

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal
Dept: City Manager
Subject: CONSENT TO ASSIGNMENT OF HOMELESSNESS PREVENTION AND RAPID REHOUSING AGREEMENTS FROM OneOC TO ILLUMINATION FOUNDATION

From: Susan Emery
Dept: Community Development
Date: December 14, 2010

OBJECTIVE

To request the City Council review and consent to the Assignment and Assumption of the Homelessness Prevention and Rapid Rehousing Program (HPRP) contracts to provide homelessness prevention and rapid rehousing services from OneOC (formerly Volunteer Center of Orange County) to Illumination Foundation.

BACKGROUND

HPRP funds were made available as part of the American Recovery and Reinvestment Act of 2009 (Recovery Act), which was passed by Congress in February 2009. The City applied for and received \$1,068,707 in HPRP funds. City Council approved sub-granting the funds to local non-profits in August 2009.

HPRP's purpose is (i) to provide homelessness prevention assistance to households who would otherwise become homeless, and (ii) to provide assistance to rapidly rehouse persons who are homeless. The City's program parameters require that the funds be used for those who were last housed in Garden Grove.

The program is mandated to address homelessness prevention and rapid rehousing needs due to the current economic crisis. All funds must be spent by September 2012.

DISCUSSION

Illumination Foundation originally applied for HPRP funds from the request for proposals (RFP) issued in June 2009. At the time of Illumination Foundation's application, OneOC was the fiscal sponsor of Illumination Foundation. OneOC acted as the accounting and human resources functions of Illumination Foundation, while also advising Illumination Foundation with establishing its own infrastructure and board governance. Because of the relationship between the two organizations, the original agreement was executed with OneOC.

CONSENT TO ASSIGNMENT OF HOMELESSNESS
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Since the beginning of the agreement with the City in August 2009, Illumination Foundation has been the organization carrying out the homelessness prevention and rapid rehousing services, interacting with City staff, and ensuring reporting deadlines were being met. The services Illumination Foundation provides to households at-risk of becoming homeless and people currently homeless include: outreach and engagement, case management, rental assistance, utility assistance, rent deposit assistance, and moving assistance.

Illumination Foundation has now received its independent 501(c)3 status from the IRS and, effective January 1, 2011, will begin operating independent from OneOC. The assignment and assumption of the HPRP contracts will allow Illumination Foundation to continue providing services to at-risk of homelessness and homeless households.

FINANCIAL IMPACT

The assignment will have no impact on the General Fund.

RECOMMENDATION

It is recommended that the City Council:

- Consent to the assignment and assumption of the City of Garden Grove's Homelessness Prevention and Rapid Rehousing Program (HPRP) contracts from OneOC to Illumination Foundation.



SUSAN EMERY
Director of Community Development

Attachment: Agreement

Recommended for Approval



Matthew Ferial
City Manager

**ASSIGNMENT AND ASSUMPTION OF THE CITY OF GARDEN GROVE
HOMELESSNESS PREVENTION AND RAPID REHOUSING CONTRACTS**

This Assignment and Assumption Agreement of the City of Garden Grove Homelessness Prevention and Rapid Rehousing Contracts ("Assignment") is made and entered into as of this 1 day of Dec., 2010, by and between ONEOC, formerly the VOLUNTEER CENTER OF ORANGE COUNTY, a California non-profit corporation ("Assignor"), and the ILLUMINATION FOUNDATION ("Assignee") with reference to the following:

RECITALS

A. The City of Garden Grove has been approved by the United States Department of Housing and Urban Development to receive funds from the Homelessness Prevention Fund under Title XII of the American Recovery and Reinvestment Act of 2009, to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized.

B. Pursuant to the Contract for Rehousing Services and the Contract for Homelessness Prevention Services ("Contracts"), executed on August 25, 2009 between the City of Garden Grove and Assignor, Assignor is required to provide to Rehousing and Homelessness Prevention Services as a subrecipient of the funds.

C. Section VII.D of the Contracts provide that Assignor may not assign any of its rights under the Contracts, except with the prior written consent of the City of Garden Grove.

D. Pursuant to the November 1, 2010 letters to the City of Garden Grove, attached as Exhibit "A" and incorporated by reference, Assignor has changed its name from the Volunteer Center of Orange County to OneOC and has requested the City of Garden Grove's consent to the assignment of the Contracts to Assignee.

NOW THEREFORE, the Parties agree as follows:

1. **Assignment.** Assignor conveys, assigns and transfers to Assignee all of Assignor's rights, duties, obligations and interest in the Contract for Rehousing Services and the Contract for Homelessness Prevention Services, executed on August 25, 2009 between the City of Garden Grove and Assignor ("Contracts"), attached as Exhibit "B" and incorporated herein by reference as of _____, 2010 (Effective Date) and has obtained the City of Garden Grove's Consent, attached as Exhibit "C" and incorporated herein by reference as of the Effective Date. Assignor shall execute and deliver to Assignee such further assignments, acknowledgments and documents as Assignee may reasonably request in order to confirm or give notice of the transfer affected by this Assignment.

2. **Acceptance and Assumption.** Assignee hereby expressly and unconditionally assumes, accepts from Assignor, and agrees to perform and fulfill, from and after the Effective Date all rights, duties, conditions, obligations and interest under the Contracts in Assignor's place and stead. Assignee assumes and shall faithfully perform in Assignor's stead, as and when due, any and all liabilities, duties and obligations of Assignor under the Contracts. Assignee further acknowledges that there are conditions for funding the homelessness prevention and rehousing services under the terms of the Contracts. Assignee has reviewed the conditions for funding and certifies that Assignee is a non-profit corporation that is eligible to receive the funds and capable of providing the specified homelessness prevention and rehousing services.

3. **Further Assurances.** Assignor and Assignee agree to execute such other documents and perform other such acts as may be necessary or desirable to effectuate this Assignment.

4. **Representations.**

a. **Assignor Representations.** Assignor represents and warrants that Assignor: (i) has full power and authority to assign the Contracts to Assignee under California Corporations Code Section 313; (ii) has not previously transferred or conveyed its interest in the Contracts to any person or entity, collaterally or otherwise; and (iii) has full power and authority to enter into this Assignment.

b. **Assignee Representations.** Assignee represents and warrants that Assignee has full power and authority to enter into the Assignment under California Corporations Code Section 313.

5. **Miscellaneous Provisions.**

a. **Notice.** Any notice required to be given under this Assignment shall be in writing and may be personally delivered, sent by nationally recognized overnight courier, or sent by registered or certified mail, postage prepaid, return receipt requested, and shall be effective upon receipt at the appropriate addresses, as identified in Section XIII of the Contracts. It is the responsibility of each party to give written notice of any change in address to all Parties.

b. **Governing Law.** This Assignment is governed by the laws of the State of California. Parties agree that any disputes that may arise shall be filed in a court within Orange County, California.

d. **Construction and Interpretation.** This Assignment is the result of the Parties' suggestions, revisions, and comments and contains the entire understanding between the Parties relating to the assignment of the Contracts. All prior or contemporaneous agreements, understandings, representations and statements are merged into this Assignment. No party has been induced to enter into this Assignment by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Assignment.

e. **Successors and Assigns.** This Assignment is binding on and inures to the benefit of the respective successors, assigns, and representatives of each of the Parties.

f. **Counterparts.** This Assignment may be executed in multiple counterparts (each of which is to be deemed an original for all purposes).

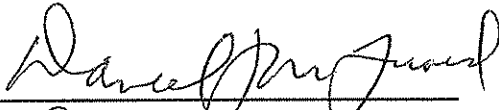
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the date set forth above.

ASSIGNOR

OneOC, a California non-profit corporation.

DATED: 12/2/10

By: 

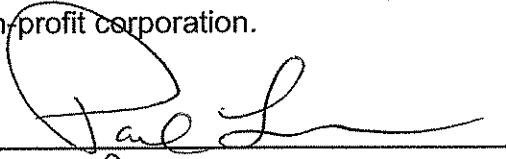
Name: Daniel J. McQuinn

Title: Pres & CEO

ASSIGNEE

ILLUMINATION FOUNDATION, a California non-profit corporation.

DATED: 12/2/10

By: 

Name: PAUL Leon

Title: President Ceo

EXHIBIT "A"
LETTERS



Accelerating Nonprofit Success



ILLUMINATION

November 1, 2010

Allison Mills
Neighborhood Improvement Manager
City of Garden Grove
11222 Arcacia Parkway
P.O. Box 3070
Garden Grove, CA 92842

Re: Contract No. 10-2359, effective August 25, 2009, to provide rapid rehousing services under the Homelessness Prevention and Rapid Rehousing Program

Dear Ms. Mills,

Effective January 1, 2011, the Illumination Foundation ("IF") will begin operations independent of OneOC, formerly the Volunteer Center Orange County. Since December 2008, IF has been fiscally sponsored by OneOC. This relationship with OneOC has allowed IF to focus on building up the vitally needed programs to serve the homeless community in Orange County. OneOC assisted IF with accounting and human resources functions while also advising IF with the establishment of its own infrastructure and board governance.

IF has already received 501(c)(3) status from the IRS, and IF is currently implementing its own accounting systems and other infrastructure needs to prepare for independent operations. As part of the preparations, we would like to request that [agency that awarded the contract] transfer the [contract] to Illumination Foundation's independent 501(c)3 corporation. We would like to amend the contract by December 31, 2010 so that there will be smooth continuation of services provided under the contract.

Please let us know what is needed to process the transfer of the contract. We look forward to working with you to continue serving the homeless community in Orange County.

Sincerely,

Daniel J. McQuaid
President & CEO
OneOC
1901 E. Fourth St., Suite 100
Santa Ana, CA 92705

Paul Leon
Executive Director
Illumination Foundation
2691 Richter Ave., Suite 107
Irvine, CA 92606

Cc: Grant Raupp



Accelerating Nonprofit Success



ILLUMINATION

November 1, 2010

Allison Mills
Neighborhood Improvement Manager
City of Garden Grove
11222 Arcacia Parkway
P.O. Box 3070
Garden Grove, CA 92842

Re: Contract No. 10-2360, effective August 25, 2009, to provide homeless prevention services under the Homelessness Prevention and Rapid Rehousing Program

Dear Ms. Mills,

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Please let us know what is needed to process the transfer of the contract. We look forward to working with you to continue serving the homeless community in Orange County.

Sincerely,

Daniel J. McQuaid
President & CEO
OneOC
1901 E. Fourth St., Suite 100
Santa Ana, CA 92705

Paul Leon
Executive Director
Illumination Foundation
2691 Richter Ave., Suite 107
Irvine, CA 92606

Cc: Grant Raupp

EXHIBIT "B"
CONTRACTS

EXHIBIT "C"

CONSENT

CITY CONSENT TO ASSIGNMENT AND ASSUMPTION OF THE CITY OF GARDEN GROVE HOMELESSNESS PREVENTION AND RAPID REHOUSING CONTRACTS

The City of Garden Grove hereby acknowledges that, pursuant to Section VII.D of the Contract for Rehousing Services and the Contract for Homelessness Prevention Services ("Contracts"), executed on August 25, 2009, and maintained as a public record in the office of the City Clerk of the City of Garden Grove, California, OneOC, formerly the VOLUNTEER CENTER OF ORANGE COUNTY, a California non-profit corporation ("Assignor") may assign its right, title and interest in and to, and all obligations under said Contracts, subject to the City of Garden Grove's consent. By its signature below, the City of Garden Grove hereby consents to the foregoing Assignment and Assumption Agreement whereby Assignor has assigned its right, title and interest in and to, and all obligations under the terms of the Agreement to the Illumination Foundation, a non-profit corporation ("Assignee"), and Assignee has expressly and unconditionally assumed same.

CITY OF GARDEN GROVE,
a California Municipal Corporation

Matt Fertal, City Manager

Date

Attest:

City Clerk