

**SUPPLEMENTAL AGREEMENT FOR THE USE OF
2022-2023 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

This Supplemental Agreement (“Agreement”) is entered into this _____ day of _____, 2022, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the CITY OF LAKE ELSINORE, herein called "CITY." COUNTY and CITY are collectively referred to as “Parties” and individually as “Party.”

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated November 30, 2020 (“Cooperation Agreement”), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds (“CDBG”), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, dated November 30, 2020, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY has been allocated \$478,794 in CDBG Entitlement funds for the 2022-2023 CDBG program year. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of \$421,394 CDBG Entitlement Funds, as specifically identified in Exhibit(s) A, B, C, D, and E attached hereto, and are incorporated herein by this reference, for the following project(s) (collectively, the “Projects”):

1.LE.82-22 Vista Community Clinic Program, \$22,000.

1.LE.83-22 Boys and Girls Club Scholarship Program, \$10,000.

1.LE.84-22 City Park Improvements, \$389,393.

[OPTIONAL TEXT] CITY has allocated the remaining \$57,400 from its 2022-2023 CDBG allocation to certain activities identified below, hereinafter referred to as “County-wide

1 Activities,” that will be directly administered by COUNTY:

2 **0.242-22 Assistance League of Temecula Valley, \$27,400.**

3 **0.247-22 Helping Our People in Elsinore (H.O.P.E.) \$30,000.**

4 3. TERM OF AGREEMENT. The term of this Agreement for the implementation of the
5 Project(s) shall be for a period of one (1) year from July 1, 2022, to termination on June 30, 2023.

6 4. COMPLETION SCHEDULE. CITY shall proceed consistent with the completion schedule
7 set forth in Exhibit(s) A, B, C, D, and E, attached hereto and incorporated herein.

8 5. EXTENSION OF TIME. In the event the Project(s) are not substantially completed by the
9 time set forth in the applicable completion schedule(s) due to a force majeure event (See Section 40
10 below), the COUNTY may consider extending the schedule for the completion of the project(s). Times
11 of performance for other activities may also be extended in writing by COUNTY. If substantial progress
12 toward completion in conformance with the completion schedule, as determined by COUNTY in its
13 discretion, of the project(s) not made during the term of this Supplemental Agreement, COUNTY may
14 suspend or terminate this Supplemental Agreement pursuant to the termination procedures set forth in
15 the section titled "Termination," and the entitlement funds associated with the Project(s) may be
16 reprogrammed by the COUNTY after appropriate notice is provided to the City.

17 6. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the CDBG-
18 funded Projects or activities covered under the terms of this Supplemental Agreement as set forth in
19 Exhibit(s) A, B, C, D, and E attached hereto, prior to receiving written authorization from COUNTY to
20 proceed.

21 7. NOTICES. Each notice, request, demand, consent, approval or other communication
22 (hereinafter in this Section referred to collectively as “notices” and referred to singly as a “notice”) which
23 the CITY or COUNTY is required or permitted to give to the other party pursuant to this Agreement
24 shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally
25 delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received
26 at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier)
27 designating early morning delivery (any notice so delivered shall be deemed to have been received on
28 the next Business Day following receipt by the courier); or (c) sent by United States registered or certified
mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States

1 Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the
2 United States), addressed to the respective parties as follows:

| <u>COUNTY</u> | <u>CITY</u> |
|--------------------------|-----------------------------|
| Heidi Marshall, Director | Jason Simpson, City Manager |
| Riverside County HWS | City of Lake Elsinore |
| P.O. Box 1528 | 130 S. Main Street |
| Riverside, CA 92502 | Lake Elsinore, CA 92532 |

9 8. DISBURSEMENT OF FUNDS.

10 A. COUNTY's Board of Supervisors shall determine the final disposition and
11 distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of this
12 Supplemental Agreement. COUNTY, through its Department of Housing, and Workforce Solutions,
13 shall make payment of the CDBG funds to CITY as set forth in the attached Exhibit(s) A, B, C, D, and
14 E. It is the CITY's responsibility to monitor all project activities set forth in the attached Exhibit(s)
15 A,B,C,D, and E, and to ensure compliance with applicable federal regulations and the terms of this
16 Supplemental Agreement.

17 B. CITY shall comply with timely drawdown of CDBG Entitlement funding by
18 expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects. CITY
19 acknowledges that CITY's drawdown performance directly impacts the COUNTY's overall program
20 drawdown rate. If the CITY's unobligated CDBG fund balance, as of January 31, 2023, exceeds one
21 hundred and seventy-five percent (175%) of the CITY's 2022-2023 CDBG allocation, the COUNTY
22 may, in its sole discretion, take the necessary administrative actions to reduce the CITY's CDBG fund
23 balance. Necessary actions include, but are not limited to, reprogramming the excess CDBG fund
24 balance to other eligible activities as selected by COUNTY. COUNTY may, in its sole and absolute
25 discretion, authorize CITY in writing, prior to January 31, 2023, to exceed the CDBG fund balance
26 requirement.

27 C. CITY shall comply with timely drawdown of CDBG funds by submitting monthly
28 requests for reimbursement or other COUNTY approved reimbursement schedules. All disbursements
of CDBG funds will be on a reimbursement basis and made within thirty (30) days after the COUNTY

1 has received the CITY's reimbursement request including documentation supporting expenditures.

2 D. All authorized obligations incurred in the performance of the Supplemental
3 Agreement for projects eligible under the following CDBG regulations must be reported in writing to
4 COUNTY no later than June 1, 2023:

- 5 1. Acquisition [24 Code of Federal Regulations (CFR) 570.201 (a)]
- 6 2. Clearance Activities [24 CFR 570.201 (d)]
- 7 3. Interim Assistance [24 CFR 570.201 (f)]
- 8 4. Code Enforcement [24 CFR 570.202 (c)]

9 All public service activities [24 CFR 570.201 (e)] and other eligible activities under this
10 Supplemental Agreement must be implemented, completed, and obligations reported in writing to the
11 COUNTY by the CITY no later than the completion schedules set forth in the attached Exhibits to this
12 Supplemental Agreement. "CFR" as used herein refers to the Code of Federal Regulations.

13 9. RECORDS AND INSPECTIONS.

14 A. CITY shall establish and maintain financial, programmatic, statistical, and other
15 supporting records of its operations and financial activities in accordance with the Uniform
16 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part
17 200), and 24 CFR Section 570.502 (a), as they relate to the acceptance and use of federal funds under
18 this Agreement. Said records shall be retained for a period of four (4) years from the date that the activity
19 or program funded with the CDBG Grant is closed out by the COUNTY and reported as complete in the
20 Comprehensive Annual Performance and Evaluation Report (CAPER). Exceptions to the four (4) year
21 retention period requirement, pursuant to 2 CFR 200.333 include, but not limited to, the following:

- 22 i. if any litigation, claim, or audit is started prior to the expiration of the four
23 (4) year period;
- 24 ii. when the CITY is notified in writing by the COUNTY, HUD, or other
25 Federal agency to extend the retention period;
- 26 iii. records for real property and equipment acquired with CDBG funds must
27 be retained for four (4) years after final disposition;
- 28 iv. when the records are transferred by the CITY to the COUNTY, HUD, or
other Federal agency, the four (4) year period is not applicable.

1 B. CITY shall obtain an external audit in accordance with the Uniform
2 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR
3 Section 200.500). Audits shall usually be performed annually but not less frequently than every two
4 years. Nonprofit institutions and government agencies that expend less than \$750,000 a year in Federal
5 awards are exempt from Federal audit requirements, but records must be available for review by
6 appropriate officials of the Federal grantor agency or subgranting entity. The audit report shall be
7 submitted to the COUNTY within 180 days after the end of the COUNTY'S fiscal year.

8 C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement funds
9 received as set forth in Exhibit(s) A, B, C, D, and E attached hereto.

10 D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours, make
11 available to COUNTY, the U.S. Department of Housing and Urban Development (HUD), or other
12 authorized representative, for the examination and copying, all of its records and other materials with
13 respect to matters covered by this Agreement and provide reasonable access to CITY staff for the purpose
14 of interview and discussion related to the records and documents.

15 E. CITY shall not retain any program income as defined in 24 CFR 570.500. Said
16 program income shall be used only for the activities that are the subject of this Agreement. Further, all
17 provisions of this Agreement shall apply to such activities.

18 F. The CITY shall ensure that at least fifty-one percent (51%) of the persons
19 benefiting from all CDBG-funded activities or projects designated as serving limited clientele [24 CFR
20 570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household income guidelines.
21 The CITY shall provide the required income certification and direct benefit documentation, in writing,
22 to the COUNTY pursuant to the reporting requirement of each activity as set forth in Exhibit(s) A, B, C,
23 D, and E, attached hereto. In the event that CITY engages the services of a sub-contractor to implement
24 CDBG-funded activities, the CITY must collect, in writing, all required income certification and direct
25 benefit documentation from subcontractors prior to submittal to the COUNTY pursuant to the reporting
26 requirement of each activity as set forth in Exhibit(s) A, B, C, D, and E, attached hereto.

27 10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal, state, and
28 local laws, regulations, and ordinances and any amendments thereto and the federal regulations and

1 guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY is to comply with those
2 regulations found in the Uniform Administrative Requirements, Cost Principles, and Audit
3 Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part 570. CITY is to abide by the
4 provisions of the Community Development Block Grant Manual, prepared by COUNTY and cited in the
5 above-mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the
6 Housing & Urban Development Act of 1968 (12 U.S.C.A. Section 1701u), as amended, a copy of which
7 is attached hereto as Exhibit "S", and incorporated herein by this reference. CITY shall adhere to the
8 regulations as set forth in Exhibit "R", attached hereto and incorporated herein by this reference,
9 pertaining to inherently religious activities. CITY shall comply with the Additional Federal
10 Requirements, if applicable, attached hereto as Exhibit "AFR", and incorporated herein by this reference.

11 11. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with
12 COUNTY in undertaking essential community development and housing assistance activities,
13 specifically urban renewal and public assistance housing, and shall assist COUNTY in implementing
14 and undertaking the goals and strategies identified in the 2019-2024 Five Year Consolidated Plan,
15 pursuant to 24 CFR Part 91 and other requirements of the Community Development Block Grant
16 Program.

17 12. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA
18 ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Title 14 CCR Section 1501(d), the CITY
19 is designated as the lead agency for the projects that are the subject matter of this Supplemental
20 Agreement.

21 13. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the provisions of
22 Section 895.2 of the California Government Code imposing certain tort liability jointly upon public
23 entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the
24 Code, the Parties hereto, pursuant to the authorization contained in Section 895.4 and 895.6 of the Code,
25 agree that each Party shall be liable for any damages including, but not limited to, claims, demands,
26 losses, liabilities, costs and expenses including reasonable attorneys' fees, resulting from the negligent
27 or wrongful acts or omissions of their employees or agents in the performance of this Agreement, and
28 each Party shall indemnify, defend and hold harmless the other Parties from such claims, demands,

1 damages, losses or liabilities for their negligence.

2 The hold harmless and indemnification obligations set forth herein shall survive the termination
3 and expiration of this Agreement. In the event there is conflict between this clause and California Civil
4 Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation
5 shall not relieve the CITY from indemnifying the Indemnites to the fullest extent allowed by law.

6 14. INSURANCE. Without limiting or diminishing the CITY's obligation to indemnify or
7 hold the COUNTY harmless, CITY shall procure and maintain or cause to be maintained, at its sole cost
8 and expense, the following insurance coverage's during the term of this Agreement. As respects to the
9 insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts,
10 Special Districts, and Departments, their respective directors, officers, Board of COUNTY OF
11 RIVERSIDE Supervisors, employees, elected or appointed officials, agents, or representatives as
12 Additional Insureds

13 a. Workers' Compensation:

14 If the CITY has employees as defined by the State of California, the CITY shall maintain
15 statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of
16 California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with
17 limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive
18 subrogation in favor of the County of Riverside.

19 b. Commercial General Liability:

20 Commercial General Liability insurance coverage, including but not limited to, premises
21 liability, contractual liability, products and completed operations liability, personal and advertising
22 injury, and cross liability coverage, covering claims which may arise from or out of CITY'S performance
23 of its obligations hereunder. Policy shall name the County of Riverside as Additional Insured. Policy's
24 limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance
25 contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2)
26 times the occurrence limit.

27 c. Vehicle Liability:

1 If vehicles or mobile equipment are used in the performance of the obligations under this
2 Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired vehicles so
3 used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance
4 contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2)
5 times the occurrence limit. Policy shall name the County of Riverside as Additional Insured.

6 d. General Insurance Provisions - All lines:

7 (i). Any insurance carrier providing insurance coverage hereunder shall be
8 admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless
9 such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager
10 waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only
11 for one policy term.

12 (ii). The CITY must declare its insurance self-insured retentions. If such self-
13 insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent
14 of the County Risk Manager before the commencement of operations under this Agreement. Upon
15 notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's
16 Risk Manager, CITY'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects
17 this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related
18 investigations, claims administration, and defense costs and expenses.

19 (iii). CITY shall cause CITY'S insurance carrier(s) to furnish the County of
20 Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original
21 copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in
22 writing by the County Risk Manager, provide original Certified copies of policies including all
23 Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further,
24 said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that
25 thirty (30) days written notice shall be given to the County of Riverside prior to any material
26 modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a
27 material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate
28

1 forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed
2 original Certificate of Insurance and original copies of endorsements or certified original policies,
3 including all endorsements and attachments thereto evidencing coverage's set forth herein and the
4 insurance required herein is in full force and effect. CITY shall not commence operations until the
5 COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of
6 endorsements and if requested, certified original policies of insurance including all endorsements and
7 any and all other attachments as required in this Section. An individual authorized by the insurance
8 carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of
9 Insurance.

10 (iv). It is understood and agreed to by the parties hereto that the CITY'S
11 insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles
12 and/or self-insured retention's or self-insured programs shall not be construed as contributory.

13 (v). If, during the term of this Agreement or any extension thereof, there is a
14 material change in the scope of services; or, there is a material change in the equipment to be used in the
15 performance of the scope of or, the term of this Agreement, including any extensions thereof, exceeds
16 five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this
17 Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if;
18 in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CITY
19 has become inadequate.

20 (vi). CITY shall pass down the insurance obligations contained herein to all
21 tiers of subcontractors working under this Agreement.

22 (vii). The insurance requirements contained in this Agreement may be met with
23 a program(s) of self-insurance acceptable to the COUNTY.

24 (viii). CITY agrees to notify COUNTY of any claim by a third party or any
25 incident or event that may give rise to a claim arising from the performance of this Agreement.

26 15. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this
27 Supplemental Agreement, an independent contractor and shall not be deemed an employee of the
28 COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents and

1 subcontractor's) shall in no event be entitled to any benefits to which the COUNTY employees are
2 entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits,
3 and injury leave or other leave benefits. There shall be no employer-employee relationship between the
4 parties; and the CITY shall hold the COUNTY harmless from any and all claims that may be made
5 against the COUNTY based upon any contention by a third party that an employer-employee relationship
6 exists by reason of this Supplemental Agreement. It is further understood and agreed by the parties that
7 the CITY in the performance of this Supplemental Agreement is subject to the control or direction of the
8 COUNTY merely as to the results to be accomplished and not as to the means and methods for
9 accomplishing the results.

10 16. NONDISCRIMINATION. CITY shall abide by 24 CFR Sections 570.601 and 570.602
11 of Title 24 of the Code of Federal Regulations which requires that no person in the United States shall
12 on the grounds of race, color, national origin, sex, sexual orientation, gender identity, or veterans status
13 be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any
14 program or activity funded in whole or in part with Community Development funds.

15 CITY shall abide by and include in any subcontracts to perform work under this Supplemental
16 Agreement, the following clause:

17 "During the performance of this Supplemental Agreement, CITY and its subcontractors shall not
18 unlawfully discriminate against any employee or applicant for employment because of race,
19 religion, color, national origin, ancestry, physical disability, medical condition, marital status,
20 veterans status, sexual orientation, gender identity, age (over 40) or sex. CITY and
21 subcontractors shall insure that the evaluation and treatment of their employees and applicants
22 for employment are free of such discrimination. CITY and subcontractors shall comply with the
23 provisions of the Fair Employment and Housing Act (California Government Code Section
24 12900 et seq.). The applicable regulations of the Fair Employment and Housing Commission
25 are implementing California Government Code Section 12990 et seq., set forth in Chapter 1 of
26 Division 4.1 of Title 2 of the California Administrative Code are incorporated into this
27 Agreement by reference and made a part hereof as if set forth in full. CITY and its subcontractors
28 shall give written notice of their obligations under this clause to labor organizations with which
they have a collective bargaining or other agreement."

1 17. PROHIBITION AGAINST CONFLICTS OF INTEREST

2 A. CITY and its assigns, employees, agents, consultants, officers and elected and
3 appointed officials shall become familiar with and shall comply with the Uniform Administrative
4 Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the
5 CDBG regulations prohibiting conflicts of interest contained in 24 CFR 570.611.

6 B. The Subrecipient shall maintain a written code or standards of conduct that shall
7 govern the performance of its officers, employees or agents engaged in the award and administration of
8 contracts supported by Federal funds.

9 C. No employee, officer or agent of the Subrecipient shall participate in the
10 selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of
11 interest, real or apparent, would be involved.

12 D. No covered persons who exercise or have exercised any functions or
13 responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a
14 decision-making process or gain inside information with regard to such activities, may obtain a financial
15 interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect
16 to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either
17 for themselves or those with whom they have business or immediate family ties, during their tenure or
18 for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any
19 person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the
20 Subrecipient, or any designated public agency.

21 E. CITY understands and agrees that no waiver of exception can be granted to the
22 prohibition against conflict of interest except upon written approval of HUD pursuant to 24 CFR
23 570.611(d). Any request by CITY for an exception shall first be reviewed by COUNTY to determine
24 whether such request is appropriate for submission to HUD in the COUNTY'S sole and absolute
25 discretion. In determining whether such request is appropriate for submission to HUD, COUNTY will
26 consider the factors listed in 24 CFR 570.611(d)(2).

27 F. Prior to the distribution of any CDBG funding under this Supplemental
28 Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents, consultants,
officers and elected and appointed officials who are in a position to participate in a decision making

1 process, exercise any functions or responsibilities, or gain inside information with respect to the CDBG
2 activities funded under this Agreement. CITY shall also promptly disclose to COUNTY any potential
3 conflict, including even the appearance of conflict that may arise with respect to the CDBG activities
4 funded under this Supplemental Agreement.

5 G. Any violation of this Section 17 shall be deemed a material breach of this
6 Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by the
7 COUNTY.

8 18. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

9 a. No federally-appropriated funds have been paid or will be paid, by or on behalf
10 of the CITY, to any person for influencing or attempting to influence an officer or employee of any
11 agency, a member of Congress, an officer or employee of Congress, or an employee of a member of
12 Congress in connection with the awarding of any federal contract, the making of any federal grant, the
13 making of any federal loan, the entering into of any cooperative agreement, and the extension,
14 continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative
15 agreement.

16 b. If any funds other than federally-appropriated funds have been paid or will be paid
17 to any person for influencing or attempting to influence an officer or employee of any agency, a member
18 of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection
19 with this federal contract, grant, loan, or cooperative agreement, the CITY shall complete and submit
20 Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

21 c. CITY shall require that the language of this certification be included in the award
22 documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants,
23 loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
24 This certification is a material representation of fact upon which reliance was placed when this
25 transaction was made or entered into.

26 19. TERMINATION.

27 A. CITY. CITY may not terminate this Agreement except upon express written
28 consent of COUNTY, pursuant to 2 CFR 200.339 (a)(3).

B. COUNTY. Notwithstanding the provisions of Paragraph 19a above, COUNTY

1 may suspend or terminate this Supplemental Agreement upon a ten (10) day written notice to CITY of
2 action being taken and the reason for such action including, but not limited to, the following reasons:

3 (1) In the event CITY fails to perform the covenants herein contained at such
4 times and in such manner as provided in this Supplemental Agreement; and

5 (2) In the event there is a conflict with any federal, state or local law,
6 ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement invalid or
7 untenable; or

8 (3) In the event the funding from the Department of Housing and Urban
9 Development referred to in Sections 1 and 2 above is terminated or otherwise becomes unavailable.

10 C. This Agreement may be terminated and/or funding suspended, in whole or in part,
11 for cause in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit
12 Requirements for Federal Awards (2 CFR 200.339). Cause shall be based on the failure of the CITY to
13 materially comply with either the terms or conditions of this Agreement. Upon suspension of funding,
14 the CITY agrees not to incur any costs related thereto, or connected with, any area of conflict from which
15 the COUNTY has determined that suspension of funds is necessary. CITY acknowledges that failure to
16 comply with Federal statutes, regulations, or the terms and conditions of this Agreement may be
17 considered by the COUNTY in evaluating future CDBG and non-CDBG funding applications submitted
18 by CITY.

19 D. Upon suspension or termination of this Supplemental Agreement, CITY shall
20 return any unencumbered funds which it has been provided by COUNTY. In accepting said funds,
21 COUNTY does not waive any claim or cause of action it may have against CITY for breach of this
22 Supplemental Agreement.

23 E. Reversion of Assets

24 1. Upon expiration or termination of this Supplemental Agreement, the
25 CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of the
26 Supplemental Agreement as well as any accounts receivable held by CITY which are attributable to the
27 use of CDBG funds awarded pursuant to this Supplemental Agreement.

28 2. Any real property under the CITY'S control that was acquired or improved
in whole or in part with CDBG funds (including CDBG funds provided to the CITY in the form of a

1 loan) in excess of \$25,000 is either:

2 (i) Used to meet one of the National Objectives pursuant to 24 CFR
3 570.208 until five years after expiration of this agreement, or for such longer period of time as determined
4 to be appropriate by the COUNTY; or

5 (ii) Not used in accordance with Clause (i) above, in which event the
6 CITY shall pay the COUNTY an amount equal to the current market value of the property less any
7 portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or
8 improvement to, the property.

9 20. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant to this
10 Supplemental Agreement will make reference to the contribution of the COUNTY, the Department of
11 Housing, and Workforce Solutions, and the Community Development Block Grant Program in making
12 the project possible.

13 21. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors shall
14 be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of
15 this Supplemental Agreement and the effective and efficient achievement of the CDBG National
16 Objectives as set forth in Exhibit(s) A, B, C, D, and E, attached hereto. Quarterly reports shall be due on
17 the last day of the month immediately following the end of the quarter being reported. The quarterly
18 written reports shall include, but shall not be limited to, the following data elements:

19 A. Title of program, listing of components, description of activities/operations.

20 B. The projected goals, indicated numerically, and also the goals achieved (for each
21 report period). In addition, identify by percentage and description, the progress achieved towards
22 meeting the specified goals and identify any problems encountered in meeting goals.

23 C. If the CDBG-funded activity meets a National Objective under 24 CFR 570.208
24 (a)(2)(i), CITY will report the following:

25 1) Total number of direct beneficiaries (clientele served) with household
26 incomes at:

- 27 • Above 80% MHI
- 28 • Between 50% and 80% MHI (Low-Income)
- Between 30% and 50% MHI (Very Low-Income)

- Less than 30% MHI (Extremely Low-Income)

2) Total number and percent (%) of the clientele served that have household incomes at or below 80% MHI

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to Housing and Workforce Solutions (HWS) on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by HWS should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD's Community Planning and Development (CPD) Outcome Performance Measurement System.

22. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval from HWS prior to implementing the following "high risk" activities funded with CDBG assistance:

- A. Construction of public facilities (project plans and specifications);
- B. Acquisition of real property;
- C. Historic Preservation;
- D. Relocation; and
- F. Economic Development

23. PRIOR COUNTY APPROVAL (CONSTRUCTION ACTIVITIES). CITY shall obtain COUNTY's written approval, through its HWS, of the project plans, specifications, and construction documents prior to CITY'S construction of same for all projects consisting of CDBG-funded construction activities. The COUNTY neither undertakes nor assumes nor will have any responsibility or duty to CITY or to any third party to review, inspect, supervise, pass judgment upon or inform CITY or any third party of any matter in connection with the development or construction of the improvements, whether regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the property, any person furnishing the same, or otherwise. CITY and all third parties shall rely upon its or their own judgment regarding such matters, and any review,

1 inspection, supervision, exercise of judgment or information supplied to CITY or to any third party by
2 the COUNTY in connection with such matter is for the public purpose of assisting with a community
3 development and housing activity pursuant to the Act, and neither CITY (except for the purposes set
4 forth in this Agreement) nor any third party is entitled to rely thereon. The COUNTY shall not be
5 responsible for any of the work of construction, improvement, or development of the property.

6 It is the responsibility of CITY, without cost to COUNTY, to ensure that all applicable local
7 jurisdiction land use requirements will permit development of the property and construction of the
8 improvements and the use, operation, and maintenance of such Improvements in accordance with the
9 provisions of this Agreement. Nothing contained herein shall be deemed to entitle Sponsor to any
10 local jurisdiction or County permit or other local jurisdiction or County approval necessary for the
11 development of the Property, or waive any applicable local jurisdiction or County requirements
12 relating thereto. This Agreement does not (a) grant any land use entitlement to CITY, (b) supersede,
13 nullify, or amend any condition which may be imposed by the local jurisdiction in connection with
14 approval of the development described herein, (c) guarantee to CITY or any other party any profits
15 from the development of the Property, or (d) amend any local jurisdiction or County laws, codes or
16 rules.

17
18 24. PRIOR COUNTY APPROVAL (AQUISITION ACTIVITIES). CITY shall obtain
19 COUNTY's written approval and authorization to proceed, through HWS, of all CDBG-funded real
20 property acquisition activities.

21 25. REAL PROPERTY ACQUIRED OR PUBLIC FACILITY CONSTRUCTED WITH
22 CDBG FUNDS. When CDBG funds are used, in whole or in part, by CITY to acquire real property or
23 to construct a public facility, CITY will comply with the Uniform Administrative Requirements, Cost
24 Principles, and Audit Requirements for Federal Awards (2 CFR Section 200.311); National
25 Environmental Policy Act of 1969 (42 U.S.C.A. §4321, et seq.); the California Environmental Quality
26 Act (Cal. Pub. Resources Code §21000, et seq.); the Uniform Relocation Assistance and Real Property
27 Acquisition Policies Act of 1970, as amended (42 U.S.C.A. §4630, et seq.); and the COUNTY's Five
28 Year Consolidated Plan. In addition, the following is to occur:

1 a. Title to the real property shall vest in CITY;

2 b. The real property will be held by CITY, or the constructed facility will be
3 maintained by the CITY, for a minimum period of five (5) years from the date the CDBG-funded
4 activity is closed-out and reported as complete by the COUNTY through the Comprehensive Annual
5 Performance and Evaluation Report (CAPER);

6 c. While held by CITY, the real property or the constructed facility is to be used
7 exclusively for the purposes for which acquisition or construction was originally approved by
8 COUNTY;

9 d. Written approval from COUNTY must be secured if the property or the facility is
10 to be put to an alternate use that is consistent with the COUNTY'S Five Year Consolidated Plan or the
11 applicable federal regulations governing CDBG funds;

12 e. Should CITY desire to use the real property or the constructed facility, prior to
13 the completion of the mandatory five-year period, for a purpose not consistent with applicable federal
14 regulations governing CDBG funds or to sell the real property or facility, then:

15 (1) If CITY desires to retain title, CITY will reimburse COUNTY the amount
16 that represents the percentage of current fair market value that is identical to the percentage that CDBG
17 funds initially comprised of monies paid to acquire the property or construct the facility; or

18 (2) If CITY sells the property or facility or is required to sell the property or
19 facility, CITY shall reimburse COUNTY the amount that represents the percentage of proceeds
20 realized by the sale that is identical to the percentage that CDBG funds initially comprised of monies
21 paid to acquire the property or construct the facility. This percentage amount will be calculated after
22 deducting all actual and reasonable cost of sale from the sale proceeds.

23
24 26. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or
25 exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject
26 matter and supersedes all prior and contemporaneous representations, proposals, discussions and
27 communications, whether oral or in writing. No oral understanding or agreement not incorporated herein
28 shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is
incorporated herein by this reference.

1 27. SEVERABILITY. Each section, paragraph and provision of this Supplemental
2 Agreement is severable from each other provision, and if any provision or part thereof is declared invalid,
3 the remaining provisions shall remain in full force and effect.

4 28. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY agrees to
5 notify in writing, and to cause any subcontractor implementing CDBG-funded Projects to notify, in
6 writing, the Riverside County Workforce Development Center of any and all job openings that are caused
7 by the CDBG-funded Projects under this Supplemental Agreement.

8 29. MINISTERIAL ACTS. The Director of Housing and Workforce Solutions or designee(s)
9 are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms,
10 provisions, and conditions of this Supplemental Agreement as it may be amended from time-to-time by
11 COUNTY.

12 30. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no liability
13 for any later determination by the United States Government, the U.S. Department of Housing and Urban
14 Development, or any other person or entity that CITY is or is not eligible under 24 CFR Part 570 to
15 receive CDBG entitlement funds from the COUNTY.

16 31. SOURCE OF FUNDING. CITY acknowledges that the source of funding pursuant to this
17 Supplemental Agreement is Community Development Block Grant funds (CFDA 14.218), and the Grant
18 Award Number is B-22-UC-06-0506.

19 32. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form with
20 respect to this Supplemental Agreement, without prior written approval of the COUNTY.

21 33. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement and any
22 dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State
23 of California. This Supplemental Agreement shall be construed as a whole according to its fair language
24 and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of
25 construction to the effect that ambiguities are to be resolved against the drafting party shall not be
26 employed in interpreting this Supplemental Agreement, all parties having been represented by counsel
27 in the negotiation and preparation hereof.

28 34. WAIVER. Failure by a party to insist upon the strict performance of any of the
provisions of this Supplemental Agreement by the other party, or the failure by a party to exercise its

1 rights upon the default of the other party, shall not constitute a waiver of such party's rights to insist and
2 demand strict compliance by the other party with the terms of this Supplemental Agreement thereafter.

3 35. JURISDICTION AND VENUE: Any action at law or in equity arising under this
4 Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or
5 determining the validity of any provision of this Supplemental Agreement shall be filed only in the
6 Superior Court of the State of California, located in Riverside, California, and the parties hereto waive
7 all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction

8 36. USE OF PROPERTY. Whenever federal CDBG funds or program income are used, in
9 whole or in part, for the purchase of equipment or personal property, the property shall not be transferred
10 from its originally funded use, by CITY or the CITY'S subcontractor implementing the CDBG-funded
11 activity, for a period of five (5) years from the close-out date of the grant from which CDBG assistance
12 was provided. The CITY shall maintain a current inventory for COUNTY monitoring and review.

13 37. AUTHORITY TO EXECUTE. The persons executing this Supplemental Agreement or
14 exhibits attached hereto on behalf of the parties to this Supplemental Agreement hereby warrant and
15 represent that they have the authority to execute this Supplemental Agreement and warrant and represent
16 that they have the authority to bind the respective parties to this Supplemental Agreement to the
17 performance of its obligations hereunder.

18 38. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the date the
19 parties sign the Supplemental Agreement. If the parties sign the Supplemental Agreement on more than
20 one date, then the last date the Supplemental Agreement is signed by a party shall be the effective date.

21 39. COUNTERPARTS. This Supplemental Agreement may be signed by the different
22 parties hereto in counterparts, each of which shall be an original but all of which together shall constitute
23 one and the same agreement.

24 40. FORCE MAJEURE.

25 A. Performance by either party hereunder shall not be deemed to be in default where
26 delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires,
27 casualties, acts of God, acts of the public enemy, epidemics, pandemic, quarantine restrictions, freight
28 embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe
weather, inability to secure necessary labor, material or tools, delays of any contractor, sub-contractor

1 or supplier, acts of the other party, acts or failure to act of a public or governmental agency or entity, or
2 any causes beyond the control or without the fault of the party claiming an extension of time to perform.

3 B. An extension of time for any such cause (a "Force Majeure Delay") shall be for
4 the period of the enforced delay and shall commence to run from the time of the commencement of the
5 cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar
6 days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the
7 foregoing events shall constitute a Force Majeure Delay unless and until the party claiming such delay
8 and interference delivers to the other party written notice describing the event, its cause, when and how
9 such party obtained knowledge, the date the event commenced, and the estimated delay resulting
10 therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within thirty (30)
11 calendar days after it obtains knowledge of the event.

12 41. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be modified
13 or amended only by a writing signed by the duly authorized and empowered representative of COUNTY
14 and CITY respectively.

15 42. DIGITAL AND ELECTRONIC SIGNATURES. The parties agrees to the use of electronic
16 signatures, such as digital signatures that meet the requirements of the California Uniform Electronic
17 Transactions Act ((“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17). The parties further agree that the
18 electronic signatures of the parties included in this Agreement are intended to authenticate this writing
19 and to have the same force and effect as manual signatures. Electronic signature means an electronic
20 sound, symbol, or process attached to or logically associated with an electronic record and executed or
21 adopted by a person with the intent to sign the electronic record pursuant to CUETA as amended from
22 time to time. Digital signature means an electronic identifier, created by computer, intended by the party
23 using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied
24 upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature"
25 as defined in subdivision (i) of Section 1633.2 of the Civil Code.
26

27 [Remainder of Page Intentionally Blank]

28 [Signatures on Following Page]

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IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the
dates set forth below.

COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

CITY OF LAKE ELSINORE,
a General law City

BY: _____
Michael Walsh,
Deputy Director

BY: _____
Name:

Title:

Date: _____

Date: _____

APPROVED AS TO FORM:

ATTEST:

COUNTY COUNSEL

By: _____
Amrit P. Dhillon,
Deputy County Counsel

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

EXHIBIT "R"

24 C.F.R. § 5.109

Equal participation of faith-based organizations in HUD programs and activities.

Effective: May 4, 2016

(a) Purpose.

Consistent with [Executive Order 13279](#) (issued on December 12, 2002, [67 FR 77141](#)), entitled "Equal Protection of the Laws for Faith-Based and Community Organizations," as amended by [Executive Order 13559](#) (issued on November 17, 2010, [75 FR 71319](#)), entitled "Fundamental Principles and Policymaking Criteria for Partnerships With Faith-Based and Other Neighborhood Organizations," and further amended by Executive Order 13831 (issued on May 3, 2018, [83 FR 20715](#)) entitled "Establishment of a White House Faith and Opportunity Initiative," this section describes requirements for ensuring the equal participation of faith-based organizations in HUD programs and activities. These requirements apply to all HUD programs and activities, including all of HUD's Native American Programs, except as may be otherwise noted in the respective program regulations in title 24 of the Code of Federal Regulations (CFR), or unless inconsistent with certain HUD program authorizing statutes.

b) Definitions. The following definitions apply to this section:

Direct Federal financial assistance means Federal financial assistance provided when a Federal Government agency or an intermediary, as defined in this section, selects the provider and either purchases services from that provider (i.e., via a contract) or awards funds to that provider to carry out an activity (e.g., via grant, sub-grant, sub-award, or cooperative agreement). The recipients of sub-grants or sub-awards that receive Federal financial assistance through State-administered programs (e.g., flow-through programs) are considered recipients of direct Federal financial assistance. In general, Federal financial assistance shall be treated as direct, unless it meets the definition of indirect Federal financial assistance.

Federal financial assistance means assistance that non-Federal entities receive or administer in the forms of grants, contracts, loans, loan guarantees, property, cooperative agreements, food commodities, direct appropriations, or other assistance, but does not include a tax credit, deduction, or exemption.

Indirect Federal financial assistance means Federal financial assistance provided when the choice of the provider is placed in the hands of the beneficiary, and the cost of that service is paid through a voucher, certificate, or other similar means of Government-funded payment. Federal financial assistance provided to an organization is considered indirect when the Government program through which the beneficiary receives the voucher, certificate, or other similar means of Government-funded payment is neutral toward religion meaning that it is [available](#) to providers without regard to the religious or non-religious nature of the institution and there are no program incentives that deliberately skew for or against religious or secular providers; and the organization receives the assistance as a result of a genuine, independent choice of the beneficiary.

Intermediary means an entity, including a nongovernmental organization, acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that accepts Federal financial assistance and distributes that assistance to other entities that, in turn, carry out activities under HUD programs.

(c) Equal participation of faith-based organizations in HUD programs and activities.

Faith-based organizations are eligible, on the same basis as any other organization, to participate in any HUD program or activity, considering any permissible accommodations, particularly under the Religious Freedom Restoration Act. Neither the Federal Government, nor a State, tribal or local government, nor any other entity that administers any HUD program or activity, shall discriminate against an organization on the basis of the organization's religious character, affiliation, or lack thereof, or on the basis of the organization's religious exercise. For purposes of this part, to discriminate against an organization on the basis of the organization's religious exercise means to disfavor an organization, including by failing to select an organization, disqualifying an organization, or imposing any condition or selection criterion that otherwise disfavors or penalizes an organization in the selection process or has such an effect:

- (1) Because of conduct that would not be considered grounds to disfavor a secular organization;
- (2) Because of conduct that must or could be granted an appropriate accommodation in a manner consistent with RFRA ([42 U.S.C. 2000bb](#) through [2000bb-4](#)) or the Religion Clauses of the [First Amendment](#) to the Constitution;
or
- (3) Because of the actual or suspected religious motivation of the organization's religious exercise.
- (4) In addition, decisions about awards of [Federal financial assistance](#) must be free from political interference or even the appearance of such interference and must be made on the basis of merit, not based on the organization's religious character, affiliation, or lack thereof, or based on the organization's religious exercise. Notices of funding availability, grant agreements, and cooperative agreements shall include language substantially similar to that in appendix A to this subpart, where faith-based organizations are eligible for such opportunities.

(d) Independence and identity of faith-based organizations.

(1) A faith-based organization that applies for, or participates in, a HUD program or activity supported with Federal financial assistance retains its autonomy, right of expression, religious character, authority over its governance, and independence, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs. A faith-based organization that receives Federal financial assistance from HUD does not lose the protections of law.

(2) A faith-based organization that receives direct Federal financial assistance may use space (including a sanctuary, chapel, prayer hall, or other space) in its facilities (including a temple, synagogue, church, mosque, or other place of worship) to carry out activities under a HUD program without concealing, altering, or removing religious art, icons, scriptures, or other religious symbols. In addition, a faith-based organization participating in a HUD program or activity retains its authority over its internal governance, and may retain religious terms in its organization's name, select its board members and employees on the basis of their acceptance of or adherence to the religious tenets of the organization consistent with paragraph (i) of this section), and include religious references in its organization's mission statements and other governing documents.

(e) Explicitly religious activities.

If an organization engages in explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), the explicitly religious activities must be offered separately, in time or location, from the programs or activities supported by direct Federal financial assistance and participation must be voluntary for the beneficiaries of the programs or activities that receive direct Federal financial assistance. The use of indirect Federal financial assistance is not subject to this restriction. Nothing in this part restricts HUD's authority under applicable Federal law to fund activities, that can be directly funded by the Government consistent with the Establishment Clause of the U.S. Constitution.

(f) Intermediary responsibilities to ensure equal participation of faith-based organizations in HUD programs.

If an intermediary - acting under a contract, grant, or other agreement with the Federal Government or with a State, tribal or local government that is administering a program supported by Federal financial assistance - is

given the authority to select a nongovernmental organization to receive Federal financial assistance under a contract, grant, sub-grant, sub-award, or cooperative agreement, the intermediary must ensure that such organization complies with the requirements of this section. If the intermediary is a nongovernmental organization, it retains all other rights of a nongovernmental organization under the program's statutory and regulatory provisions.

(g) Nondiscrimination requirements.

Any organization that receives [Federal financial assistance](#) under a [HUD](#) program or activity shall not, in providing services with such assistance or carrying out activities with such assistance, discriminate against a beneficiary or prospective beneficiary on the basis of religion, religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice. However, an organization that participates in a program funded by indirect Federal financial assistance need not modify its program or activities to accommodate a beneficiary who chooses to expend the indirect aid on the organization's program and may require attendance at all activities that are fundamental to the program.

(h) No additional assurances from faith-based organizations.

A faith-based organization is not rendered ineligible by its religious nature to access and participate in [HUD](#) programs. Absent regulatory or statutory authority, no notice of funding availability, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by [HUD](#) or a recipient or [intermediary](#) in administering [Federal financial assistance](#) from [HUD](#) shall require otherwise eligible faith-based organizations to provide assurances or notices where they are not required of similarly situated secular organizations. All organizations that participate in [HUD](#) programs or activities, including organizations with religious character or affiliations, must carry out eligible activities in accordance with all program requirements, subject to any required or appropriate accommodation, particularly under the Religious Freedom Restoration [Act](#), and other applicable requirements governing the conduct of [HUD](#)-funded activities, including those prohibiting the use of direct financial assistance to engage in explicitly religious activities. No notice of funding availability, grant agreement, cooperative agreement, covenant, memorandum of understanding, policy, or regulation that is used by [HUD](#) or a recipient or [intermediary](#) in administering financial assistance from [HUD](#) shall disqualify otherwise eligible faith-based organizations from participating in [HUD](#)'s programs or activities because such organization is motivated or influenced by religious faith to provide such programs and activities, or because of its religious character or affiliation, or on grounds that discriminate against an organization on the basis of the organization's religious exercise, as defined in this part.

(i) Exemption from Title VII employment discrimination requirements.

A religious organization's exemption from the Federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 ([42 U.S.C. 2000e-1](#)), is not forfeited when the organization participates in a HUD program. Some HUD programs, however, contain independent statutory provisions that impose certain nondiscrimination requirements on all grantees. Accordingly, grantees should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(j) Acquisition, construction, and rehabilitation of structures.

Direct Federal financial assistance may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under a HUD program or activity. Where a structure is used for both eligible and explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization), direct Federal financial assistance may not exceed the cost of the share of acquisition, construction, or rehabilitation attributable to eligible activities in accordance with the cost accounting requirements applicable to the HUD program or activity. However,

acquisition, construction, or rehabilitation of sanctuaries, chapels, or other rooms that a HUD-funded faith-based organization uses as its principal place of worship, may not be paid with direct Federal financial assistance. Disposition of real property by a faith-based organization after its use for an authorized purpose, or any change in use of the property from an authorized purpose, is subject to Government-wide regulations governing real property disposition (2 CFR part 200, subpart D) and the HUD program regulations, as directed by HUD.

(k) Commingling of Federal and State, tribal, and local funds.

If a State, tribal, or local government voluntarily contributes its own funds to supplement direct Federal financial assistance for an activity, the State, tribal or local government has the option to segregate those funds or commingle them with the direct Federal financial assistance. However, if the funds are commingled, the requirements of this section apply to all of the commingled funds. Further, if a State, tribal, or local government is required to contribute matching funds to supplement direct Federal financial assistance for an activity, the matching funds are considered commingled with the direct Federal financial assistance and, therefore, subject to the requirements of this section. Some HUD programs' requirements govern any activity assisted under those programs. Accordingly, recipients should consult with the appropriate HUD program office to determine the scope of applicable requirements.

(l) Tax exempt organizations.

In general, HUD does not require that a recipient, including a faith-based organization, obtain tax-exempt status under section 501(c)(3) of the Internal Revenue Code to be eligible for funding under HUD programs. Many grant programs, however, do require an organization to be a nonprofit organization in order to be eligible for funding. Notices of funding availability that require organizations to have nonprofit status will specifically so indicate in the eligibility section of the notice of funding availability. In addition, if any notice of funding availability requires an organization to maintain tax-exempt status, it will expressly state the statutory authority for requiring such status. Applicants should consult with the appropriate HUD program office to determine the scope of any applicable requirements. In HUD programs in which an applicant must show that it is a nonprofit organization but this is not statutorily defined, the applicant may do so by any of the following means:

- (1) Proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;
- (2) A statement from a State or other governmental taxing body or the State secretary of State certifying that -
 - (i) The organization is a nonprofit organization operating within the State; and
 - (ii) No part of its net earnings may benefit any private shareholder or individual;
- (3) A certified copy of the applicant's certificate of incorporation or similar document that clearly establishes the nonprofit status of the applicant;
- (4) Any item described in paragraphs (1)(1) through (3) of this section, if that item applies to a State of national parents organization, together with a statement by the State of parent organization that the applicant is a local nonprofit affiliate; or
- (5) For an entity that holds a sincerely held religious belief that it cannot apply for a determination as an entity that is tax-exempt under section 501(c)(3) of the Internal Revenue Code, evidence sufficient to establish that the entity would otherwise qualify as a nonprofit organization under paragraphs (1)(1) through (4) of this section.

(m) Rule of construction.

Neither HUD nor any recipient or other intermediary receiving funds under any HUD program or activity shall construe these provisions in such a way as to advantage or disadvantage faith-based organizations affiliated with historic or well-established religions or sects in comparison with other religions or sects.

Credits

[[69 FR 41717](#), July 9, 2004; [80 FR 75934](#), Dec. 7, 2015; [81 FR 19416](#), April 4, 2016; 85 FR 82315, Dec 17, 2020]

SOURCE: [61 FR 5202](#), Feb. 9, 1996; [61 FR 9041](#), March 6, 1996; [61 FR 9537](#), March 8, 1996; [61 FR 11113](#), March 18, 1996; [61 FR 13616](#), March 27, 1996; [61 FR 54498](#), Oct. 18, 1996; [70 FR 77743](#), Dec. 30, 2005; [73 FR 72340](#), Nov. 28, 2008; [75 FR 66258](#), Oct. 27, 2010; [77 FR 5674](#), Feb. 3, 2012; [80 FR 42352](#), July 16, 2015; [81 FR 19416](#), April 4, 2016; [81 FR 80798](#), Nov. 16, 2016; [81 FR 90657](#), Dec. 14, 2016, unless otherwise noted.

AUTHORITY: [12 U.S.C. 1701x](#); [42 U.S.C. 1437a](#), [1437c](#), [1437d](#), [1437f](#), [1437n](#), [3535\(d\)](#); Sec. 327, [Pub.L. 109–115](#), [119 Stat. 2936](#); Sec. 607, [Pub.L. 109–162](#), [119 Stat. 3051](#) ([42 U.S.C. 14043e et seq.](#)); [E.O. 13279](#), [67 FR 77141](#), [3 CFR](#), 2002 Comp., p. 258; and [E.O. 13559](#), [75 FR 71319](#), [3 CFR](#), 2010 Comp., p. 273.; [29 U.S.C. 794](#), [42 U.S.C. 1437a](#), [1437c](#), [1437c–1\(d\)](#), [1437d](#), [1437f](#), [1437n](#), [3535\(d\)](#), and Sec. 327, [Pub.L. 109–115](#), [119 Stat. 2936](#); [42 U.S.C. 3600–3620](#); [42 U.S.C. 5304\(b\)](#); [42 U.S.C. 12101 et seq.](#); [42 U.S.C. 12704–12708](#); [E.O. 11063](#), [27 FR 11527](#), [3 CFR](#), 1958–1963 Comp., p. 652; [E.O. 12892](#), [59 FR 2939](#), [3 CFR](#), 1994 Comp., p. 849.

**Economic Opportunities for Low- and Very Low-Income Persons
CONTRACT REQUIREMENTS
24 CFR Part 75**

RIVERSIDE COUNTY

Section 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

Section 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

(2) Section 3 projects. (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

(ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through Federal Register notice, subject to public comment.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Indian and Tribal preferences. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

Section 75. 5 Definitions.

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5. The following definitions also apply to this part:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

Contractor means any entity entering into a contract with:

- (1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or
- (2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial

consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in §75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in §75.3(a)(2).

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

Subpart C—Additional Provisions for Housing and Community Development Financial Assistance

§75.19 Requirements.

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

- (i) Section 3 workers residing within the service area or the neighborhood of the project, and
- (ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

- (i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
- (ii) YouthBuild programs.

§75.21 Targeted Section 3 worker for housing and community development financial assistance.

(a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

- (1) A worker employed by a Section 3 business concern; or
- (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) Living within the service area or the neighborhood of the project, as defined in §75.5; or
 - (ii) A YouthBuild participant.
- (b) [Reserved]

§75.23 Section 3 safe harbor.

(a) *General.* Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

- (1) Certify that they have followed the prioritization of effort in §75.19; and
- (2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

(b) *Establishing benchmarks.* (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide

benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to §75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

(2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per §75.25(a)(4).

(3) Section 3 benchmarks will consist of the following two ratios:

(i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in §75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§75.25 Reporting.

(a) *Reporting of labor hours.* (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to §75.31.

(3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

(4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the

total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in §75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

- (1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- (2) Provided training or apprenticeship opportunities.
- (3) Provided technical assistance to help Section 3 workers compete for jobs (*e.g.*, resume assistance, coaching).
- (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- (5) Held one or more job fairs.
- (6) Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.*, work readiness activities, interview clothing, test fees, transportation, child care).
- (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

(13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

(14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) *Reporting frequency.* Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§75.27 Contract provisions.

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D—Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§75.29 Multiple funding sources.

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to §75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or recipients

must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§75.31 Recordkeeping.

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

(iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.

(d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§75.33 Compliance.

(a) *Records of compliance.* Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.

(b) *Complaints.* Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

(c) *Monitoring.* HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Lake Elsinore UEI#: Pending

ADDRESS: 130 S. Main Street,
Lake Elsinore, CA 92532

CITY PROGRAM CONTACTS: Fernando Sanudo, Executive Director

SUBRECIPIENT NAME: Vista Community Clinic

ADDRESS: 130 S. Main Street,, Lake Elsinore, CA 92532

PHONE: (760) 631-5000 FAX : (760) 414-3701

E-MAIL: ceo@vcc.org

PROJECT NAME: Vista Community Clinic Program

PROJECT LOCATION: 30195 Fraser Drive, Lake Elsinore, CA 92532

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: \$22,000

Project to be administered by County (HWS) on behalf of CITY: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2022-2023** Community Development Block Grant for the **Vista Community Clinic Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *Vista Community Clinic Health Center provides medical care and assistance with obtaining health insurance to low-income residents of Lake Elsinore. CDBG funds will be used for staff costs of a Certified Enrollment Counselor (direct cost) and other eligible program expenses.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program’s National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(A)

CFR Reference: Low Mod Limited Clientele Presumed

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

| Activity | Units <u>per Month</u> | Total <u>Units/Year</u> | Total <u>Unduplicated Persons</u> |
|-------------|---------------------------|----------------------------|--------------------------------------|
| Activity #1 | | 100 | 100 |

Unit of Service is defined as: persons served

CPD OUTCOME PERFORMANCE MEASUREMENT

- Objectives (select one):**
- Creating Suitable Living Environments
 - Providing Decent Affordable Housing
 - Creating Economic Opportunities

- Outcome (select one):**
- Availability/Accessibility
 - Affordability
 - Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City’s performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$22,000**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

| Line Item | CDBG Granted Funds | Total Non-CDBG Funds | Total Activity/Project Budget | Notes |
|--|--------------------|----------------------|-------------------------------|-------|
| Total Direct Program Expenses | \$ 22,000 | <i>\$41,525</i> | <i>\$63,525</i> | |
| Salaries | X | | | |
| Fringe | X | | | |
| Office Space (Program Only) | | | | |
| Utilities | | | | |
| Communications | | | | |
| Reproduction/Printing | | | | |
| Supplies and Materials | | | | |
| Mileage | | | | |
| Equipment (Program Only) | | | | |
| Audit | | | | |
| Transportation | | | | |
| Other: Other Eligible Costs | X | | | |
| Total Indirect Program Expenses | \$ | | | |
| Indirect Costs (Specify)* | | | | |
| TOTAL CDBG BUDGET | \$22,000 | <i>\$41,525</i> | <i>\$63,525</i> | |

* All indirect costs must be pre-approved by the County. City must submit an Indirect Cost Allocation Plan to County, in a form specified by County, demonstrating the appropriate share of general and administrative costs.

G. Total Amount of Non-CDBG Leveraging

| TYPE | SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT | TOTAL |
|--------------------|--------|----------|--------|--------|--------|--------|-----------------|
| FEDERAL | HRSA | \$41,525 | | | | | \$41,525 |
| STATE/LOCAL | | | | | | | |
| PRIVATE | | | | | | | |
| OTHER | | | | | | | |

TOTAL: \$41,525

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained.

The City and its subrecipients will maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention:

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's

annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data:

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure:

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs:

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections:

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|---|---------------------------|-----------------------------|
| Complete Sponsor Training | September 2022 | September 2022 |
| Implement Program Activities | July 1, 2022 ¹ | ----- |
| Execute Supplemental Agreement & Notice to Incur Cost | September 2022 | October 2022 |
| City Submits Quarterly Performance Reports to County | October 2022 | March 17, 2023 ² |
| County Monitoring of City Performance | TBD | TBD |
| City Submits Monthly Direct Benefit Reports | October 2022 | March 17, 2023 ³ |
| City Submits Reimbursement Requests | October 2022 | March 17, 2023 ⁴ |

1 The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.

2, 3, 4 Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.

CDBG Program Services Complete **March 17, 2023**

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect **income self-certifications** from every individual or family participating in CDBG-funded activities or the parent or legal guardian of every child participating in CDBG-funded activities. This includes family income, family size, and ethnicity. Sponsor is required to collect **income verification** documentation from at least 10% of the participants. All of this documentation must be submitted to HWS on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, City must submit monthly reimbursement requests unless another schedule is approved, in writing, by HHPWS. Further, at least 75% of all 2022-23 CDBG funds must be drawn down by January 13, 2023, and 100% of all 2022-23 CDBG funds must be drawn down by March 17, 2023.

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Lake Elsinore UEI#: Pending

ADDRESS: 130 S. Main Street
Lake Elsinore, CA 92532

CITY PROGRAM CONTACTS: Carly Bennett-Valle, Executive Director

SUBRECIPIENT NAME: Boys & Girls Clubs of Southwest County

ADDRESS: 130 S. Main Street, Lake Elsinore, CA 92532

PHONE : 951-699-1526 FAX : _____

E-MAIL : carlyv@bgcswc.org

PROJECT NAME: Boys and Girls Club Scholarship Program

PROJECT LOCATION: 16275 Grand Avenue, Lake Elsinore, CA 92530

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: \$10,000

Project to be administered by County (HWS) on behalf of CITY: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2022-2023** Community Development Block Grant for the **Boys and Girls Club Scholarship Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Boys and Girls Club of Southwest County provides an after-school program, The Program, at the Lake Elsinore Clubhouse in Lakeland Village. Trained professional staff members implement and supervise activities in Life Skills, Recreation, Art & Culture, Academics & Career, and Service Learning. CDBG funds will be used for "scholarships" for low-income clients.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(2)(i)(B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

| Activity | Units <u>per Month</u> | Total <u>Units/Year</u> | Total <u>Unduplicated Persons</u> |
|-------------|---------------------------|----------------------------|--------------------------------------|
| Activity #1 | | 20 | 20 |

Unit of Service is defined as: *scholarships*

CPD OUTCOME PERFORMANCE MEASUREMENT

- Objectives (select one):**
- Creating Suitable Living Environments
 - Providing Decent Affordable Housing
 - Creating Economic Opportunities

- Outcome (select one):**
- Availability/Accessibility
 - Affordability
 - Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

| TYPE | SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT | TOTAL |
|--------------------|--------|----------|--------|--------|--------|-----------------|-----------------|
| FEDERAL | | | | | | | |
| STATE/LOCAL | | | | | | | |
| PRIVATE | | | | | | | |
| OTHER | Fees | \$20,000 | | | | | \$20,000 |
| TOTAL: | | | | | | \$20,000 | |

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained.

The City and its subrecipients will maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention:

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's

annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data:

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure:

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs:

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections:

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|---|---------------------------|-----------------------------|
| Complete Sponsor Training | September 2022 | September 2022 |
| Implement Program Activities | July 1, 2022 ¹ | ----- |
| Execute Supplemental Agreement & Notice to Incur Cost | September 2022 | October 2022 |
| City Submits Quarterly Performance Reports to County | October 2022 | March 17, 2023 ² |
| County Monitoring of City Performance | TBD | TBD |
| City Submits Monthly Direct Benefit Reports | October 2022 | March 17, 2023 ³ |
| City Submits Reimbursement Requests | October 2022 | March 17, 2023 ⁴ |

¹ The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.

^{2, 3, 4} Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.

CDBG Program Services Complete **March 17, 2023**

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

City must collect **income self-certifications** from every individual or family participating in CDBG-funded activities or the parent or legal guardian of every child participating in CDBG-funded activities. This includes family income, family size, and ethnicity. All this documentation must be submitted to HWS on a monthly basis.

Once the Notice to Incur Cost letter is received, City must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2022-23 CDBG funds must be drawn down by January 13, 2023, and 100% of all 2022-23 CDBG funds must be drawn down by March 17, 2023.

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Lake Elsinore UEI #: Pending

ADDRESS: 130 S. Main Street

Lake Elsinore, CA 92532

PROGRAM CONTACTS: Jason Simpson, City Manager

PHONE : 951-674-3124 FAX : (951) 471-0052

E-MAIL : _____

PROJECT NAME: City Park Improvements

PROJECT LOCATION: 243 S. Main Street, Lake Elsinore, CA 92530

LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY: **\$389,393**

Project to be administered by County (HWS) on behalf of City: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2022-2023** Community Development Block Grant for the **City Park Improvements** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Lake Elsinore will utilize CDBG funds for improvements at City Park. Improvements include 2,100 feet of ADA-compliant sidewalk, parking lot improvements, security lighting, and other enhancements. CDBG funds will be used to pay for the design, construction, project management, compliance monitoring, inspection, and other related expenses. City Park Improvements*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(1)(i)

CFR Reference: Low Mod Area

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1: *ADA accessibility sidewalk improvements, parking lot improvements, security lighting, other enhancements*

Activity #2: *Design, construction, project management, compliance monitoring, inspection, and other related expenses.*

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): Creating Suitable Living Environments
 Providing Decent Affordable Housing
 Creating Economic Opportunities

Outcome (select one): Availability/Accessibility
 Affordability
 Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement.

Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the

County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed \$389,393. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

| Line Item | CDBG Granted Funds | Total of Non-CDBG Funds | Total Activity/Project Budget | Notes |
|------------------------------|--------------------|-------------------------|-------------------------------|-------|
| Design/Engineering Costs | X | | | |
| Project Administration Costs | X | | | |
| Construction Costs | X | | | |
| Acquisition Costs | | | | |
| Relocations Costs | | | | |
| Capital Equipment Costs | | | | |
| Code Enforcement | | | | |
| Clearance | | | | |
| Interim Assistance | | | | |
| Indirect Costs: | | | | |
| TOTAL CDBG BUDGET | \$389,393 | | | |

G. Total Amount of Non- CDBG Leveraging

| TYPE | SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT | TOTAL |
|--------------------|--------------|-----------|--------|--------|--------|--------|-----------|
| FEDERAL | | | | | | | |
| STATE/LOCAL | Gen Fund | \$15,000 | | | | | \$15,000 |
| PRIVATE | | | | | | | |
| OTHER | Tax incremen | \$380,880 | | | | | \$380,880 |

TOTAL: \$395,880

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- I Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|--|----------------------------|------------------------|
| Complete CDBG Training | September 2022 | September 2022 |
| Implement Project Activities | Upon Notification from HWS | |
| Execute Supplemental Agreement & Notice to Incur Cost | September 2022 | October 2022 |

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|--|-------------------------------------|------------------------|
| Submit Quarterly Performance Reports to County | October 2022 | Through June 2024 |
| County Monitoring of City Program/Performance | To be determined by Program Manager | |

Specific Project Activities:

1. City executes Supplemental Agreement; receives Authorization to Incur Cost letter
2. City prepares final construction documents (incorporating Special Federal Provisions) for HWS review and approval
3. HWS authorizes City to advertise for bids
4. HWS reviews and approves bidding process
5. City awards construction contract
6. City and HWS conduct "pre-construction meeting"
7. HWS authorizes City to issue "Notice to Proceed"

City Submits Reimbursement Requests

Monthly Submittal

Other Schedule

CDBG-funded Project Complete

June 15, 2023

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

City must follow proper procurement and construction policies and procedures of the City and CDBG regulations. No construction will shall commence using CDBG funding without prior Notice to Proceed. Pre-Construction meeting required. City is required to contact the County Program Manager for review prior to submission of RFP, construction activity or cost without prior written approval. County must be contacted 10 days in advance for attendance of Pre-Construction meeting. Original Certified payrolls to be submitted on a weekly basis to County.

EXHIBIT D**SPONSOR'S AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)****I. GENERAL INFORMATION****SPONSOR NAME:** Assistance League of Temecula Valley**UEI #:** Pending**ADDRESS:** 28720 Via Montezuma Temecula CA 92590**PROGRAM CONTACTS:** Denise Lanier, President & Grants Chair**PHONE:** 951-265-8248**FAX:****E-MAIL:** grammysings@msn.com**PROJECT NAME:** Operation School Bell**PROJECT LOCATION:** 28720 Via Montezuma, Temecula, CA 92590

LEVEL OF ENVIRONMENTAL CLEARANCE: EXEMPT [24 CFR 58.34 (a)(4)]

CDBG ELIGIBILITY CODE: 24 CFR 570.201 (e) Public Services

PROJECT FUNDING SUMMARY: \$82,040

II. SCOPE OF SERVICE**A. Activities**

Sponsor will be responsible for administering a **2022-2023** Community Development Block Grant for Operation School Bell in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

- Activity #1 Operation School Bell will use CDBG funds to provide school supplies, new clothing, and shoes to children and youth ages 4-17 from low-income families at multiple shopping events for eligible children.

EXHIBIT D

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program’s National Objective Criteria as required under 24 CFR 570.200(a)(2). Sponsor certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: Low Mod Limited Clientele Income Certification

CFR Reference: 570.208 (a)(2)(i)(B)

C. Levels of Accomplishment – Goals and Performance Measures

The Sponsor agrees to provide the following levels of program services:

| Activity | Units per Month | Total Units/Year | Total <u>Unduplicated Persons</u> |
|-------------|--------------------|---------------------|--------------------------------------|
| Activity #1 | | 400 | 400 |

Unit of Service is defined as: Clients Served

CPD OUTCOME PERFORMANCE MEASUREMENT

- Objectives (select one):**
- Creating Suitable Living Environments
 - Providing Decent Affordable Housing
 - Creating Economic Opportunities

- Outcome (select one):**
- Availability/Accessibility
 - Affordability
 - Sustainability (promoting livable or viable communities)

D. Sponsor Capacity

By executing this Sponsor’s Agreement, the Sponsor certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

Sponsor will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact Sponsor’s performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside Grantee will monitor the performance of the Sponsor against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sponsor within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

EXHIBIT D

G. Total Amount of Non- CDBG Leveraging

| TYPE | SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT | TOTAL |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| FEDERAL | | | | | | | |
| STATE/LOCAL | | | | | | | |
| PRIVATE | | | | | | | |
| OTHER | | | | | | | |

TOTAL: \$0

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The Sponsor agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The Sponsor shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

EXHIBIT D2. Records Retention

The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sponsor shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The Sponsor understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Sponsor's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sponsor's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sponsor has control over CDBG funds, including program income.

6. Audits & Inspections

All Sponsor records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sponsor within 30 days after receipt by the Sponsor. Failure of the Sponsor to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sponsor hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

EXHIBIT D**IV. PROJECT IMPLEMENTATION AND SCHEDULE**

Unless pre-approved by County, Sponsor will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|---|-------------------|-----------------------------|
| Complete Sponsor Training | September 2022 | September 2022 |
| Implement Program Activities | July 1, 2022 | ----- |
| Execute Sponsor's Agreement & Notice to Incur Cost ¹ | September 2022 | October 2022 |
| Sponsor Submits Quarterly Performance Reports to County | October 2022 | March 17, 2023 ² |
| Sponsor Submits Monthly Direct Benefit Reports | October 2022 | March 17, 2023 ³ |
| Sponsor Submits Reimbursement Requests | October 2022 | March 17, 2023 ⁴ |

¹ The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity.

^{2, 3, 4} Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager.

CDBG Program Services Complete March 17, 2023

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect **income self-certifications** from every individual or family participating in CDBG-funded activities or the parent or legal guardian of every child participating in CDBG-funded activities. This includes family income, family size, and ethnicity. Sponsor is required to collect **income verification** documentation from at least 10% of the participants. All of this documentation must be submitted to HWS on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, Sponsor must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2022-2023 CDBG funds must be drawn down by January 14, 2023, and **100% of all 2022-2023 CDBG funds must be drawn down by March 12, 2023**. Failure to meet this draw down schedule will result in the closing or cancellation of the CDBG grant and reprogramming of remaining funds.

EXHIBIT E**SPONSOR'S AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)****I. GENERAL INFORMATION**

| | |
|--|-----------------------|
| SPONSOR NAME: Helping Our People in Elsinore, Inc. (HOPE) | UEI #: Pending |
|--|-----------------------|

| |
|---|
| ADDRESS: 114 E. Peck Street Lake Elsinore CA 92530 |
|---|

| |
|--|
| PROGRAM CONTACTS: Brett Masters, Executive Director |
|--|

| | |
|----------------------------|-------------|
| PHONE: 951-245-7510 | FAX: |
|----------------------------|-------------|

| |
|--|
| E-MAIL: brett@dreamcenterle.org |
|--|

| |
|--|
| PROJECT NAME: H.O.P.E. Pantry Program |
|--|

| |
|---|
| PROJECT LOCATION: 506 Minthorn Street, Lake Elsinore, CA 92530 |
|---|

LEVEL OF ENVIRONMENTAL CLEARANCE: EXEMPT [24 CFR 58.34 (a)(4)]

CDBG ELIGIBILITY CODE: 24 CFR 570.201 (e) Public Services

PROJECT FUNDING SUMMARY: \$73,933

II. SCOPE OF SERVICE**A. Activities**

Sponsor will be responsible for administering a **2022-2023** Community Development Block Grant for Helping Our People in Elsinore, Inc. (H.O.P.E) in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

- Activity #1 H.O.P.E. provides meals to needy families, seniors, and homeless persons in the Lake Elsinore, Sedco Hills, Canyon Lake, Wildomar, and Lakeland Village. CDBG funds will be used for consumable supplies, space costs, utilities, food, transportation, and operational costs.

EXHIBIT E

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program’s National Objective Criteria as required under 24 CFR 570.200(a)(2). Sponsor certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: Low Mod Limited Clientele Income Certification

CFR Reference: 570.208 (a)(2)(i)(B)

C. Levels of Accomplishment – Goals and Performance Measures

The Sponsor agrees to provide the following levels of program services:

| Activity | Units <u>per Month</u> | Total <u>Units/Year</u> | Total <u>Unduplicated Persons</u> |
|-------------|---------------------------|----------------------------|--------------------------------------|
| Activity #1 | | 2,500 | 2,500 |

Unit of Service is defined as: Clients Served

CPD OUTCOME PERFORMANCE MEASUREMENT

- Objectives (select one):**
- Creating Suitable Living Environments
 - Providing Decent Affordable Housing
 - Creating Economic Opportunities

- Outcome (select one):**
- Availability/Accessibility
 - Affordability
 - Sustainability (promoting livable or viable communities)

D. Sponsor Capacity

By executing this Sponsor’s Agreement, the Sponsor certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

Sponsor will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact Sponsor’s performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside Grantee will monitor the performance of the Sponsor against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Sponsor within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

EXHIBIT E**F. Program Budget**

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed \$73,933. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

The County may require a more detailed budget breakdown than the one contained herein, and the Sponsor shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and Sponsor.

| Line Item | CDBG Granted Funds | Total Non-CDBG Funds | Total Activity/Project Budget | Notes |
|--|---------------------------|-----------------------------|--------------------------------------|--------------|
| Total Direct Program Expenses | \$73,933 | <i>\$215,000</i> | <i>\$288,933</i> | |
| Salaries | | | | |
| Fringe | | | | |
| Office Space (Program Only) | X | | | |
| Utilities | X | | | |
| Communications | | | | |
| Reproduction/Printing | | | | |
| Supplies and Materials | X | | | |
| Mileage | | | | |
| Equipment (Program Only) | | | | |
| Audit | | | | |
| Transportation | x | | | |
| Other: | | | | |
| Total Indirect Program Expenses | \$ | | | |
| Indirect Costs (Specify)* | | | | |
| TOTAL CDBG BUDGET | \$73,933 | \$215,000 | \$288,933 | |

EXHIBIT E

G. Total Amount of Non- CDBG Leveraging

| TYPE | SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT | TOTAL |
|-------------|-----------|----------|---------------|----------|--------|--------|-----------|
| FEDERAL | | | | | | | |
| STATE/LOCAL | | | | | | | |
| PRIVATE | Private | \$25,000 | Grants | \$95,000 | | | \$120,000 |
| OTHER | Donations | \$65,000 | Miscellaneous | \$30,000 | | | \$95,000 |

TOTAL: \$ 215,000

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The Sponsor agrees to comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The Sponsor shall administer its program in conformance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

EXHIBIT E2. Records Retention

The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Sponsor shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The Sponsor understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Sponsor's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Sponsor's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Sponsor has control over CDBG funds, including program income.

6. Audits & Inspections

All Sponsor records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Sponsor within 30 days after receipt by the Sponsor. Failure of the Sponsor to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Sponsor hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits, the Single Audit Act, and the Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

EXHIBIT E

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, Sponsor will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|---|-------------------|-----------------------------|
| Complete Sponsor Training | September 2022 | September 2022 |
| Implement Program Activities | July 1, 2022 | ----- |
| Execute Sponsor’s Agreement & Notice to Incur Cost ¹ | September 2022 | October 2022 |
| Sponsor Submits Quarterly Performance Reports to County | October 2022 | March 17, 2023 ² |
| Sponsor Submits Monthly Direct Benefit Reports | October 2022 | March 17, 2023 ³ |
| Sponsor Submits Reimbursement Requests | October 2022 | March 17, 2023 ⁴ |
| ¹ The Notice to Incur Cost Letter will provide the specific program implementation date for this CDBG-funded activity. | | |
| ^{2, 3, 4} Submittal of required documentation is determined by the specific benefit period of the CDBG-funded activity. Confirm performance requirements with CDBG Program Manager. | | |
| CDBG Program Services Complete | | March 17, 2023 |

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect **income self-certifications** from every individual or family participating in CDBG-funded activities or the parent or legal guardian of every child participating in CDBG-funded activities. This includes family income, family size, and ethnicity. Sponsor is required to collect **income verification** documentation from at least 10% of the participants. All of this documentation must be submitted to HWS on a monthly basis unless otherwise authorized in writing by CDBG program staff.

Once the Notice to Incur Cost letter is received, Sponsor must submit monthly reimbursement requests unless another schedule is approved, in writing, by HWS. Further, at least 75% of all 2022-2023 CDBG funds must be drawn down by January 13, 2023, **and 100% of all 2022-2023 CDBG funds must be drawn down by March 17, 2023**. Failure to meet this draw down schedule will result in the closing or cancellation of the CDBG grant and reprogramming of remaining funds.