



Cathedral City

**Notice of Funding Availability (NOFA)
and
Request for Qualifications (RFQ)
for
Community Development Block Grant Coronavirus (CDBG-CV) Funding**

The City of Cathedral City (City) is pleased to announce the availability of approximately \$360,777 in additional Community Development Block Grant Coronavirus (CDBG-CV) funding from the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act through this Notice of Funding Availability (NOFA) for its upcoming Fiscal Year from July 1, 2020 through June 30, 2021.

PURPOSE:

On March 27, 2020, President Trump signed into law “Phase 3” of a stimulus package known as the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act is a \$2 trillion stimulus package with significant implications across housing and nearly all other aspects of the economy. The CARES Act appropriates \$5 billion to the U.S. Department of Housing and Urban Development (HUD) in additional funding for Community Development Block Grants (CDBG), as well as, additional funds for housing programs designed to support vulnerable communities.

As a result of the enacted CARES Act, the City of Cathedral City was awarded additional funding based on its annual Entitlement grant formula to be used to prevent, prepare for, and respond to the current coronavirus pandemic (COVID-19).

The City has elected to promulgate a Notice of Funding Availability (NOFA) and request proposals from local agencies affected by COVID-19 and that provide services to low- and moderate-income residents.

Please note, any agency that has previously submitted an application for community assistance with the City and meets the requirements of this request may submit an additional proposal for funding.

CDBG ENTITLEMENT PROGRAM:

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C. -5301 et seq.

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

HUD OBJECTIVE:

The primary federal objective of the CDBG program is the development of viable urban communities by providing decent housing and a suitable living environment and through expanding economic opportunities, principally, for persons of low- and moderate-income. “Persons of low and moderate income” are defined as families, households, and individuals whose incomes do not exceed eighty percent (80%) of the county median income, adjusted for family or household size.

Each activity or service must meet one of the following HUD national objectives to qualify for the program:

- Benefit low- and moderate-income persons,
- Prevention or elimination of slums or blight, or
- Address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

ELIGIBLE ACTIVITIES:

Public Facilities:

- Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements:
 - Construct a facility for testing, diagnosis, or treatment
 - Rehabilitate a community facility to establish an infectious disease treatment clinic
 - Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
- Rehabilitation of buildings and improvements (including interim assistance):
 - Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
 - Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
 - Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.

Public Services:

- Includes day care centers, domestic violence shelters, food banks, community centers, medical and dental facilities, and fire stations:
 - Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
 - Provide testing, diagnosis or other services at a fixed or mobile location.
 - Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
 - Provide equipment, supplies, and materials necessary to carry-out a public service.
 - Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.

Economic Development Assistance:

- Assistance to private, for-profit entities, when appropriate to carry out an economic development project:
 - Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
 - Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
- Assistance to microenterprises:
 - Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

ELIGIBLE APPLICANTS:

Any organization providing programs and/or services to low- and moderate-income to residents of Cathedral City and that meet the criteria of the CDBG-CV funding requirements may be considered eligible.

Any organization requesting federal funding from the City of Cathedral City providing services to youth including third party organizations that receive City funding for programs and services shall establish and enforce a clear policy for reporting, addressing, and preventing bullying (HR-AP-08, May 2020). **A copy of the adopted policy shall be submitted with the proposal.**

APPLICATION PROCESS:

Proposal packages are to be submitted to the City by **June 16, 2020 by 2:00 P.M.** Proposals received after the stated deadline shall not be accepted. Proposal packages are to be delivered to:

**City of Cathedral City
Attention: Vincent Lopez - CDBG Program
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234**

The City reserves the right to waive informalities and to reject all proposals at its sole discretion.

Agencies are encouraged to keep their proposals brief to **no more than three pages** (including Cover Letter) and relevant to the specific requirements. Proposals shall include the following items:

1. Funding Proposal (envelope 1) - submit (1) original and (2) copies

A. Cover Letter

- (1) The name, address and phone number of the agency's contact person for the remainder of the selection process.
- (2) Any qualifying statements or comments regarding the agency's proposal, the information provided in the RFP or the proposed contract.
- (3) A listing of proposed personnel, including subrecipients beyond the agency and their responsibilities, and experience providing similar services.

B. Statement of Qualifications

- (1) A brief statement and/or summary describing how the agency has been impacted by the current pandemic;
- (2) A brief statement and/or summary describing how the agency proposes to use their requested amount to prevent, prepare for, and respond to the current COVID-19;
- (3) A schedule of completion describing how the agency intends to expend their allocation on services.

C. Requested Amount:

- (1) Total amount requested for assistance that includes staff and operating costs associated with the program and/or service.

SELECTION PROCESS:

Proposals will be reviewed by the selection committee. The committee will evaluate the organizations based upon the specific need for this funding purpose and information submitted within their Proposal. The successful organizations will be expected to enter into a Subrecipient Agreement, adhering to all HUD rules and regulations regarding the CDBG Entitlement Program.

ATTACHMENT:

CDBG Subrecipient Agreement - Sample

**COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT NO. 20- [REDACTED]**

FOR

[REDACTED]

FOR

[REDACTED]

This Agreement, is entered in duplicate on the dates set forth below by and between the CITY of CATHEDRAL CITY, a California charter city, as RECIPIENT, (hereinafter referred to as “CITY”), and [REDACTED], (hereinafter referred to as “SUBRECIPIENT.”)

PURPOSE

This Agreement sets forth the responsibilities of CITY and SUBRECIPIENT in accomplishing the objectives of the United States Department of Housing and Urban Development (HUD) Community Development Block Grant as set forth in the Housing and Community Development Act of 1974, (hereinafter referred to as “CDBG”), as amended, Public Law 93-383. The CDBG program and funds related thereto are referred to from time to time as the “CDBG” PROGRAM or “CDBG FUNDS”.

CITY agrees to engage the services of SUBRECIPIENT, and SUBRECIPIENT agrees to perform the services for CITY hereinafter described, for the compensation, during the term, and otherwise subject to the covenants and conditions hereinafter set forth.

1. SUBRECIPIENT’s Services

SUBRECIPIENT agrees to perform during the term of this Agreement, all tasks, obligations, and services set forth in the “Scope of Services” attached to this Agreement as Exhibit A and incorporated into this Agreement by this reference.

2. Payment for Services

CITY shall pay SUBRECIPIENT for the services performed by SUBRECIPIENT pursuant to the terms of this Agreement the compensation set forth in the “Schedule of Compensation” attached hereto as Exhibit “B.” The compensation shall be paid at the time and manner set forth in Exhibit “B.”

3. Availability of Funds/Modifications

CITY’s provision of funding to SUBRECIPIENT pursuant to this Agreement is contingent on the availability of CDBG FUNDS and continued federal authorization for CDBG PROGRAM activities and is subject to amendment or termination due to lack of funds or authorization. This Agreement is subject to written modification and termination as necessary by CITY in accordance with requirements contained in any future Federal legislation, regulations or CITY policy. All other modifications must be in written form and approved by both parties.

4. Obligation of Funds

SUBRECIPIENT shall not obligate any funds, incur any costs, or initiate identified project(s), which are the subject of the Agreement, until all environmental review has been completed and certified by CITY’s Community Development Department and CITY has issued a written “Authorization to Obligate Funds and Incur Costs.”

5. Term of Agreement

The term of this Agreement shall be from July 1, 2020 to June 30, 2021.

6. Time for Performance

SUBRECIPIENT shall not perform any work under this Agreement until (i) SUBRECIPIENT furnishes proof of insurance as required under Section 20 of this Agreement, and (ii) CITY gives SUBRECIPIENT a written, signed and numbered purchase order or other Authorization to obligate funds and incur costs. All services required of SUBRECIPIENT under this Agreement shall be completed on or before the end of the term of the Agreement.

7. Designated Representative

(a) The CITY’s representative is as follows:

Name and Title:	Charles P. McClendon, City Manager
Address:	68700 Avenida Lalo Guerrero, Cathedral City, CA 92234
E-mail Address:	CMcClendon@cathedralcity.gov
Telephone No.:	760-770-0372

(b) The SUBRECIPIENT’s representative, who shall be responsible for job performance, negotiations, contractual matters, coordination with the CITY Representative is as follows:

Name and Title:	
Post Office Address:	
E-mail Address:	
Telephone No.:	

The SUBRECIPIENT’s professional services shall be actually performed by, or shall be immediately supervised by, the SUBRECIPIENT’s representative.

8. Compliance

SUBRECIPIENT agrees that it undertakes hereby the same obligations to CITY that CITY has undertaken to HUD pursuant to CITY’s CDBG application and certifications. The obligations undertaken by SUBRECIPIENT include, but are not limited to, the obligation to comply with all federal laws and regulations describe in Subpart K of 24 CFR Part 570 except, however, that the SUBRECIPIENT does not assume the CITY's environmental responsibilities or the responsibility for

initiating the environmental review process under 24 CFR Part 52. and specifically, with each of the following:

- a) The Housing and Community Development Act of 1974 (Public Law 93-383) as amended, and legislative changes contained in the Housing and Urban-Rural Recovery Act of 1983; and the Housing and Community Development Act of 1987;
- b) Final regulations of the Department of Housing and Urban Development relating to Community Development Block Grants (Title 24, Chapter V, Part 570 of the Code of Federal Regulations commencing with Section 570.1) dated September 6, 1988; and revisions to 24 CFR Part 570 at Subpart J entitled "Grant Administration" and dated March 11, 1988;
- c) Regulations of the Department of Housing and Urban Development relating to environmental review procedures for the Community Block Grant program (Title 24, Subtitle A, Part 58 of the Code of Federal Regulations, commencing at Section 58.1) except that SUBRECIPIENT does not assume CITY's environmental responsibilities;
- d) Title VI of the Civil Rights Act of 1964 (Public Law 88-352); Title VIII of the Civil Rights Act of 1968 (Public Law 90-284); Section 109 of the Housing and Community Development Act of 1974; Section 3 of the Housing and Urban Development Act of 1968; Executive Order 11246 as amended by Executive Order 12086; Executive Order 11063 as amended by Executive Order 12259; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;
- e) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and regulations adopted to implement the Act in the Code of Federal Regulations, Title 24, Part 42;
- f) Equal Employment Opportunity and Affirmative Action (EEO/AA); The SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative Action employer;
- g) Administrative regulations, including, but not limited to, 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance applicable to HUD Federal Award Recipients the uniform guidance supersedes, consolidates, and streamlines requirements from eight OMB circulars:
 - 1) OMB Circular A-21, Cost Principles for Educational Institutions;
 - 2) OMB Circular A-87 entitled "Cost Principles Applicable to Grants and Contracts with State and Local Governments";
 - 3) OMB Circular A-89, Catalog of Domestic Assistance; OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments;
 - 4) OMB Circular A-110 entitled "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations";

- 5) OMB Circular A-122 entitled “Cost Principles for Non-Profit Organizations”;
- 6) OMB Circular A-133 entitled “Audits of States, Local Governments, and Non-Profits”;
- 7) OMB Circular A-50, Audit follow-up on Single Audit Act follow-up
 - h) 24 CFR Part 84 entitled “Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments,” as modified by 24 CFR 570.502(a);
 - i) 24 CFR Part 85 entitled “Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments” and referred to as the “Common Rule”;
 - j) A-128 entitled “Audits of State and Local Governments” (implemented at 24 CFR part 44);
 - k) The following laws and regulations relating to preservation of historic places: Public Law 89-665 the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and Executive Order 11593 including the procedures prescribed by Advisory Council on Historic Preservations in 36 Code of Federal Regulations, Part 800;
 - l) The Labor Standards Regulations set forth in Section 570.603 of 24 CFR Part 570; and HUD Handbook 1344.1;
 - m) Section 3 of the Housing and Urban Development Act of 1968 related to HUD funded activities, to the greatest extent feasible, be directed to create jobs to local low-income residents and the businesses that employ them;
 - n) The Architectural Barriers Act of 1968 (42 U.S.C. Section 4151 and the Americans with Disabilities Act of 1990 (ADA);
 - o) The Hatch Act relating to the conduct of political activities (Chapter 15 of Title 5, U.S.C.);
 - p) The Flood Disaster Protection Act of 1973 (Public Law 93-234 and the regulations adopted pursuant thereto) Section 202(a) and the regulations in 44 CFR parts 59 through 79;
 - q) The Clean Air Act (42 U.S.C. Chapter 85) and the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251 et seq.) and the regulations adopted pursuant thereto;
 - r) Executive Order 12372, which requires State Clearinghouse review and comment of any CDBG project for the planning, construction, reconstruction, and/or installation of water or sewer facilities;
 - s) Section 401(b) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831 (b))

t) Provision of 24 CFR Part 24 regarding use of debarred, suspended, or ineligible contractors or subcontractors; and

u) Provision 24 CFR 570.200(j) regarding equal protection of faith-based organizations.

SUBRECIPIENT further agrees to comply with any environmental, procurement, construction, and other guidelines provided by CITY. As required by Section 30, SUBRECIPIENT shall obtain any necessary permits, licenses and certificates that may be necessary for its performance under this Agreement. Failure to meet established performance goals and standards and/or noncompliance with applicable rules and regulations shall constitute non-compliance with the terms of this Agreement. The CITY is entitled to use one or more of the following remedies for non-compliance, temporarily withhold cash payments pending correction of deficiencies by SUBRECIPIENT; disallow all or part of the cost of the activity or action not in compliance; wholly or partly suspend or terminate the current award for the SUBRECIPIENT's program; withhold further awards for the program; and/or take other remedies that may be legally available.

9. Subcontracts

SUBRECIPIENT shall incorporate the same or substantially equivalent requirements as are contained in this Agreement in all subcontracts which utilize any CDBG FUNDS and/or support any CDBG PROGRAMS(s) covered by this Agreement; when PROGRAMS(s) utilize(s) from CDBG FUNDS and other funding sources, all FUNDS shall be subject to CDBG regulations. SUBRECIPIENT, by entering into any such subcontract for performance of any portion of its CDBG PROGRAM, is not relieved of its responsibilities to CITY as set forth in this Agreement.

10. Non-Discrimination/Grievance Procedures

No person with responsibilities in the operation of any project under this Agreement will discriminate because of race, creed, color, national origin, age, sex, political affiliation, handicap, beliefs, or marital or familial status. SUBRECIPIENT will ensure that every effort is made to provide equal opportunity to every potential minority and women's business vendor, contractor and subcontractor.

11. Standard of Conduct/Conflict of Interest and Lobbying

No member, officer or employee of SUBRECIPIENT or its designee or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the process thereof, for work to be performed in connection with the program activities assisted under this Agreement.

No member, officer or agent of the SUBRECIPIENT shall participate in the selection of in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

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

By entering into this Agreement, SUBRECIPIENT certifies:

- a) No federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement.
- b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, SUBRECIPIENT shall complete and submit Standard Form LL, “Disclosure Form to Report Lobbying,” in accordance with its instructions, and other federal disclosure forms as requested.
- c) SUBRECIPIENT shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENTS shall certify and disclose accordingly.

12. Fiscal Control

The SUBRECIPIENT shall be responsible for the internal control and monitoring of fiscal and programmatic/operational goals and procedures. The SUBRECIPIENT shall establish such fiscal controls and fund accounting procedures as required by Federal regulations, or as may be deemed necessary by HUD and CITY to ensure the proper disbursement of, and accounting for, funds paid to the SUBRECIPIENT under the CDBG PROGRAMS.

- a) Disbursement of Funds: CDBG FUNDS shall generally be disbursed by CITY to SUBRECIPIENT on a reimbursement for actual expenses basis.
- b) Deposit of Funds: SUBRECIPIENT shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG FUNDS. All cash advances must be deposited in an interest-bearing account; any interest earned in excess of \$100 per year (which may be retained for related administrative expenses) must be returned at least

quarterly to the U.S. Department of Housing and Urban Development (HUD) via the CITY. Deposits in minority banks are encouraged.

SUBRECIPIENT subject to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:

- 1) Shall deposit funds in an account requiring two signatures for disbursement and shall submit to CITY specimen signatures for all authorized signatories prior to receipt of funds;

CITY agrees to pay SUBRECIPIENT progress payments at the time and in the manner set forth in the Schedule of Compensation, Exhibit B. Payment by CITY is not to be construed as final in the event HUD disallows reimbursement for the project or any portion thereof. Reasonable back-up documentation, as specified by CITY, shall be submitted by SUBRECIPIENT with request for payment.

SUBRECIPIENT shall be liable for all amounts which are determined to be due by HUD including, but not limited to, disallowed cost which are the result of SUBRECIPIENT's or its contractor's conduct under this Agreement. SUBRECIPIENT shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between CITY and HUD arising from this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 17 of this Agreement.

13. Program Income

Program Income is defined in Subpart J of 24 CFR Part 570.504 and is described as gross income received by SUBRECIPIENT and directly generated from the use of CDBG FUNDS.

Program income includes, but is not limited to, the following:

- a) Proceeds from the disposition by sale or long-term lease of real property purchases or improved with CDBG FUNDS;
- b) Proceeds from the disposition of equipment purchased with CDBG FUNDS;
- c) Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG FUNDS, less costs incidental to generation of the income;

- d) Gross income from the use or rental of real property owned by the SUBRECIPIENT, that was constructed or improved with CDBG FUNDS, less costs of the non-CDBG portion.
- e) Payment of principal and interest on loans made using CDBG FUNDS except as provided in 24 CFR Part 570.500(a)(3);
- f) Proceeds from the sale of loans or obligations secured by loans made with CDBG FUNDS;
- g) Interest earned on program income pending its disposition; and
- h) Funds collected through special assessments made against properties owned and occupied by households not of low or moderate income where the assessments are used to recover all or part of the CDBG PROGRAMS portion of a public improvement.

During the effective term of this Agreement, SUBRECIPIENT shall report all program income as defined in 24 CFR 570.500(a), generated by activities carried out with CDBG funds under this Agreement. All Program Income shall be paid to the CITY and shall be remitted to the CITY on a quarterly basis, when earned, and shall remit any and all income balances accrued by June 30 of this Program Year. Program income attributable to projects funded under this Agreement and on hand with SUBRECIPIENT when Agreement expires, is terminated with or without cause, or received after the Agreement expiration, shall be paid to CITY as required by 24 CFR Part 570.503(b)(8) when the SUBRECIPIENT ceases to be under continuous Agreement with CITY for the operation of CDBG PROGRAMS. As long as there is no break in the Agreement period, program income shall be governed by the provisions of Section 3.

14. Reversion of Assets

Upon expiration of this Agreement, SUBRECIPIENT shall transfer to the CITY any CDBG FUNDS in SUBRECIPIENT's control at the time of expiration and any accounts receivable attributable to the use of CDBG FUNDS. Further, any real property under SUBRECIPIENT's control that was acquired and/or improved in whole or in part with CDBG FUNDS (including CDBG funds provided to the SUBRECIPIENT in the form of a loan) in excess of \$25,000 shall be either:

- a. Used to meet one of the national objectives in 24 CFR Part 570.208 until five (5) years after expiration of this Agreement, the length of time to be further prescribed by mutual agreement of the parties and delineated in Section 33, of this Agreement.
- b. Disposed of in such manner that CITY is reimbursed in the amount of the fair market value of the property at the time of disposition of the property less any portion of the value attributable to expenditures of non-CDBG FUNDS for acquisition and/or improvement of such property. The payment is Program Income to the recipient.

If SUBRECIPIENT is a private non-profit organization, SUBRECIPIENT further agrees to a voluntary lien on above-reference property as to any CDBG FUNDS received and that such lien

will be notarized and recorded in the Office of the County Recorder, will utilize form specified by CITY, and will be subject to provisions listed in Section 33 of this Agreement.

15. Equipment

Equipment, which shall be defined as tangible, nonexpendable, personal property having a useful life of more than one (1) year and an acquisition cost of \$1,000 or more per unit, is eligible for purchase using CDBG FUNDS only upon prior approval of CITY and subject to 24 CFR Part 570.207(b)(1). Such equipment shall be used by SUBRECIPIENT in the project for which it was acquired as long as needed, regardless of whether such project continues to be supported by Federal funds; at the time, equipment may be used in other activities currently or previously supported by a Federal agency. Use of such equipment is also subject to provisions of 24 CFR Part 85.32(c)(2)(3) and (4). SUBRECIPIENT shall also establish procedures for managing equipment, which meet the requirements of 24 CFR Part 85.32(d). Further, proceeds from disposition of such equipment shall be treated as program income as specified in Section 13 and 14 of this Agreement.

16. Records and Reports

SUBRECIPIENT agrees to supply to CITY, on a minimum monthly basis (or a more stringent period designated in Exhibit A – Scope of Services), any progress reports and/or other documentation as may be required by CITY to audit performance of this Agreement and/or to enable CITY to analyze and evaluate utilization of SUBRECIPIENT's program. SUBRECIPIENT shall maintain separate accounting and financial records for each funding (revenue) source in support of the project(s).

- a) Expenditure Summary and Payment Request (ESPR); SUBRECIPIENT shall submit ESPR supporting documents for a reimbursement to CITY's Community Development Department by the 10th of each month. The reimbursement request shall be provided on an official invoice with the supporting ESPR documents. An invoice shall include the total reimbursement amount, a description of services rendered, the period of services rendered, and invoice number. An invoice and ESPR's may be submitted no more often than once a month and no less often than once every three (3) months. An exception would only be in the event that no expenditures occurred, which shall be documented in the quarterly report.
- b) Progress Reports: Progress reports shall be made on a form substantially similar to Exhibit A – Scope of Services, Attachment 1 "Progress Report" and shall address project status and, if applicable, explanation of any problems/delays encountered and/or anticipated and measures to be taken to correct such problems; revised milestones including anticipated schedule for project completion; direct benefit statistics; and a summary of expenditures, obligations, program income, and drawdown to date. In addition, SUBRECIPIENT shall provide as part of the progress report any citizen comments received during the reporting period relative to the project(s), and responses to such comments, and additional project information, as needed. SUBRECIPIENT shall submit such report quarterly within thirty (10) days of the close of report period.
- c) Completion Report: SUBRECIPIENT shall prepare and submit to CITY a Completion Report within thirty (10) days of project completion. Said report shall consist of an

overview and evaluation of the project, a comparison of milestones' progress, total costs incurred, listing of files, listing of personnel, and other reasonable information requested by CITY. The completion of the project or program shall consist of the fourth quarterly report, Attachment 1 "Progress Report"

- d) HUD/CITY Reports: SUBRECIPIENT shall submit to CITY in a timely manner other reports as requested/required CITY for HUD compliance including, but not limited to the Contractor/Subcontractor, EEO-4, and Minority Financial Institution Reports (if applicable), and provide, as requested by HUD and/or CITY, information necessary to prepare the Consolidated Plan, Final Statement of Community Development Objectives, Grantee Performance Report (GPR), and other such reports and/or plans.
- e) Audit: SUBRECIPIENT shall be responsible for conducting an annual audit of its CDBG PROGRAM in compliance with 2 CFR Part 200, which supersedes, consolidates, and streamlines requirements from eight OMB Circulars, including the Office of Management and Budget (OMB) Circular No. A-133 issued pursuant to the Single Audit Act of 1984 and the Single Audit Amendments of 1996, P.L. 98-502, OMB Circular A-110, and 24 CFR Part 85, as applicable. A copy of said audit shall be forwarded to CITY upon completion. Any costs associated with the annual audit shall be the responsibility of and paid for by SUBRECIPIENT.

17. Agreement Responsibility for Monitoring and Records

HUD, the Office of the Inspector General (OIG), and the designated representatives of CITY, and other appropriate officials shall have access to all personnel records, management information, and fiscal data of SUBRECIPIENT and any agency or contractor with whom SUBRECIPIENT executes a subcontract necessary to carry out any CDBG PROGRAM(s) for monitoring purposes (24 CFR 85.40(a) and 84.51-84.53). The SUBRECIPIENT shall respond in a timely manner to all identified corrective action needs as a result of HUD, County, or other monitoring. The SUBRECIPIENT shall submit to CITY all required reports and monitoring corrective action plans on a timely basis, as delineated by CITY. Records shall be maintained as follows:

- a) SUBRECIPIENT agrees to retain all pertinent records under CDBG PROGRAM, including financial records, until advised by CITY that further retention is unnecessary. Generally, records shall be retained for a period for five (5) years from the end of the fiscal year in which the last project covered by CITY's annual agreement with HUD is completed. Records shall be open and available for inspection by auditors and/or other staff assigned by HUD and/or CITY during the normal business hours of SUBRECIPIENT. If at the end of such five-year period, there is ongoing litigation, claims, negotiations, audit or other action involving SUBRECIPIENT's or the CITY's records, which has started before expiration of the five (5) year period, SUBRECIPIENT will retain the records until the completion of the action and resolution of all issues which arise from it (24 CFR 85.42 as modified by 570.502(a)(16), or 24 CFR 84.53(b) as modified by 570.502(b)(3)(ix)(A) and (B), as appropriate).

- b) Consistent with applicable state and local laws regarding privacy and obligations of confidentiality, the SUBRECIPIENT also must provide citizens with reasonable access to records on the past use of CDBG funds (24 CFR 570.508).
- c) Records for nonexpendable property shall be retained for a period of five (5) years after final disposition of the property, if applicable.

18. Inspection Rights

SUBRECIPIENT agrees to allow CITY to inspect physical premises of any project(s) upon 24-hour advance notice.

19. Request for Technical Assistance

SUBRECIPIENT shall refer to the Community Development Department any regulatory or procedural questions regarding operation of its CDBG PROGRAM. All formal requests for technical assistance shall be submitted in writing. Requests should specify the problem area, particular assistance being requested, and proposed solution if applicable. Informal questions regarding day-to-day program operation may be directed to the designated CITY representative.

20. Insurance

Prior to commencing performance of the services required by this Agreement, and at all other times this Agreement remains in effect, the SUBRECIPIENT shall procure and maintain in full force and in effect all of the insurance required by Exhibit C attached hereto and by this reference incorporated herein.

21. Hold Harmless

SUBRECIPIENT shall hold City and City's officers, employees, agents and volunteers harmless and free from any and all claims, liabilities or expenses, including attorney's fees, arising out of or relating to any negligent act, negligent omission, or other wrongful conduct related in any way to SUBRECIPIENT'S performance of its services pursuant to this Agreement. In the event City and/or any of City's officers, employees, agents or volunteers are named in any lawsuit, or should any claim be made against it or any of them by lawsuit or otherwise arising out of or relating to such negligent act, negligent omission or other wrongful conduct, SUBRECIPIENT shall indemnify them for any judgment rendered against them, any sums paid out in settlement or otherwise, and all costs incurred by them in their defense, including, but not limited to attorney's fees.

SUBRECIPIENT also understands and agrees that it is being employed to perform the services provided for by this Agreement because of SUBRECIPIENT'S professed expertise and experience in performing the services provided for under this Agreement. In addition, the SUBRECIPIENT understands and agrees that while City and City's officer's agents, may elect to do so, they have no duty to review, inspect, or supervise the work performed by SUBRECIPIENT pursuant to this Agreement, except as otherwise expressly provided for by this Agreement. As a consequence, the SUBRECIPIENT waives any right of contribution against City or any of City's

officers, employees, agents and volunteers arising out of such failure to inspect, review, monitor or supervise the work performed by SUBRECIPIENT pursuant to this Agreement.

22. Covenants and Conditions

Each term and each provision of this agreement to be performed by SUBRECIPIENT shall be construed to be both a covenant and a condition.

23. Effect of Termination

- a) Termination of Agreement for Convenience: In accordance with 24 CFR Part 85.44, the Agreement may be terminated by either party after thirty (30) days written notice of intention to terminate, setting forth the reasons and the effective date of such termination, has been given to the other party, provided, however, that no notice of termination given by SUBRECIPIENT shall be effective unless HUD has agreed to release CITY from its obligations pursuant to the Program Activity(ies). Alternatively, the agreement will automatically terminate in the event that United States Government terminates the CDBG PROGRAMS or terminates the Program Activity(ies) which is the subject of the Agreement.
- b) Termination of Agreement for Cause: In accordance with 24 CFR Part 85.43, the parties hereto understand that pursuant to CITY's execution of the HUD application, CITY assumed responsibility as to the performance of the projects. If through any cause SUBRECIPIENT fails to fulfill in a timely and proper manner its obligations under this Agreement to undertake, conduct or perform the project(s) identified in this Agreement, or if SUBRECIPIENT violates any of the covenants, agreements, or stipulations of this Agreement, CITY shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof at least (5) days before the effective date of such termination. Notwithstanding the above, SUBRECIPIENT shall not be relieved of liability to CITY for damages sustained by CITY by virtue of any payments to SUBRECIPIENT for the purpose of set-off until such time as the exact amount of damages due CITY from SUBRECIPIENT is determined.

SUBRECIPIENT hereby expressly waives any and all claims for damages for compensation arising under this Agreement except as set forth in this Section in the event of such termination.

24. Effect of Termination

Upon termination, as stated in Section 3 or 23 of this Agreement, the CITY shall be liable to SUBRECIPIENT only for work done by SUBRECIPIENT up to and including the date of termination of this Agreement, unless the termination is for cause, in which event SUBRECIPIENT need be compensated only to the extent required by law.

25. Ownership of SUBRECIPIENT's Work Product

CITY shall be the owner of any and all computations, plans, correspondence and/or other pertinent data and information gathered or prepared by SUBRECIPIENT in performance of this

Agreement and shall be entitled to immediate possession of the same upon completion of the work under this Agreement, or at any earlier or later time when the same may be requested by CITY.

26. Taxpayer Identification Number

SUBRECIPIENT shall provide CITY with a complete Request for Taxpayer Identification Number and Certification, Form W-9 (Rev. 2007), as issued by the Internal Revenue Service.

27. Modification of Agreement

Except as provided in Section 3, the tasks described in this Agreement and all other terms of this Agreement may be modified only upon mutual written consent of CITY and SUBRECIPIENT.

28. Use of the term “CITY”

Reference to “CITY” in this Agreement includes CITY Manager, the designated CITY representative, or any authorized representative acting on behalf of CITY.

29. Notices

All notices given, or required to be given, pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed to each party’s designated representative as set forth above. When addressed in accordance with this Section, such notice shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this Section.

30. Permits and Licenses

SUBRECIPIENT, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

31. Waiver

A waiver by the CITY of any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement whether of the same or different character.

32. Governing Law

The terms of this Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be in the Superior Court of Riverside County.

33. Specific Conditions

The SUBRECIPIENT agrees to the following specific conditions:

34. Integrated Agreement

This Agreement represents the entire Agreement between the CITY and the SUBRECIPIENT and all preliminary negotiations and agreements are deemed a part of this Agreement. No verbal agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors and assigns.

In Witness Whereof, the parties have signed this agreement on the dates set forth below.

Grantee:

Subrecipient:

CITY OF CATHEDRAL CITY

By: _____
Charles P. McClendon, City Manager

By: _____
Executive Officer

ATTEST:

Tracey R. Martinez, CMC
City Clerk

APPROVED AS TO FORM:

Eric S. Vail
City Attorney

EXHIBIT A

COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS
SUBRECIPIENT AGREEMENT BETWEEN
THE CITY OF CATHEDRAL CITY
AND

FOR

SCOPE OF SERVICES

SUBRECIPIENT shall be responsible for administering the following eligible activities under the Community Development Block Grant (CDBG) Program and for the City of Cathedral City in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds:

1. Scope of Work 1
2. Scope of Work 2
3. Scope of Work 3
4. Scope of Work 4
5. Scope of Work 5

As part of the Services, SUBRECIPIENT will prepare and deliver the following tangible work products to the City:

1. Tangible Product 1
2. Tangible Product 2
3. Tangible Product 3
4. Tangible Product 4
5. Tangible Product 5

During performance of the Services, SUBRECIPIENT will keep the City apprised of the status of performance by delivering the following status reports:

1. Monthly accomplishment reports, July 2020 through June 2021.
2. Monthly direct benefit activity reports, July 2020 through June 2021.

The tangible work products and status reports will be delivered to the City pursuant to the following schedule:

1. Within 10 days of the end of the month, for monthly reports.
2. As agreed, upon at the time of request.

SUBRECIPIENT will utilize the following personnel to accomplish the Services:

1. Staff as necessary to provide services requested.

SUBRECIPIENT may utilize the following agencies/or subcontractors to accomplish the Services provided, subject to the provisions of Section 9 and other applicable provisions of this Agreement:

1. Department of Housing and Urban Development (HUD)
2. Department of Justice (DOJ), Civil Rights Division
3. California State Department of Fair Employment and Housing (DFEH)
4. Private Attorneys

EXHIBIT B

for

SCHEDULE OF COMPENSATION

1. AMOUNT OF COMPENSATION. For performing and completing all work and services described in Exhibit A, and for providing all materials required therefore, CITY shall pay SUBRECIPIENT the total amount of:

NOT TO EXCEED: **XXXXXXXX**

The above total amount listed shall include all out-of-pocket expenses incurred by SUBRECIPIENT in the performance of such services.

2. BILLING. At the end of each calendar month in which services are performed or expenses are incurred under this Agreement, and prior to the 10th day of the following month, SUBRECIPIENT shall submit an invoice to the CITY at the following address:

The SUBRECIPIENT may also opt to submit billing on a quarterly basis, accompanying the quarterly report. In the event a quarterly report is not submitted on a timely basis, the reimbursement a submitted invoice may be upheld until the SUBRECIPIENT complies with the terms stated in Section 16 of this Agreement.

3. METHOD OF PAYMENT. Payment to SUBRECIPIENT of the compensation specified in Section 1 of this Exhibit shall be made as follows:

a) Subject to the maximum allowable compensation set forth in Section of this Exhibit, the CITY shall pay the SUBRECIPIENT, based on the submittal and approval of an invoice, on the basis determined by this Agreement during the term of this Agreement.

b) Terms shall be pay immediately.

EXHIBIT C



for



LIABILITY AND INSURANCE REQUIREMENTS

1. Types and Amounts of Insurance Coverage. Subrecipient shall provide the following types of insurance designated in this section by a check mark that includes coverage limits complying, at a minimum, with the limits set forth herein:

<u>Type of Insurance</u>	<u>Limits (comb. single)</u>
Errors and omission	\$1,000,000
Commercial gen. liability	\$1,000,000
Business auto liability	\$1,000,000
Workers compensation	Statutory Limit

2. Insurance Policy Forms and Provisions. The insurance policies provided by SUBRECIPIENT in compliance with the requirements of this Section shall conform to all of the following requirements regarding policy forms and provisions.

- a) Commercial Liability Insurance shall be provided on ISO-CGL Form No. CG 00 01 11 85 or 88. Aggregate limit endorsements shall be evidenced on either ISO Form No. CG 25 03 11 85 or ISO Form No. CG 25 04 11 85. City and all of City’s officers, employees, agents and volunteers shall be named as additional insureds under such insurance coverage using the City’s standard form endorsement or ISO Form No. CG 20 10 11 85 (in no event with an edition date later than 1990).

Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any officer, employee, agent or volunteer of City.

Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. There shall be no cross-liability exclusion and no contractor limitation endorsement. In addition, there shall be no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage or employment-related practices, except for a provision or endorsement limiting liability arising from pollution to liability caused by sudden or accidental pollution.

Any umbrella liability insurance over primary insurance provided to meet primary limits shall apply to bodily injury, personal injury and property damage, at a minimum. Coverage shall be as broad as any required underlying primary coverage and shall include a “drop down” provision providing primary coverage for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be provided with defense costs payable in addition to policy limits. Coverage shall have starting and ending dates concurrent with the underlying coverages.

- b) Errors and Omissions Insurance shall be provided covering liability for professional malpractice. Such coverage shall be on an “occurrence basis” if such coverage is available, or on a “claims made” basis if not available. When coverage is provided on a “claims made basis, Subrecipient shall continue to maintain the insurance in effect for a period of three (3) years after this Agreement expires or is terminated (hereinafter the “extended insurance”). Such extended insurance shall have the same coverage and limits as the policy that was in effect during the term of this Agreement, and shall cover Subrecipient for all claims made by City arising out of any errors or omissions of Subrecipient, or the officers, employees or agents of Subrecipient during the time this Agreement was in effect.
- c) Business Auto Coverage shall be provided on ISO Business Auto Coverage Form No. CA 00 01 06 92 including symbol 1 (any auto). As in the case of general liability insurance requirement, City and all of City’s officers, employees, agents and volunteers shall be named as additional insureds under such insurance coverage using City’s Standard form endorsement or ISO Form No. CG 20 10 11 85 (in no event with an edition date later than 1990). The insurance policy providing such coverage shall be scheduled as underlying insurance to any umbrella policy required above meeting general liability insurance requirements.
- d) Workers’ Compensation/Employer’s Liability Coverage shall provide workers’ compensation statutory benefits as required by law. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects to the City and City’s officers, employees, agents and volunteers. Employer’s liability coverage provided by such insurance shall be scheduled under any primary or umbrella policy described above to meet general liability insurance requirements.

3. Additional Insurance Requirements. SUBRECIPIENT agrees to comply with the following additional requirements with respect to the insurance provided pursuant to this Section:

- a) Unless otherwise approved by the City, Subrecipient’s insurance shall be written by insurers authorized to do business in the State of California, and with a minimum “Best’s” Insurance Guide rating of “A: VII.” Self-insurance will not be considered to comply with these insurance specifications.
- b) Subrecipient shall provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance (separate additional insured endorsement) evidencing all of the coverages required, copies of the insurance policies themselves or any portions thereof, and any required endorsements. Certificate(s) are to reflect that the insurer will provide 30 days’ notice of any cancellation of coverage. Subrecipient shall require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.
- c) Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all

inclusive, or to the exclusion of other coverage, or a waiver of any type. Coverage shall not be limited to the specific location, individual or entity designated as the address of the project or services provided for by this Agreement.

- d) Subrecipient shall ensure that coverage provided to meet these requirements is applicable separately to each insured, and that there will be no cross-liability exclusions that preclude coverage for suits between Subrecipient and City, between Subrecipient and any other named insureds or additional insureds under the insurance policy, or between City and any party associated with City or City's officers, employees, agents or volunteers.
- e) All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subrecipient, and Subrecipient's employees or agents, from waiving the right of subrogation prior to a loss. By these presents, Subrecipient waives its right of subrogation against the City.
- f) Any failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any other additional insured in this or any other regard.
- g) In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right, but not the duty, to obtain the insurance it deems necessary to meet the requirements of this Agreement, and any premium paid by City for such insurance will be promptly reimbursed by Subrecipient, or, if not promptly reimbursed, deducted from any compensation to be paid by City to Subrecipient pursuant to this Agreement.
- h) Subrecipient will provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least 72 hours before expiration of coverage.
- i) Subrecipient shall require all subcontractors or other parties hired by Subrecipient to perform any part of the services required by this Agreement to purchase and maintain all of the insurance specified above and all such commercial general liability insurance and business automobile insurance shall name as additional insureds all parties to this Agreement. Subrecipient shall obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required herein. No contract used by any Subrecipient, or contracts Subrecipient enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement. When requested, Subrecipient shall provide City with all agreements with subcontractors or others with whom Subrecipient contracts with on behalf of City, and with all certificates of insurance obtained in compliance with this Section. Failure of City to request copies of such documents will not impose any liability on City, or its employees.
- j) Subrecipient shall provide immediate notice to City of any claim against Subrecipient or any loss involving Subrecipient that could result in City or any of City's officers,

employees, agents or volunteers being named as a defendant in any litigation arising out of such claim or loss. City shall not incur any obligation or liability by reason of the receipt of such notice. However, City shall have the right, but not the duty, to monitor the handling of any such claim or loss that is likely to involve City.

- k) In the event of any loss that is not insured due to the failure of Subrecipient to comply with these requirements, Subrecipient will be personally responsible for any and all losses, claims, suits, damages, defense obligations and liability of any kind attributed to City, or City's officers, employees, agents or volunteers as a result of such failure.