be responsible for paying utilities." See, "Exhibit C" of the HAP contract.

A copy of the HAP contract is attached for reference.

27 of the studios at Hegeman are set aside for individuals who are referred by the New York City Department of Social Services, HIV/AIDS Services Administration (HASA). To qualify, these HASA residents must also be chronically street homeless and have severe and persistent mental illness. These residents also pay a percentage of their income towards rent and HASA subsidizes the balance. The agreement between Common Ground and HASA to set aside these units requires that Common Ground provide air conditioning for these residents at no additional charge to the resident. A copy of the Memorandum of Understanding is attached for reference.

The remaining 60 units are set aside for self-referred individuals who qualify by meeting an income eligibility range that does not exceed \$34,380. This dollar amount is a ceiling and many of our low-income residents are impoverished. Though self-referred, some of these 'community' residents are moving in directly from shelters. These 60 residents, many of whom have a history of homelessness and mental health issues, have access to on-site social and psychiatric services that are provided to all residents at The Hegeman.

To exemplify the unique tenant population that will occupy The Hegeman, the following is true of a similar building operated by Common Ground and CUCS called The Schermerhorn, which is located in downtown Brooklyn:

- 38% of all residents receive SSI and / or SSD
- 17% of all residents received Public Assistance
- 12% of all residents are seniors (62+)

We anticipate an even larger percentage of all residents at The Hegeman will be SSI / SSD recipients as there are a higher percentage of special needs residents overall at The Hegeman. (62.5% at Hegeman v. 53.7% at Schermerhorn)

In addition to severe and persistent mental illness, many residents suffer with serious medical frailty. To meet this host of needs, the Center for Urban Community Services, a long term partner of Common Ground in the provision of supportive housing, provides extensive case management, on-site psychiatric services, a nurse practitioner, and coordinates an array of services for tenants as needed, such as home health aids or visiting nurse services. CUCS also runs a Supported Employment program and offers money management guidance, as many residents struggle with this and frequently fall into arrears with their share of the rent. However, there are limited interventions CUCS can do if a tenant does not accept help with managing his / her money, as is often the case. It is not uncommon for the Landlord to pursue legal recourse for tenants who are falling into arrears. Though the goal of these proceedings from Common



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Ground's perspective is a stipulation and not an eviction, they are a testament to the challenges our population faces making decisions to manage money in a responsible fashion.

Common Ground and CUCS will also provide a robust tenant activities program at The Hegeman. This programming is designed to achieve several goals: build community, teach daily living skills such as cooking and cleaning, teach financial management, and to raise awareness of environmentally responsible and sustainable living skills. Activities in at other locations have included recycling competitions, demonstrations of how to properly use energy-efficient features, panels from experts about how to keep your apartment comfortable seasonally without wasting energy and trips to farmers markets.

At the Hegeman, there is an important built-in conservation system: an integrated Building Management System (BMS). This BMS is integrated with fundamental building security operations. Each resident receives a Tenant ID card after signing his/ her lease. In addition to serving as a 'front door key' – residents must swipe this ID to access the turnstiles in the lobby – it is also integrated such that when a tenant swipes out of the building, it automatically turns off a breaker, which turns off the air conditioner and lights. When the tenant returns and swipes back in, this breaker turns back on, so that the resident can again use these amenities.

At move-in, case managers and building management staff take each resident up to his / her apartment to demonstrate the way all appliances work, to explain the BMS system, and to reinforce other conservation tips.

As detailed above, units at The Hegeman are designed for a special tenant population for which a price signal from an individual meter is unlikely to produce a meaningful conservation response. The energy saving programs and green technology employed at the building ensure that energy conservation will be a top priority for our residents and staff.

In addition, as further detailed in the Petition, administering a submetering system in this setting would place an undue burden on building staff and their frail tenant population, detracting from the building's mission: to provide supportive housing to a special needs tenant population.

Moreover, the HAP contract and HASA Memorandum of Understanding mandate that The Hegeman provide electricity, gas heat / hot water and air conditioning to most tenants and that tenants will not be responsible for paying utilities. Implementing a submetering system would be very complex in this type of facility since there would be different payment arrangements for different populations of tenants. The Hegeman is a facility that serves the particular needs of a special tenant population. Tenants and staff would benefit from master metering in a building that places energy conservation as a top priority.

Common Ground respectfully submits this supplemental filing in support of The Hegeman's Petition for a waiver to allow master metering.

Best Regards,

A handwritten signature in cursive script, appearing to read "Chloe", written in black ink.

Chloe Marin, Associate Director, Housing Operations & Programs



**U.S. Department Of Housing and Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**PBV HOUSING ASSISTANCE PAYMENTS CONTRACT
NEW CONSTRUCTION OR REHABILITATION**

PART 1 OF HAP CONTRACT

This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

1. CONTRACT INFORMATION

a. Parties

This housing assistance payments (HAP) contract is entered into between:

NYC Dept. of Housing Preservation & Development (HPD) (PHA) and

Hegeman Avenue Housing LP (owner).

b. Contents of contract

The HAP contract consists of Part 1, Part 2 and the contract exhibits listed in paragraph c.

c. Contract exhibits

The HAP contract includes the following exhibits:

EXHIBIT A: TOTAL NUMBER OF UNITS IN PROJECT COVERED BY THIS HAP CONTRACT; INITIAL RENT TO OWNER; AND THE NUMBER AND DESCRIPTION OF THE CONTRACT UNITS. (See 24 CFR 983.203 for required items.) If this is a multi-stage project, this exhibit must include a description of the units in each completed phase.

EXHIBIT B: SERVICES, MAINTENANCE AND EQUIPMENT TO BE PROVIDED BY THE OWNER WITHOUT CHARGES IN ADDITION TO RENT TO OWNER

EXHIBIT C: UTILITIES AVAILABLE IN THE CONTRACT UNITS, INCLUDING A LISTING OF UTILITIY SERVICES TO BE PAID BY THE OWNER (WITHOUT CHARGES IN ADDITION TO RENT TO OWNER) AND UTILITIES TO BE PAID BY THE TENANTS

EXHIBIT D: FEATURES PROVIDED TO COMPLY WITH PROGRAM ACCESSIBILITY FEATURES OF SECTION 504 OF THE REHABILITATION ACT OF 1973

ADDITIONAL EXHIBITS

d. Single-Stage and Multi-Stage Contracts (Check the applicable box.)

1. ☒ Single-Stage Project

This is a single-stage project.

For all contract units, the effective date of the HAP contract is:

June 1 2012.

The PHA enters the effective date, and executes the HAP contract, after completion and PHA acceptance of all units in the single stage project.

2. ☐ Multi-Stage Project

This is a multi-stage project. The units in each completed stage are designated in Exhibit A.

The PHA enters the effective date for each stage after completion and PHA acceptance of all units in that stage. The PHA enters the effective date for each stage in the "Execution of HAP contract for contract units completed in stages" (starting on page 8).

The annual anniversary date of the HAP contract for all contract units in this multi-stage project is the anniversary of the effective date of the HAP contract for the contract units included in the first stage. The expiration date of the HAP contract for all of the contract units completed in stages must be concurrent with the end of the HAP contract term for the units included in the first stage. (See 24 CFR 983.206(c).)

e. Term of the HAP contract

1. Beginning of Term

The PHA may not enter into a HAP contract for any contract unit until the PHA has determined that the unit complies with the housing quality standards. The term of the HAP contract for any unit begins on the effective date of the HAP contract.

2. Length of initial term

- a. Subject to paragraph 2.b, the initial term of the HAP contract for any contract units is: 15 years.
- b. The initial term of the HAP contract for any unit may not be less than one year, nor more than fifteen years.

3. Extension of term

The PHA and owner may agree to enter into an extension of the HAP contract at the time of initial HAP contract execution or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with HUD requirements.

A PHA must determine that any extension is appropriate to achieve long-term affordability of the housing or expand housing opportunities.

4. Requirement for sufficient appropriated funding

- a. The length of the initial term and any extension term shall be subject to availability, as determined by HUD, or by the PHA in accordance with HUD requirements, of sufficient appropriated funding (budget authority), as provided in appropriations acts and in the PHA's annual contributions contract (ACC) with HUD, to make full payment of housing assistance payments due to the owner for any contract year in accordance with the HAP contract.
- b. The availability of sufficient funding must be determined by HUD or by the PHA in accordance with HUD requirements. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such action by the PHA shall be implemented in accordance with HUD requirements.

f. Occupancy and payment

1. Payment for occupied unit

During the term of the HAP contract, the PHA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the calendar month when the family moves out ("move-out month"). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

2. Vacancy payment

THE PHA HAS DISCRETION WHETHER TO INCLUDE THE VACANCY PAYMENT PROVISION (PARAGRAPH f.2), OR TO STRIKE THIS PROVISION FROM THE HAP CONTRACT FORM.

- a. If an assisted family moves out of a contract unit, the PHA may provide vacancy payments to the owner for a PHA-determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.
- b. The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may only cover the period the unit remains vacant.
- c. The PHA may only make vacancy payments to the owner if:
 - 1. The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
 - 2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
 - 3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

4. The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.
- d. The PHA must take every reasonable action to minimize the likelihood and length of vacancy.
- e. The owner may refer families to the PHA, and recommend selection of such families from the PHA waiting list for occupancy of vacant units.
- f. The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payments.
3. **PHA is not responsible for family damage or debt to owner**

Except as provided in this paragraph f (Occupancy and Payment), the PHA will not make any other payment to the owner under the HAP contract. The PHA will not make any payment to owner for any damages to the unit, or for any other amounts owed by a family under the family's lease.

g. Income-mixing requirement

1. Except as provided in paragraphs g.2 and 3, the PHA will not make housing assistance payments under the HAP contract for more than 25 percent of the total number of dwelling units (assisted or unassisted) in any project. The term "project" means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land assisted under this HAP contract.
2. The limitation in paragraph g.1 does not apply to single-family buildings.
3. In referring eligible families to the owner for admission to the number of contract units in any project exceeding the 25 percent limitation under paragraph g.1, the PHA shall give preference to elderly or disabled families, or to families receiving supportive services, for the number of contract units designated for occupancy by such families. The owner shall rent the designated number of contract units to such families referred by the PHA from the PHA waiting list.
4. The PHA and owner must comply with all HUD requirements regarding income mixing.

5. The following specifies the number of contract units (if any):
- a. Designated for occupancy by disabled families;
 - b. Designated for occupancy by elderly families;
 - c. Designated for occupancy by elderly or disabled families; or
 - d. Designated for occupancy by families receiving supportive services.

☒ Check this box if any contract units are designated for disabled families.

The following number of contract units shall be rented to disabled families: 73

☐ Check this box if any contract units are designated for elderly families.

The following number of contract units shall be rented to elderly families:

_____.

☐ Check this box if any contract units are designated for elderly or disabled families.

The following number of contract units shall be rented to elderly or disabled families:

_____.

☐ Check this box if any contract units are designated for families receiving supportive services.

The following number of contract units shall be rented to families

receiving supportive services: _____.

_____.

EXECUTION OF HAP CONTRACT FOR SINGLE-STAGE PROJECT

PUBLIC HOUSING AGENCY (PHA)

Name of PHA (Print)

NYC Dept. of Housing Preservation & Development

By:

Signature of authorized representative

Dinsiri Fikru & Director of Policy & Special Program

Name and official title (Print)

Date

OWNER

Name of Owner (Print)

Hegeman Avenue Housing LP

By:

Signature of authorized representative

Brenda E Rosen Executive Director

Name and title (Print)

Date

**EXECUTION OF HAP CONTRACT FOR CONTRACT UNITS COMPLETED AND
ACCEPTED IN STAGES**

(For multi-stage projects, at acceptance of each stage, the PHA and the owner sign the HAP contract execution for the completed stage.)

| |
|--|
| STAGE NO. 1. The Contract is hereby executed for the contract units in this stage. |
| STAGE EFFECTIVE DATE. The effective date of the Contract for this stage is: |
| PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) |
| |
| By: |
| Signature of authorized representative |
| |
| Name and official title (Print) Date |
| OWNER Name of Owner (Print) |
| |
| By: |
| Signature of authorized representative |
| |
| Name and title (Print) Date |

Previous editions are obsolete

**Project-based Voucher Program
HAP Contract for New Construction or Rehabilitation**

**HUD 52530A Page - 8 -
of Part 1**

| |
|--|
| <p>STAGE NO. 2. The Contract is hereby executed for the contract units in this stage.</p> <p>STAGE EFFECTIVE DATE. The effective date of the Contract for this stage is:</p> |
| <p>PUBLIC HOUSING AGENCY (PHA)</p> <p>Name of PHA (Print)</p> |
| <p>By:</p> <p>Signature of authorized representative</p> |
| <p>Name and official title (Print)</p> <p>Date</p> |
| <p>OWNER</p> <p>Name of Owner (Print)</p> |
| <p>By:</p> <p>Signature of authorized representative</p> |
| <p>Name and title (Print)</p> <p>Date</p> |

| |
|--|
| STAGE NO. 3. The Contract is hereby executed for the contract units in this stage. |
| STAGE EFFECTIVE DATE. The effective date of the Contract for this stage is: |
| PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) |
| |
| By: |
| Signature of authorized representative |
| Name and official title (Print) Date |
| OWNER Name of Owner (Print) |
| |
| By: |
| Signature of authorized representative |
| Name and title (Print) Date |
| |

| | |
|---|---|
| STAGE NO. _____ | The Contract is hereby executed for the contract units in this stage. |
| STAGE EFFECTIVE DATE. The effective date of the Contract for this stage is: | |
| PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print) | |
| | |
| By: | |
| Signature of authorized representative | |
| Name and official title (Print) | |
| Date | |
| OWNER Name of Owner (Print) | |
| | |
| By: | |
| Signature of authorized representative | |
| Name and title (Print) | |
| Date | |

**U.S. Department Of Housing and Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**PBV HOUSING ASSISTANCE PAYMENTS CONTRACT
NEW CONSTRUCTION OR REHABILITATION**

PART 2 OF HAP CONTRACT

This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

2. DEFINITIONS

Agreement. Agreement to enter into HAP Contract between the owner and the PHA. The HAP contract was entered into following new construction or rehabilitation of the contract units by the owner pursuant to an Agreement.

Contract units. The housing units covered by this HAP contract. The contract units are described in Exhibit A.

Family. The persons approved by the PHA to reside in a contract unit with assistance under the program.

HAP contract. This housing assistance payments contract between the PHA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in section 1.c of the HAP contract).

Housing assistance payment. The monthly assistance payment by the PHA for a contract unit, which includes: (1) a payment to the owner for rent to the owner under the family's lease minus the tenant rent; and (2) an additional payment to or on behalf of the family if the utility allowance exceeds total tenant payment.

Household. The family and any PHA-approved live-in aide.

Housing quality standards (HQS). The HUD minimum quality standards for dwelling units occupied by families receiving project-based voucher program assistance.

HUD. U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements which apply to the project-based voucher program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.

Newly constructed housing. Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the project-based voucher program.

Owner. Any person or entity who has the legal right to lease or sublease a unit to a participant.

Premises. The building or complex in which a contract unit is located, including common areas or grounds.

Principal or interested party. This term includes a management agent and other persons or entities participating in project management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

Program. The project-based voucher program (see authorization for project-based assistance at 42 U.S.C. 1437f(o)(13)).

PHA. Public Housing Agency. The agency that has entered into the HAP contract with the owner. The agency is a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

Proposal selection date. The date the PHA gives written notice of proposal selection to the owner whose proposal is selected in accordance with the criteria established in the PHA's administrative plan.

Rehabilitated housing. Housing units that exist on the proposal selection date, but do not substantially comply with the HQS at that date, and are developed, pursuant to an Agreement between the PHA and owner, for use under the project-based voucher program.

Rent to owner. The total monthly rent payable to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Tenant. The person or persons (other than a live-in aide) who executes the lease as a lessee of the dwelling unit.

Tenant rent. The portion of the rent to owner payable by the family, as determined by the PHA in accordance with HUD requirements. The PHA is not responsible for paying any part of the tenant rent.

3. PURPOSE

- a. This is a HAP contract between the PHA and the owner.
- b. The purpose of the HAP contract is to provide housing assistance payments for eligible families who lease contract units that comply with the HUD HQS from the owner.
- c. The PHA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term. HUD provides funds to the PHA to make housing assistance payments to owners for eligible families.

4. RENT TO OWNER; HOUSING ASSISTANCE PAYMENTS

a. Amount of initial rent to owner

The initial rent to owner for each contract unit is stated in Exhibit A, which is attached to and made a part of the HAP contract. At the beginning of the HAP contract term, and until rent to owner is adjusted in accordance with section 5 of the HAP contract, the rent to owner for each bedroom size (number of bedrooms) shall be the initial rent to owner amount listed in Exhibit A.

b. HUD rent requirements

Notwithstanding any other provision of the HAP contract, the rent to owner may in no event exceed the amount authorized in accordance with HUD requirements. The PHA has the right to reduce the rent to owner, at any time, to correct any errors in establishing or adjusting the rent to owner in accordance with HUD requirements. The PHA may recover any overpayment from the owner.

c. PHA payment to owner

1. Each month the PHA must make a housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in

accordance with the HAP contract.

2. The monthly housing assistance payment to the owner for a contract unit is equal to the amount by which the rent to owner exceeds the tenant rent.
3. Payment of the tenant rent is the responsibility of the family. The PHA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The PHA is only responsible for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract.
4. The owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.
5. To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.
6. If the PHA determines that the owner is not entitled to the payment or any part of it, the PHA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.
7. The owner will notify the PHA promptly of any change of circumstances that would affect the amount of the monthly housing assistance payment, and will return any payment that does not conform to the changed circumstances.

d. Termination of assistance for family

The PHA may terminate housing assistance for a family under the HAP contract in accordance with HUD requirements. The PHA must notify the owner in writing of its decision to terminate housing assistance for the family in such case.

5. ADJUSTMENT OF RENT TO OWNER

a. PHA determination of adjusted rent

1. At each annual anniversary during the term of the HAP contract, the PHA

shall adjust the amount of rent to owner, upon request to the PHA by the owner, in accordance with law and HUD requirements. In addition, the PHA shall adjust the rent to owner when there is a five percent or greater decrease in the published, applicable Fair Market Rent in accordance with 24 CFR 983.302.

2. The adjustment of rent to owner shall always be determined in accordance with all HUD requirements. The amount of the rent to owner may be adjusted up or down, in the amount defined by the PHA in accordance with HUD requirements.

b. Reasonable rent

The rent to owner for each contract unit, as adjusted by the PHA in accordance with 24 CFR 983.303, may at no time exceed the reasonable rent charged for comparable units in the private unassisted market. The reasonable rent shall be determined by the PHA in accordance with HUD requirements.

c. No special adjustments

The PHA will not make any special adjustments of the rent to owner.

d. Owner compliance with HAP contract

The PHA shall not approve, and the owner shall not receive, any increase of rent to owner unless all contract units are in accordance with the HQS, and the owner has complied with the terms of the assisted leases and the HAP contract.

e. Notice of rent adjustment

Rent to owner shall be adjusted by written notice by the PHA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

6. OWNER RESPONSIBILITY

The owner is responsible for:

- a. Performing all management and rental functions for the contract units.
- b. Maintaining the units in accordance with HQS.

- c. Complying with equal opportunity requirements.
- d. Enforcing tenant obligations under the lease.
- e. Paying for utilities and housing services (unless paid by the family under the lease).
- f. Collecting from the tenant:
 - 1. Any security deposit;
 - 2. The tenant rent; and
 - 3. Any charge for unit damage by the family.

7. OWNER CERTIFICATION

The owner certifies that at all times during the term of the HAP contract:

- a. All contract units are in good and tenantable condition. The owner is maintaining the premises and all contract units in accordance with the HQS.
- b. The owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
- c. Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements.
- d. To the best of the owner's knowledge, the members of the family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence.
- e. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit.
- f. The amount of the housing assistance payment is the correct amount due under the HAP contract.
- g. The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.

- h. Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payments or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit.
- i. The family does not own, or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

8. CONDITION OF UNITS

a. Owner maintenance and operation

The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance and utilities set forth in Exhibits B and C, and in the lease with each assisted family.

b. PHA inspections

- 1. The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with the HQS.
- 2. Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.
- 3. At least annually during the term of the HAP contract, the PHA must inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections pursuant to paragraph 2 of this section are not counted towards meeting this annual inspection requirement.
- 4. If more than 20 percent of the annual sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.
- 5. The PHA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the owner is providing

maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information that comes to its attention in scheduling inspections.

c. Violation of the housing quality standards

1. If the PHA determines a contract unit is not in accordance with the HQS, the PHA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include termination, suspension or reduction of housing assistance payments, and termination of the HAP contract.
2. The PHA may exercise any such contractual remedy respecting a contract unit even if the family continues to occupy the unit.
3. The PHA shall not make any housing assistance for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension).

d. Maintenance and replacement—owner's standard practice

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

9. LEASING CONTRACT UNITS

a. Selection of tenants

1. During the term of the HAP contract, the owner must lease all contract units to eligible families selected and referred by the PHA from the PHA waiting list. (See 24 CFR 983.251.)
2. The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations.
3. Consistent with HUD requirements, the owner may apply its own admission procedures in determining whether to admit a family referred

by the PHA for occupancy of a contract unit. The owner may refer families to the PHA, and recommend selection of such families from the PHA waiting list for occupancy of vacant units.

4. The owner must promptly notify in writing any rejected applicant of the grounds for rejection.
5. The PHA must determine family eligibility in accordance with HUD requirements.
6. The contract unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.
7. If a contract unit was occupied by an eligible family at the time the unit was selected by the PHA, or is so occupied on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately-sized contract unit with assistance under the HAP contract.
8. The owner is responsible for screening and selecting tenants from the families referred by the PHA from its waiting list.

b. Vacancies

1. The owner must promptly notify the PHA of any vacancy in a contract unit. After receiving the owner notice, the PHA shall make every reasonable effort to refer a sufficient number of families for owner to fill the vacancy.
2. The owner must rent vacant contract units to eligible families on the PHA waiting list referred by the PHA.
3. The PHA and the owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.
4. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the PHA to fill such vacancies), the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

10. TENANCY

a. Lease

The lease between the owner and each assisted family must be in accordance with HUD requirements. In all cases, the lease must include the HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

b. Termination of tenancy

1. The owner may only terminate a tenancy in accordance with the lease and HUD requirements.
2. The owner must give the PHA a copy of any owner eviction notice to the tenant at the same time that the owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

c. Family payment

1. The portion of the monthly rent to owner payable by the family ("tenant rent") will be determined by the PHA in accordance with HUD requirements. The amount of the tenant rent is subject to change during the term of the HAP contract. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and the owner.
2. The amount of the tenant rent as determined by the PHA is the maximum amount the owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the owner in accordance with the HAP contract and the lease.
3. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess rent payment to the tenant.
4. The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the PHA housing assistance payment.

5. The PHA is only responsible for making the housing assistance payments to the owner on behalf of the family in accordance with the HAP contract. The PHA is not responsible for paying the tenant rent, or any other claim by the owner.

d. Other owner charges

1. Except as provided in paragraph 2, the owner may not require the tenant or family members to pay charges for meals or supportive services. Nonpayment of such charges is not grounds for termination of tenancy.
2. In assisted living developments receiving project-based voucher assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.
3. The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to the unsubsidized tenant in the premises.

e. Security deposit

1. The owner may collect a security deposit from the family.
2. The owner must comply with HUD and PHA requirements, which may change from time to time, regarding security deposits from a tenant.
3. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted families.
4. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must

promptly refund the full amount of the balance to the family.

5. If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance from the family. However, the PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

11. FAMILY RIGHT TO MOVE

- a. The family may terminate its lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease. If the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for tenant-based rental assistance in accordance with HUD requirements.
- b. Before providing notice to terminate the lease under paragraph a, the family must first contact the PHA to request tenant-based rental assistance if the family wishes to move with continued assistance. If tenant-based rental assistance is not immediately available upon lease termination, the PHA shall give the family priority to receive the next available opportunity for tenant-based rental assistance.

12. OVERCROWDED, UNDER-OCCUPIED, AND ACCESSIBLE UNITS

The PHA subsidy standards determine the appropriate unit size for the family size and composition. The PHA and owner must comply with the requirements in 24 CFR 983.259.

13. PROHIBITION OF DISCRIMINATION

- a. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age or familial status.
- b. The owner must comply with the following requirements: The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.* ; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the

Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise).

- c. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

14. PHA DEFAULT AND HUD REMEDIES

If HUD determines that the PHA has failed to comply with the HAP contract, or has failed to take appropriate action to HUD's satisfaction or as directed by HUD, for enforcement of the PHA's rights under the HAP contract, HUD may assume the PHA's rights and obligations under the HAP contract, and may perform the obligations and enforce the rights of the PHA under the HAP contract.

15. OWNER DEFAULT AND PHA REMEDIES

a. Owner default

Any of the following is a default by the owner under the HAP contract:

1. The owner has failed to comply with any obligation under the HAP contract, including the owner's obligations to maintain all contract units in accordance with the housing quality standards.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the HAP contract.
4. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD and:
 - A. The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - B. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

b. PHA remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the HAP contract.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.
3. The PHA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.

c. PHA remedy is not waived

The PHA's exercise or non-exercise of any remedy for owner breach of the HAP contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

**16. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS
REQUIRED BY HUD OR PHA**

a. Required information

The owner must prepare and furnish any information pertinent to the HAP contract as may reasonably be required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.

b. PHA and HUD access to premises

The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the HAP contract, including the verification of information pertinent to the housing assistance payments or the HAP contract.

17. PHA AND OWNER RELATION TO THIRD PARTIES

a. Injury because of owner action or failure to act

The PHA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

b. Legal relationship

The owner is not the agent of the PHA. The HAP contract does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

c. Exclusion of third party claims

Nothing in the HAP contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the PHA or the owner under the HAP contract.

d. Exclusion of owner claims against HUD

Nothing in the HAP contract shall be construed as creating any right of the owner to assert any claim against HUD.

18. PHA-OWNED UNITS

Notwithstanding Section 17 of this HAP contract, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

19. CONFLICT OF INTEREST

a. Interest of members, officers, or employees of PHA, members of local governing body, or other public officials

1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, or in the HAP contract.
2. HUD may waive this provision for good cause.

b. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of the HAP contract. The owner must fully and promptly update such disclosures.

c. Interest of member of or delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of this HAP contract or to any benefits arising from the contract.

20. EXCLUSION FROM FEDERAL PROGRAMS

a. Federal requirements

The owner must comply with and is subject to requirements of 2 CFR part 2424.

b. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.
2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation or otherwise excluded under 2 CFR part 2424.

21. TRANSFER OF THE CONTRACT OR PROPERTY

a. When consent is required

1. The owner agrees that neither the HAP contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD requirements.
2. "Transfer" includes:
 - A. Any sale or assignment or other transfer of ownership, in any form, of the HAP contract or the property;
 - B. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP contract;
 - C. The creation of a security interest in the HAP contract or the property;
 - D. Foreclosure or other execution on a security interest; or
 - E. A creditor's lien, or transfer in bankruptcy.

3. If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the PHA pursuant to paragraph a for transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP contract or the property. The owner must obtain advance consent pursuant to paragraph a for transfer of any interest of a general partner.

b Transferee assumption of HAP contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP contract, or to exercise any rights or remedies under the HAP contract, unless the PHA has consented in advance, in writing to such transfer, and the transferee has agreed in writing, in a form acceptable to the PHA in accordance with HUD requirements, to assume the obligations of the owner under the HAP contract, and to comply with all the terms of the HAP contract.

c. Effect of consent to transfer

1. The creation or transfer of any security interest in the HAP contract is limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.
2. The PHA's consent to transfer of the HAP contract or the property does not to change the terms of the HAP contract in any way, and does not change the rights or obligations of the PHA or the owner under the HAP contract.
3. The PHA's consent to transfer of the HAP contract or the property to any transferee does not constitute consent to any further transfers of the HAP contract or the property, including further transfers to any successors or assigns of an approved transferee.

d. When transfer is prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the

U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

22. SUBSIDY LAYERING

a. Owner disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

b. Limit of payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

23. OWNER LOBBYING CERTIFICATIONS

a. The owner certifies, to the best of owner's knowledge and belief, that:

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in

accordance with its instructions.

- b. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

24. COMPLETION AND ACCEPTANCE OF CONTRACT UNITS

The owner certifies that the contract units have been completed in accordance with the Agreement. Completion and acceptance of the units is subject to the provisions of the Agreement.

25. TERMINATION OF HAP CONTRACT FOR WRONGFUL SELECTION OF CONTRACT UNITS

The HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

26. NOTICES AND OWNER CERTIFICATIONS

- a. Where the owner is required to give any notice to the PHA pursuant to the HAP contract or any other provision of law, such notice must be in writing and must be given in the form and manner required by the PHA.
- b. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

27. ENTIRE AGREEMENT; INTERPRETATION

- a. The Agreement and the HAP contract, including the exhibits, is the entire agreement between the PHA and the owner.
- b. The Agreement and the HAP contract must be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP contract. The owner agrees to comply with all such laws and HUD requirements.

[illegible]

Exhibit B

Services, maintenance and equipment to be provided by the owner without charges in addition to rent to the owner

Onsite laundry, a community space, an intercom, onsite social services and a superintendant will be made available to all tenants

Exhibit C

Utilities available in the contract units, including a listing of utility services to be paid by the owner (without charges in addition to rent to owner) and utilities to be paid by the tenant

The Hegeman will provide electricity and gas heat/ hot water to tenants. Tenants will not be responsible for paying utilities.

ARCHITECT'S CERTIFICATION

TO: Division of Special Needs Housing
Department of Housing Preservation and Development
100 Gold Street, 9M-3
New York, NY 10038

PROJECT: The Hegeman
39-47 Hegeman Ave., Brooklyn
Brooklyn, NY 11212

Reference is made to the plans and specifications, working drawings, and addenda for design and construction prepared by Cook + Fox Architects including any permitted changes, modifications and amendments thereto (collectively the "Plans and Specifications") relative to the buildings and improvements (the "Improvements") on certain premises known as and by street number 39 Hegeman Avenue and Block(s) 3622, Lot(s) 56 (the "Premises"). The Improvements constructed on the Premises shall be referred to as the Project.

I, Richard A. Cook, being a duly licensed and registered professional architect in the State of New York, do hereby certify to the New York City Department of Housing Preservation and Development that to the best of my knowledge and belief:

1. The Plans and Specifications are in substantial compliance with all governmental laws, ordinances, rules, restrictions and regulations, including, without limitation, Section 504 of the Rehabilitation Act of 1973 (29. U.S.C. 794), the Fair Housing Act, and those in respect to zoning, building, environmental, fire and health matters.
2. The Project is substantially in accordance with the Plans and Specifications and will be free from material defects in materials and workmanship.
3. Construction of the Improvements and the operation of the Project is in compliance with all current zoning, environmental and other applicable laws, ordinances, rules, and regulations.
4. Each unit assisted by the Project Based Voucher program in the Project complies with the "decent, safe, and sanitary" requirement as determined by a Housing Quality Standards (HQS) inspection of each unit conducted prior to entering a Housing Assistance Payments contract and receiving housing assistance payments.
5. All certificates, permits and licenses required for the Project have been obtained, including, without limitation, the electrical, plumbing, heating, insurance and other certificates required by municipal, state, or federal governmental or quasi-governmental departments or agencies having or asserting jurisdiction over the Project.
6. All of the preconditions have been met justifying the issuance of (i) a temporary or permanent certificate or certificates of occupancy for the Project and, if applicable, a letter or certificate of compliance or completion stating that the work comprising the construction complies with all requirements and restrictions of all governmental ordinances, rules, and regulations and (ii) such other necessary approvals,

certificates, permits and licenses that may be required from the local or municipal fire, health, buildings, housing, environmental, zoning and planning board, agencies or departments and such other governmental authorities having jurisdiction over the Project.

7. All necessary gas, electric, water and sewer services and other utilities are available to the Project.

By: _____

Name: Richard A. Cook, FAIA

Date: 4/11/12

MEMORANDUM OF UNDERSTANDING dated this ____ day of _____, 201__ between the City of New York, acting through the Department of Social Services of the Human Resources Administration ("HRA"), 180 Water Street, New York, New York 10038 and Common Ground Management Corporation ("Operator"), located at 505 Eighth Avenue, 15th Fl. New York, New York 10018.

WITNESSETH

WHEREAS, HRA administers benefits and services to those eligible for public assistance and care, including the issuance of emergency public assistance shelter allowances; and

WHEREAS, HRA has determined that there is insufficient emergency housing in the programs operated by not-for-profit community based corporations for such programs to provide shelter and related services to current HRA clients in need of emergency housing and eligible for a public assistance shelter allowance ("Eligible Persons"); and

WHEREAS, HRA has determined that placing Eligible Persons in an emergency housing facility will help alleviate the homelessness problem; and

WHEREAS, HRA is unable to predict the number of Eligible Persons who may need an emergency housing referral and related services on a particular day; and

WHEREAS, the Operator is in the business of managing a commercial Single Room Occupancy ("SRO") facility with the capacity to appropriately house Eligible Persons referred by HRA; and

NOW, THEREFORE, the parties agree to the following:

ARTICLE 1

TERM OF PERFORMANCE

- A. The term of performance hereunder shall be for a two (2) year period from March 1, 2012 through February 28, 2014 unless sooner terminated pursuant to the terms of this Agreement.
- B. HRA shall have the right and option to renew this Agreement for an additional two (2) year term from March 1, 2014 through February 29, 2016 as permitted in this Agreement and to the extent, if any, permitted by law, on the expiration of the term hereunder. The renewal shall be on the same terms and conditions contained in this Agreement and pursuant to such contract amounts as may be established by HRA with respect to such period for which HRA exercises its option.

ARTICLE 2

OBLIGATIONS OF THE OPERATOR

- A. The Operator manages an Emergency Housing Facility known as The Hegeman ("the Facility"), located at 39 Hegeman Avenue, Brooklyn, New York 11212. During the two-year period following the signing of this MOU, the Operator shall set aside, at most 27 of the Facility's rooms exclusively for occupancy by Eligible Persons referred by HRA. Initial and continuing eligibility shall be determined and monitored by HRA pursuant to established federal, state and local Public Assistance ("PA") eligibility rules and regulations.
- B. The Operator agrees to accept referrals from HRA of Eligible Persons, and shall admit all those referred who arrive at the Facility with a Referral for Emergency/Transitional Housing Letter of Introduction ("Letter of Introduction" or "Form W-489") completed and dated by HRA. The date on the Letter of Introduction must be the same date of the Eligible Person's arrival at the Facility. The Operator shall register each referred Eligible Person who presents the Letter of Introduction to the Operator or Facility staff, and the Eligible Person shall then be permitted to occupy a dwelling unit and shall have the right to use all common entrances, elevators, and common areas of the Facility, as well as any other facilities that are made available to other commercial guests of the Facility. The Facility shall not accept Eligible Persons that are not referred by HRA or who do not present the current Letter of Introduction to the Operator or Facility. In the event that the Facility is unable to promptly register and admit a referred Eligible Person who arrives at the Facility and requests admission, the Facility shall immediately notify the HRA Emergency Placement Unit (EPU) via an electronic message of the identity of and the reason(s) for not registering and admitting the referred Eligible Person.
- C. The Operator agrees to submit via fax or electronic process each referred Eligible Person's Form W-489 (Letter of Introduction), including the Facility's personnel's signature and the date and time of the referred Eligible Person's arrival at the Facility to EPU no later than noon of the next business day. The Operator further agrees to have the referred Eligible Person swipe his/her CBIC benefit card through the automated attendance system reader (provided by HRA) daily, to verify that he/she is still an occupant. In the event that the Eligible Person is unable or unwilling to swipe his/her benefit card through the automated attendance system reader, the Operator shall:
- i. notify EPU within 24 hours via an electronic message, and
 - ii. require that Eligible Person sign a registration log each day.
- D. The registration log must be submitted to EPU on a daily basis. If the Operator is unable to obtain the signature of an Eligible Person, who is also unable or unwilling to swipe his/her CBIC benefit card through the automated attendance

card reader, the Operator shall contact EPU within 24 hours, via an electronic message. The message shall identify the Eligible Person and the reason(s) why he/she refuses to swipe or sign in.

- E. Under no circumstances will HRA make any payment for any day of occupancy of a referred Eligible Person unless such Eligible Person has either swiped his/her CBIC benefit card through the automated attendance system reader, or signed a registration log for that day and the Operator submits such registration log to HRA as described in 2(D) above.
- F. The Operator agrees to notify EPU within 24 hours via an electronic message, upon learning that the referred Eligible Person is no longer occupying the dwelling unit assigned to him or her. The Operator agrees that it will submit claims for payment on behalf of a referred Eligible Person to HRA only for the number of nights the Facility can verify, either through the automated attendance system reader (card swiping) or the sign in log, that such Eligible Person actually occupied a Facility room. HRA may from time-to-time issue revised billing guidelines to the Operator as an additional obligation.
- G. The Operator will submit monthly billing requests to HRA's SRO billing unit that will include a cover letter on letterhead stationery indicating the number of verifiable Eligible Persons served that month, the agreed upon per diem rate, the amount due for the month, and will attach a copy of the daily sign-in sheet(s). This will ensure that providers are aware of the presence or absence of Eligible Persons in their facility and will reduce billing discrepancies with placement and exit dates. If there is no swiping information or sign in log information verifying an Eligible Persons presence for a given date, HRA shall not be responsible for payment for that Eligible Person for that date.
- H. All Eligible Persons with a source of income, such as Supplemental Security Income, VA benefits, Social Security Disability Insurance, etc., will be expected to contribute all applicable income above \$359 per month, in accordance with the New York State Public Assistance Law, which may change from time to time, less the restaurant allowance, if applicable, to the Operator. HRA shall notify the Operator of each such Eligible Person with income at the time of referral, or when such Eligible Person begins receiving such income, whichever is later. It shall be the sole responsibility of the Operator to collect the contributions of such Eligible Persons. HRA is not responsible for contributions not paid by Eligible Persons to the Operator. Eligible Persons receiving only Public Assistance are not required to contribute toward their housing costs.
- I. The Operator and Facility staff shall cooperate fully when the Emergency Housing Inspection Unit conducts inspections of the Facility and dwelling units assigned to referred Eligible Persons. Representatives from HRA and/or the City's Department of Health and Mental Hygiene and Department of Housing

Preservation and Development may conduct such inspections on an announced and/or unannounced basis.

- J. The Operator agrees to respond within the determined timeframes noted in the inspection reports issued as a result of the above referenced facility inspections. If the report indicates deficiencies with the Facility or staff and/or that corrective actions are needed, the Operator must include plans for removing the deficiencies within the required time frame set forth by the Agency in the report.
- K. The Operator shall ensure that the Facility includes the following:
 - 1. A separate bedroom unit with a door that locks for privacy. This unit will be furnished with a bed, a closet; a chair, an individual refrigerator no smaller than 1.8 cubic feet, and appropriate lighting fixtures for daily living. The mattress and bedding material will be in good condition.
 - 2. The unit should be located in a building with a main entrance that securely locks, and that has security services on site.
 - 3. A clean change of linens will be distributed weekly, and more often where individual circumstances warrant. Towels, soap, and toilet paper will also be distributed weekly.
 - 4. All shared bathrooms will be regularly cleaned.
 - 5. All common areas will be maintained in a clean and orderly fashion.
 - 6. Full bathroom facilities, with doors that lock for privacy, should include a toilet, shower, and sink.
 - 7. All areas in the facility should be vermin-free.
 - 8. Air conditioning or a fan should be provided in hot weather; while adequate heat should be made available when the weather warrants. Hot water should be provided at all times.
 - 9. Rubbish and trash should be removed daily from waste receptacles on each floor.
 - 10. The fire safety and evacuation plan should be posted on each floor.
- L. In order to provide the best possible living environment for Eligible Persons referred by HRA, the Operator will form linkage agreements with nearby service providers, such as mental health facilities, rehabilitation centers, and health providers and will refer Eligible Persons for these services as the need arises. The purpose of these linkage agreements will be for the provision of mental health services, assessment and treatment of chemical dependency, case management, and/or other harm reduction initiatives/services.

- M. HRA's written approval will be needed before the Operator may remove or evict from the Facility any referred Eligible Person, and such approval shall only be granted when the Operator reasonably believes such Eligible Person is a threat to the health and safety of the Operator's employees or guests or such Eligible Person has become ineligible due to its failure to swipe or sign in or otherwise adhere to the rules and regulations of the EPU. The Operator shall immediately notify EPU via electronic message of any decision to remove or evict a referred Eligible Person on such grounds. However, a referred Eligible Person who has become a permanent tenant in accordance with the provisions of 9 NYCRR §§2520.6(j) and 2522.5(a)(2) of the New York City Rent Stabilization Code, or who has resided in the Facility for thirty (30) consecutive days or longer shall only be removed or evicted pursuant to a warrant of eviction or other order of a court of competent jurisdiction or a governmental vacate order, as required by the New York City Unlawful Eviction Law (NYCAC § 26-521 et. seq.). The Operator agrees to promptly notify EPU whenever it intends to seek the eviction of a referred Eligible Person by means of a legal proceeding.
- N. The Operator agrees that it will comply with applicable state and local laws and regulations affecting the rights of tenants.
- O. The Operator agrees that all information about whether a referred Eligible Person is a recipient of Public Assistance or receives any other form of services through HRA is confidential, pursuant to federal and State law. The Operator agrees to restrict such information only to Facility employees who may need to use such information to verify occupancy or for billing purposes, and the Operator agrees not to disclose such information to anyone else without specific prior written authorization from HRA. The provisions of the MOU with respect to the confidentiality of the information and records of Eligible Persons referred to the Facility by HRA shall remain in full force and effect following termination of this MOU.
- P. The Operator agrees that should the police department and/or emergency medical services ever be called to the Facility concerning an incident involving an Eligible Person referred by HRA, or in the event of any alleged act of domestic abuse or child abuse involving an Eligible Person referred by HRA, the Facility shall immediately notify EPU by telephone or electronic message. In addition, within twenty-four hours of the incident, the Facility shall complete the attached SRO incident report and immediately fax it to EPU.

ARTICLE 3

OBLIGATIONS OF HRA

- A. HRA will refer Eligible Persons to the Facility in an attempt to fill those rooms set aside by the Facility pursuant to Article 2(A) of this MOU. HRA does not guarantee to fill all rooms set aside by the Facility pursuant to Article 2(A) of this MOU, or indeed, any room. HRA is not responsible for and shall not pay for

Eligible Persons accepted by the Facility, who were not referred by HRA pursuant to Article 2(B) of this MOU.

- B. For each room occupied by a referred Eligible Person placed at the Facility during the term of this MOU, HRA shall pay the Operator a nightly rate of fifty four dollars (\$54.00) less any applicable income as determined by Article 2(H). HRA shall pay this rate from the first night the referred Eligible Person registers at the Facility until (a) the day that the Eligible Person departs from the Facility with the Operator's knowledge, or (b) it is otherwise determined that the Eligible Person is no longer eligible for emergency housing.
- C. Following a three (3) day period during which an Eligible Person has neither swiped his/her benefit card through the automated attendance system reader at the Facility, nor signed a daily registration log, on the fourth (4th) day HRA may in its sole discretion notify the Operator that no further payment shall be made on behalf of such Eligible Person without a new referral by HRA to the Facility, pursuant to Article 2(B) of this MOU. Upon such notification to the Operator, the person will no longer be eligible for emergency housing at the facility.
- D. All payments will be made on a monthly basis via an electronic billing method based on the client related information in HRA's database.
- E. HRA will begin the reconciliation payment process promptly upon receipt from the Operator of an original signed HRA Billing Form (see annexed Billing Form), certifying the nights of occupancy by each referred Eligible Person who resided at the Facility at any time during the billing month. A billing month shall be a calendar month. HRA will make a good faith effort to pay the original bills within a month, unless the parties agree to another payment plan. The Operator may submit an amended invoice, based on a reconciliation of HRA payments on behalf of the referred Eligible Persons and the invoice already submitted for the month, no later than fifteen (15) days after receipt of payment. HRA will make a good faith effort to reconcile and pay the amended invoice within 90 days of its receipt.

ARTICLE 4

TERMINATION OR SUSPENSION OF MOU

Termination of this MOU shall occur under the following circumstances:

A. Expiration

Forty-five (45) days prior to expiration on February 28, 2014 of this MOU, HRA shall provide written notice to the Operator of its intention to terminate and that it is ending any further referrals and that after the date of termination it will cease responsibility and payment for any remaining SRO occupants who were referred by HRA. In addition, HRA shall simultaneously suspend all referrals, notify all remaining occupants referred by HRA that they will be relocated immediately or as soon thereafter as possible but in any event no

later than February 28, 2014. HRA shall then commence relocation of the remaining referred occupants.

B. Elective Termination.

Either party, at its discretion, may elect to terminate this MOU upon forty-five (45) days prior written notice. If such election is made, by HRA, then HRA shall include in the Notice to Terminate a statement that it is ending any further referrals and that after the date of termination it will cease responsibility and payment for any remaining SRO occupants who were referred by HRA. In addition, HRA shall simultaneously suspend all referrals, notify all remaining occupants referred by HRA that they will be relocated immediately or as soon thereafter as possible but in any event no later than February 28, 2014. HRA shall then commence relocation of the remaining referred occupants.

If such election is made by the Operator, then the Operator shall include in the Notice to Terminate a request that HRA suspend further referrals and a statement that the Operator acknowledges and agrees that after the date of Termination HRA will cease responsibility and payment for any remaining SRO occupants who were referred by HRA. Upon receipt of such Notice to Terminate, HRA shall suspend all further referrals, notify all remaining occupants referred by HRA that they will be relocated immediately or as soon thereafter as possible but in any event no later than February 28, 2014. HRA shall then commence relocation of the remaining referred occupants.

C. Suspension Of MOU

HRA may suspend this MOU for any good faith reason or any instance of material or immaterial non-compliance by the Operator or its agents with this MOU, or if conditions are discovered at the Facility which may be hazardous or detrimental to the life or health of its occupants. In such cases, HRA reserves its right to impose the remedies afforded by the Spiegel Law, Social Services Law § 143-b(2). During a suspension, all referrals to the Facility will cease and HRA payments on behalf of Eligible Persons already placed may be withheld until all hazardous or detrimental conditions, or instances of material or immaterial non-compliance with this MOU, have been cured. If not cured within fourteen (14) calendar days, HRA may give the Operator thirty calendar (30) days Notice to Terminate and Notify the remaining occupants referred by HRA that they will be relocated immediately or as soon thereafter as possible but in any event no later than February 28, 2014. Examples of instances of material or immaterial non-compliance include but are not limited to:

i. Refusal to Register

A refusal by the Operator to register any Eligible Person who has been referred to the Facility in accordance with Article 2(B),

without prior consultation with EPU personnel, except a refusal based on the unavailability of an appropriate dwelling unit; or

- ii. **Refusal to Provide Appropriate Privileges and Amenities**
A refusal by the Operator to accord to each referred Eligible Person the same privileges and amenities as any other commercial guest of the Facility; or
- iii. **Non-Cooperation with CBOs**
If the Operator decides not to take advantage of the assistance provided by the Community Based Organizations ("CBO"s), and HRA begins receiving credible complaints that occupants of the Facility are engaging in potentially harmful behavior.

ARTICLE 5 **NOTICES**

All notices and requests hereunder by either party shall be in writing and directed to the address of the parties as follows:

City Contact:

Mr. John Ruscillo
Director of Housing, HRA/HASA
12 West 14th Street, 5th Floor
New York, New York 10011

Contractor Contact:

Mr. Mike Fagan
Manager, Housing Operations
Common Ground Management Corporation
505 Eighth Avenue
New York, New York 10018

Attachments:

- Referral to Emergency Housing Facility, Letter of Introduction (Form W-489B)
- Billing Form
- Incident Report
- Daily Signature Log

U-SRO EMERGENCY HOUSING
MEMORANDUM OF UNDERSTANDING
Common Ground Management
02/08/2012

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the dates appearing opposite their respective signatures.

THE CITY OF NEW YORK
DEPARTMENT OF SOCIAL SERVICES
HUMAN RESOURCES ADMINISTRATION

By: _____
(Printed Name)

Title: _____

Signature: _____

Date: _____

[COMMON GROUND MANAGEMENT CORPORATION]

Tax ID# 13-3871134

By: Brenda E. Rosen
(Printed Name)

Title: Executive Director

Signature: Brenda E. Rosen

Date: 2/14/2012

ACKNOWLEDGEMENTS:

Blanca Guzman
NOTARY PUBLIC
 BLANCA GUZMAN
 Notary Public, State of New York
 No. 24-4987717
 Qualified in Kings County
 Commission Expires Oct 23 2016



MEMORANDUM OF UNDERSTANDING dated this 30 day of March, 2012, between the City of New York, acting through the Department of Social Services of the Human Resources Administration ("HRA"), 180 Water Street, New York, New York 10038 and Common Ground Management Corporation ("Operator"), located at 505 Eighth Avenue, 15th Fl. New York, New York 10018.

WITNESSETH

WHEREAS, HRA administers benefits and services to those eligible for public assistance and care, including the issuance of emergency public assistance shelter allowances; and

WHEREAS, HRA has determined that there is insufficient emergency housing in the programs operated by not-for-profit community based corporations for such programs to provide shelter and related services to current HRA clients in need of emergency housing and eligible for a public assistance shelter allowance ("Eligible Persons"); and

WHEREAS, HRA has determined that placing Eligible Persons in an emergency housing facility will help alleviate the homelessness problem; and

WHEREAS, HRA is unable to predict the number of Eligible Persons who may need an emergency housing referral and related services on a particular day; and

WHEREAS, the Operator is in the business of managing a commercial Single Room Occupancy ("SRO") facility with the capacity to appropriately house Eligible Persons referred by HRA; and

NOW, THEREFORE, the parties agree to the following:

ARTICLE 1

TERM OF PERFORMANCE

- A. The term of performance hereunder shall be for a two (2) year period from March 1, 2012 through February 28, 2014 unless sooner terminated pursuant to the terms of this Agreement.
- B. HRA shall have the right and option to renew this Agreement for an additional two (2) year term from March 1, 2014 through February 29, 2016 as permitted in this Agreement and to the extent, if any, permitted by law, on the expiration of the term hereunder. The renewal shall be on the same terms and conditions contained in this Agreement and pursuant to such contract amounts as may be established by HRA with respect to such period for which HRA exercises its option.

ARTICLE 2

OBLIGATIONS OF THE OPERATOR

- A. The Operator manages an Emergency Housing Facility known as Hegeman ("the Facility"), located at 39 Hegeman Avenue, Brooklyn, New York 11212. During the two-year period following the signing of this MOU, the Operator shall set aside, at most 27 of the Facility's rooms exclusively for occupancy by Eligible Persons referred by HRA. Initial and continuing eligibility shall be determined and monitored by HRA pursuant to established federal, state and local Public Assistance ("PA") eligibility rules and regulations.
- B. The Operator agrees to accept referrals from HRA of Eligible Persons, and shall admit all those referred who arrive at the Facility with a Referral for Emergency/Transitional Housing Letter of Introduction ("Letter of Introduction" or "Form W-489") completed and dated by HRA. The date on the Letter of Introduction must be the same date of the Eligible Person's arrival at the Facility. The Operator shall register each referred Eligible Person who presents the Letter of Introduction to the Operator or Facility staff, and the Eligible Person shall then be permitted to occupy a dwelling unit and shall have the right to use all common entrances, elevators, and common areas of the Facility, as well as any other facilities that are made available to other commercial guests of the Facility. The Facility shall not accept Eligible Persons that are not referred by HRA or who do not present the current Letter of Introduction to the Operator or Facility. In the event that the Facility is unable to promptly register and admit a referred Eligible Person who arrives at the Facility and requests admission, the Facility shall immediately notify the HRA Emergency Placement Unit (EPU) via an electronic message of the identity of and the reason(s) for not registering and admitting the referred Eligible Person.
- C. The Operator agrees to submit via fax or electronic process each referred Eligible Person's Form W-489 (Letter of Introduction), including the Facility's personnel's signature and the date and time of the referred Eligible Person's arrival at the Facility to EPU no later than noon of the next business day. The Operator further agrees to have the referred Eligible Person swipe his/her CBIC benefit card through the automated attendance system reader (provided by HRA) daily, to verify that he/she is still an occupant. In the event that the Eligible Person is unable or unwilling to swipe his/her benefit card through the automated attendance system reader, the Operator shall:
- i. notify EPU within 24 hours via an electronic message, and
 - ii. require that Eligible Person sign a registration log each day.
- D. The registration log must be submitted to EPU on a daily basis. If the Operator is unable to obtain the signature of an Eligible Person, who is also unable or unwilling to swipe his/her CBIC benefit card through the automated attendance

card reader, the Operator shall contact EPU within 24 hours, via an electronic message. The message shall identify the Eligible Person and the reason(s) why he/she refuses to swipe or sign in.

- E. Under no circumstances will HRA make any payment for any day of occupancy of a referred Eligible Person unless such Eligible Person has either swiped his/her CBIC benefit card through the automated attendance system reader, or signed a registration log for that day and the Operator submits such registration log to HRA as described in 2(D) above.
- F. The Operator agrees to notify EPU within 24 hours via an electronic message, upon learning that the referred Eligible Person is no longer occupying the dwelling unit assigned to him or her. The Operator agrees that it will submit claims for payment on behalf of a referred Eligible Person to HRA only for the number of nights the Facility can verify, either through the automated attendance system reader (card swiping) or the sign in log, that such Eligible Person actually occupied a Facility room. HRA may from time-to-time issue revised billing guidelines to the Operator as an additional obligation.
- G. The Operator will submit monthly billing requests to HRA's SRO billing unit that will include a cover letter on letterhead stationery indicating the number of verifiable Eligible Persons served that month, the agreed upon per diem rate, the amount due for the month, and will attach a copy of the daily sign-in sheet(s). This will ensure that providers are aware of the presence or absence of Eligible Persons in their facility and will reduce billing discrepancies with placement and exit dates. If there is no swiping information or sign in log information verifying an Eligible Persons presence for a given date, HRA shall not be responsible for payment for that Eligible Person for that date.
- H. All Eligible Persons with a source of income, such as Supplemental Security Income, VA benefits, Social Security Disability Insurance, etc., will be expected to contribute all applicable income above \$359 per month, in accordance with the New York State Public Assistance Law, which may change from time to time, less the restaurant allowance, if applicable, to the Operator. HRA shall notify the Operator of each such Eligible Person with income at the time of referral, or when such Eligible Person begins receiving such income, whichever is later. It shall be the sole responsibility of the Operator to collect the contributions of such Eligible Persons. HRA is not responsible for contributions not paid by Eligible Persons to the Operator. Eligible Persons receiving only Public Assistance are not required to contribute toward their housing costs.
- I. The Operator and Facility staff shall cooperate fully when the Emergency Housing Inspection Unit conducts inspections of the Facility and dwelling units assigned to referred Eligible Persons. Representatives from HRA and/or the City's Department of Health and Mental Hygiene and Department of Housing

Preservation and Development may conduct such inspections on an announced and/or unannounced basis.

- J. The Operator agrees to respond within the determined timeframes noted in the inspection reports issued as a result of the above referenced facility inspections. If the report indicates deficiencies with the Facility or staff and/or that corrective actions are needed, the Operator must include plans for removing the deficiencies within the required time frame set forth by the Agency in the report.
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 - 1. A separate bedroom unit with a door that locks for privacy. This unit will be furnished with a bed, a closet, a chair, an individual refrigerator no smaller than 1.8 cubic feet, and appropriate lighting fixtures for daily living. The mattress and bedding material will be in good condition.
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 - 4. All shared bathrooms will be regularly cleaned.
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 - 10. The fire safety and evacuation plan should be posted on each floor.
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- O. The Operator agrees that all information about whether a referred Eligible Person is a recipient of Public Assistance or receives any other form of services through HRA is confidential, pursuant to federal and State law. The Operator agrees to restrict such information only to Facility employees who may need to use such information to verify occupancy or for billing purposes, and the Operator agrees not to disclose such information to anyone else without specific prior written authorization from HRA. The provisions of the MOU with respect to the confidentiality of the information and records of Eligible Persons referred to the Facility by HRA shall remain in full force and effect following termination of this MOU.
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ARTICLE 3

OBLIGATIONS OF HRA

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- C. Following a three (3) day period during which an Eligible Person has neither swiped his/her benefit card through the automated attendance system reader at the Facility, nor signed a daily registration log, on the fourth (4th) day HRA may in its sole discretion notify the Operator that no further payment shall be made on behalf of such Eligible Person without a new referral by HRA to the Facility, pursuant to Article 2(B) of this MOU. Upon such notification to the Operator, the person will no longer be eligible for emergency housing at the facility.
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- E. HRA will begin the reconciliation payment process promptly upon receipt from the Operator of an original signed HRA Billing Form (see annexed Billing Form), certifying the nights of occupancy by each referred Eligible Person who resided at the Facility at any time during the billing month. A billing month shall be a calendar month. HRA will make a good faith effort to pay the original bills within a month, unless the parties agree to another payment plan. The Operator may submit an amended invoice, based on a reconciliation of HRA payments on behalf of the referred Eligible Persons and the invoice already submitted for the month, no later than fifteen (15) days after receipt of payment. HRA will make a good faith effort to reconcile and pay the amended invoice within 90 days of its receipt.

ARTICLE 4 **TERMINATION OR SUSPENSION OF MOU**

Termination of this MOU shall occur under the following circumstances:

A. **Expiration**

Forty-five (45) days prior to expiration on February 28, 2014 of this MOU, HRA shall provide written notice to the Operator of its intention to terminate and that it is ending any further referrals and that after the date of termination it will cease responsibility and payment for any remaining SRO occupants who were referred by HRA. In addition, HRA shall simultaneously suspend all referrals, notify all remaining occupants referred by HRA that they will be relocated immediately or as soon thereafter as possible but in any event no

later than February 28, 2014. HRA shall then commence relocation of the remaining referred occupants.

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C. Suspension Of MOU

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i. Refusal to Register

A refusal by the Operator to register any Eligible Person who has been referred to the Facility in accordance with Article 2(B),

without prior consultation with EPU personnel, except a refusal based on the unavailability of an appropriate dwelling unit; or

- ii. Refusal to Provide Appropriate Privileges and Amenities
A refusal by the Operator to accord to each referred Eligible Person the same privileges and amenities as any other commercial guest of the Facility; or
- iii. Non-Cooperation with CBOs
If the Operator decides not to take advantage of the assistance provided by the Community Based Organizations ("CBO"s), and HRA begins receiving credible complaints that occupants of the Facility are engaging in potentially harmful behavior.

ARTICLE 5

NOTICES

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Director of Housing, HRA/HASA
12 West 14th Street, 5th Floor
New York, New York 10011

Contractor Contact:

Mr. Mike Fagan
Manager, Housing Operations
Common Ground Management Corporation
505 Eighth Avenue
New York, New York 10018

Attachments:

- Referral to Emergency Housing Facility, Letter of Introduction (Form W-489B)
- Billing Form
- Incident Report
- Daily Signature Log

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the dates appearing opposite their respective signatures.

THE CITY OF NEW YORK
DEPARTMENT OF SOCIAL SERVICES
HUMAN RESOURCES ADMINISTRATION

By: Vincent P. H.
(Printed Name)

Title: Asst

Signature: [Signature]

Date: 3/29/12

[COMMON GROUND MANAGEMENT CORPORATION]

Tax ID# 13-3871134

By: BRENDA ROSEN
(Printed Name)

Title: EXECUTIVE DIRECTOR

Signature: [Signature]

Date: FEB 17, 2012

ACKNOWLEDGEMENTS:

STATE OF NEW YORK)

:ss:

COUNTY OF NEW YORK)

On this 35 day of March, 20 12, before me personally came Vincent Rillo, to me known and known to me to be the DICG of The HUMAN RESOURCES ADMINISTRATION of the CITY OF NEW YORK, the person described in and who is duly authorized to execute the foregoing instrument, and acknowledged to me that she/he executed the same for the purposes therein mentioned.


NOTARY PUBLIC

SHARON C. JAMES
Commissioner of Deeds
City of New York No. 2-13025
Commission Expires April 1, 2012

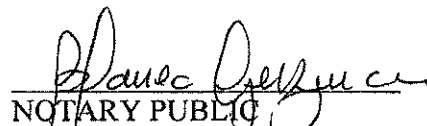
STATE OF NEW YORK)

Queens

:ss:

COUNTY OF ~~NEW YORK~~)

On this 17th day of February, 2012, before me personally came Brenda Rosen, to me known, who, being by me duly sworn, did depose and say that she/he resides at 508 Eighth Ave; that she/he is the Executive Director of the Common Ground, the corporation described in the above instrument and acknowledged that she/he executed the same by order of the Board of Directors of said corporation.


NOTARY PUBLIC
BLANCA GUZMAN
Notary Public, State of New York
No. 24-4987727
Qualified in Kings County
Commission Expires Oct. 21, 2012



EMERGENCY PLACEMENT UNIT

12 WEST 14TH STREET, 5TH FLOOR
NEW YORK, NY 10011

Phone: 212-620-9764 Fax: 212-337-1600

REFERRAL TO AN EMERGENCY HOUSING FACILITY
LETTER OF INTRODUCTION

To Facility: _____

Date of Referral: _____

Borough: _____

☐ Caseworker

☐ ServiceLine

From: _____

_____ NY _____

☐ Site/Team

Phone Number: _____

CLIENT PLEASE READ: Today you have requested housing assistance and an eligibility determination has found that you are homeless and eligible for emergency housing placement services. As a result, you have been referred to the emergency housing facility named above. It is important that you check into the facility no later than 9:00 p.m. of the date of your referral. If you have not checked in by 9:00 p.m., facility management may cancel your room. Your signature below indicates that you have read the above and understand your responsibilities regarding this emergency housing referral and that you agree that you were offered an application for medically appropriate non-emergency housing information regarding financial assistance available to assist eligible clients in obtaining housing, and information regarding available housing options. You will be required to use your EBT benefit card to swipe in the device located at the facility front desk. Residents will be expected to swipe in every day.

NOTICE TO CLIENT: If you have difficulty locating the above facility, or the facility is unable or unwilling to admit you as a guest, please call the Emergency Placement Unit (EPU) at 212-620-9764 or 212-620-9895. To obtain assistance, you must speak to a staff member. PLEASE DO NOT LEAVE A MESSAGE.

Client's Last Name _____ (M.I.) First Name _____

Client's Signature _____

FACILITY MANAGEMENT: This letter will introduce the client listed above for whom a reservation for a room in your facility was made by the Emergency Placement Unit. Please show this client all courtesies possible. Upon the client's arrival, he or she must sign in front of a facility staff person in order to confirm client's registration at your facility. Overnight receipt of a duly signed Letter of Introduction via fax 212-337-1600 to EPU completes the registration process for the above named client. Your assistance is appreciated.

Client's Signature: _____

Time of Arrival: _____

☐ am

☐ pm

Facility Personnel Signature: _____

Date of Arrival: _____

CITY OF NEW YORK HUMAN RESOURCES ADMINISTRATION
SRO FACILITY INVOICE

FACILITY NAME:

ADDRESS:

CODE

PAGE:

BILLING MONTH:

[illegible]

* Do not include Exit Dates as part of your Billing Period. Remember, the last Day Payable is the day preceding the Exit Date.

This certifies that the persons listed above were in residence
the period(s) indicated above.

PREPARED BY:

(Name & Title)

SIGNATURE:

DATE:

AUTHORIZING SIGNATURE:

TITLE:

DATE:

| INCIDENT REPORT | | | | | |
|---|-------------------|-------------------------------|-------------------------|-----------------------|-----------------|
| VENDOR'S NAME | | | | TODAY'S DATE: | |
| ADDRESS | | | | BORO & ZIP | |
| CONTACT PERSON | | | | TELEPHONE# | |
| DATE OF INCIDENT | | | TIME OF INCIDENT | | |
| 1. Names of Persons Involved | | | | | |
| Last Name | First Name | Client or Staff Member | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 2. What happened? (Describe in detail) | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| 3. Where did it happen? | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 4. How did it happen? (For example what started the incident) | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 5. Was the police/fire department/EMS called? <input type="checkbox"/> YES <input type="checkbox"/> NO | | | | | |
| If yes, please provide information below. | | | | | |
| Last Name | First Name | Police | Fire | EMS | Precinct |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 6. Complaint Number: | | | | | |
| Incident Completed by: | | | | | |
| Print Name | Signature | Title | Date | | |
| | | | | | |
| Reviewed by: | | | | | |
| Print Name | Signature | Title | Date | | |
| | | | | | |
| Add additional pages as necessary in order to provide a complete narrative. | | | | | |

COMMERCIAL SRO HOTEL REGISTRY OF EPU CLIENTS

WEEKENDING: ___/___/___

PAGE ____ OF ____

[illegible]

I hereby certify that the names of listed above have resided in the above hotel for the period reported.

Print Name Hotel Personnel

Signature _____

Date _____