

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE 1/13/15

Departmental Concurrence

**SUBMITTAL TO THE RIVERSIDE COMMUNITY HOUSING CORP.
 BOARD OF DIRECTORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

835



FROM: Riverside Community Housing Corp.

SUBMITTAL DATE:
 January 14, 2015

SUBJECT: Agreement for the Use of Emergency Solutions Grant Funds Between the County of Riverside and the Riverside Community Housing Corp., All Districts [\$0]

RECOMMENDED MOTION: That the Board of Directors:

1. Accept grant funds from the County of Riverside Emergency Solutions Grant program in the amount of \$80,000 (ESG Grant) and ratify and approve the attached Agreement for the Use of Emergency Solutions Grant Funds (ESG Agreement) between the County of Riverside and the Riverside Community Housing Corp. (RCHC) regarding the use of the ESG Grant to provide services for homeless individuals and families;

(Continued)

Robert Field
 Chief Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 2014/15	

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE RIVERSIDE COMMUNITY HOUSING CORP. BOARD OF DIRECTORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: ALL

Agenda Number:

14-1

**SUBMITTAL TO THE RIVERSIDE COMMUNITY HOUSING CORP. BOARD OF DIRECTORS,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: Riverside Community Housing Corp.

FORM 11: Agreement for the Use of Emergency Solutions Grant Funds Between the County of Riverside and the Riverside Community Housing Corp., All Districts [\$0]

DATE: January 14, 2015

PAGE: 2 of 2

RECOMMENDED MOTION: (Continued)

2. Authorize the Chairperson of the Board of Directors to execute the attached ESG Agreement; and
3. Authorize the Chief Executive Officer, or designee, to take all necessary steps to implement and administer the ESG Grant and the ESG Agreement, including, but not limited to, signing subsequent and necessary documents, subject to approval by General Counsel.

BACKGROUND:

Summary

The Emergency Solutions Grants (ESG) program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The County of Riverside receives an annual entitlement allocation from HUD to provide services in furtherance of the ESG program. The County is authorized to contract with non-profit organizations for the use of ESG funds.

The Riverside Community Housing Corp. (RCHC), as a non-profit, has been awarded an ESG grant by the County in the amount of \$80,000 (ESG Grant) to be used for rapid re-housing of persons who are homeless or threatened with homelessness (Homeless Rapid Re-Housing Services). The award of the ESG Grant and the provision of services for homeless individuals and families by RCHC is memorialized in the attached proposed Agreement for the Use of Emergency Solutions Grant Funds (ESG Agreement) to be entered into by RCHC and the County. The term of the ESG Agreement is for 1 year during the 2014/15 fiscal year. Recommendation of the ESG Agreement by RCHC staff to the Board was significantly delayed because RCHC, as a re-activated non-profit, was in the process of installing its officers, adopting its amended bylaws and approving its budget when such funds were awarded by the County. These actions were necessary in order for RCHC to enter into agreements and begin operations and staff does not anticipate any such future delays.

On September 9, 2014, the RCHC Board of Directors approved the Fiscal Year 2014/15 Budget which includes the receipt and expenditure of ESG funds. As such, RCHC has already incurred costs in connection with its provision of Homeless Rapid Re-Housing Services which costs have been covered by alternate funding sources to ensure that the services are available to vulnerable homeless households. Funds were provided by the Housing Authority of the County of Riverside (HACR) from its unrestricted administrative funds and were expended on behalf of RCHC. If the ESG Agreement is approved and ratified, upon execution of the agreement and receipt of ESG Grant funds, RCHC shall reimburse HACR for funds expended on behalf of RCHC for ESG program services.

Staff recommends that the Board of Directors accept the ESG Grant and approve and ratify the attached ESG Agreement. RCHC General Counsel has approved the attached ESG Agreement as to form.

Impact on Citizens and Businesses

Approving this item will have a positive impact on the residents of the County of Riverside by supporting the affordable housing objectives of the County of Riverside and providing much needed services for homeless or near homeless individuals and families.

ATTACHMENT:

Agreement for the Use of Emergency Solutions Grant Funds (three copies)

**AGREEMENT FOR THE USE OF
EMERGENCY SOLUTIONS GRANT FUNDS**

THIS AGREEMENT FOR THE USE OF EMERGENCY SOLUTIONS GRANT FUNDS ("Agreement") entered into this _____ day of _____, 2015, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and **RIVERSIDE COMMUNITY HOUSING CORP.**, a California non-profit corporation, hereinafter referred to as "SUBRECIPIENT." COUNTY and SUBRECIPIENT are collectively referred to as "Parties" and individually as "Party."

W I T N E S S E T H:

WHEREAS, pursuant to the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), Public Law 111-22, and Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.), as amended, hereinafter referred to as the "Acts", COUNTY has been awarded Emergency Solutions Grant ("ESG") program funds to assist people to quickly regain stability in permanent housing after experiencing a housing crisis or homelessness, and to address the needs of homeless people in emergency or transitional shelters;

WHEREAS, COUNTY is authorized to contract with non-profit organizations for the use of ESG funds to provide various services for homeless individuals and families;

WHEREAS, SUBRECIPIENT, as a nonprofit corporation, is eligible under the Acts to receive ESG funds to provide those services as described herein;

WHEREAS, SUBRECIPIENT is eligible under the Acts to receive ESG funds to perform those activities described herein; and

WHEREAS, the SUBRECIPIENT has submitted its proposal to the COUNTY for funding the activities described herein.

NOW, THEREFORE, the COUNTY and SUBRECIPIENT mutually agree as follows:

1. SCOPE OF SERVICES. SUBRECIPIENT shall provide certain services for homeless persons, or person threatened with homelessness, by utilizing the sum of **\$80,000**, in ESG Program funds ("ESG Grant"), as set forth and in the manner provided in the scope of

1 services attached hereto as Exhibit "A" and incorporated herein by this reference.
2 SUBRECIPIENT shall also provide homeless individuals with assistance in obtaining (1)
3 appropriate supportive services, including permanent housing, physical health treatment,
4 mental health treatment, counseling, supervision, and other essential services to achieve
5 independent living; and (2) other federal, state, local, and private assistance available for such
6 individuals. Any and all services provided hereunder shall be in full conformity with the Acts
7 and any amendments thereto and the federal regulation and guidelines now or hereinafter
8 enacted pursuant to the Acts.

9 2. TERM. The term of this Agreement shall be for a period commencing on July 1,
10 2014, and terminating on June 30, 2015, unless sooner terminated as provided in Paragraph 5
11 herein.

12 3. DISTRIBUTION OF FUNDS. The COUNTY shall pay to the SUBRECIPIENT
13 the ESG Grant as specified in Paragraph 1 above on a reimbursable basis for all approved
14 costs. The SUBRECIPIENT shall submit not more often than monthly to the ESG
15 Administrator of County a certified statement setting forth in detail the expenditures made for
16 which it is asking reimbursement along with pertinent supporting documentation. The
17 COUNTY shall promptly review the monthly expenditure statement and reimburse the
18 SUBRECIPIENT for the approved costs in accordance with its usual accounting procedures.
19 The COUNTY may require from SUBRECIPIENT such supporting documentation as may be
20 necessary and appropriate for the COUNTY to make its determination as to allowable costs.
21 Each disbursement of ESG Grant funds shall be made within thirty (30) days after
22 SUBRECIPIENT has submitted its statement of expenditure.

23 4. RECORDS AND INSPECTIONS. The SUBRECIPIENT shall maintain
24 financial, programmatic, statistical, and other supporting records of its operations and
25 financial activities in accordance with the requirements of the Code of Federal Regulations
26 (CFR) found at 24 CFR 576.65. Such records shall be open to inspection and audit by the
27 authorized representatives of the COUNTY, the Department of Housing and Urban
28 Development, and the Controller General, during regular working hours. Said records shall be
retained for such time as may be required by the regulations (91 CFR 105(h)) of the Housing

1 and Community Development Act, but in no case for less than five (5) years from the date that
2 the activity or program funded with the ESG Grant is closed out by the COUNTY and
3 reported as complete in the Comprehensive Annual Performance and Evaluation Report
4 (CAPER).

5 SUBRECIPIENT will obtain an external audit in accordance with OMB Circular A-133,
6 the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the U.S.
7 Department of Housing and Urban Development single audit regulations if SUBRECIPIENT
8 will expend \$500,000 or more in federal funds, in a single year, not limited to ESG. The audit
9 report must be submitted to the COUNTY within 180 days after the termination of this
10 Agreement.

11 SUBRECIPIENT will comply with the requirements of 24 CFR 576.56 (a) (2) and
12 576.65 (b) ensuring the confidentiality of records pertaining to the provision of family
13 violence prevention or treatment services with assistance under the ESG program [42 U.S.C.
14 11375 (c)(5)].

15 SUBRECIPIENT shall maintain a separate account for ESG funds.

16 5. TERMINATION.

17 a. SUBRECIPIENT shall not terminate this Agreement except upon express
18 written consent of the COUNTY. Said notice shall include the effective date thereof.

19 b. Notwithstanding the provisions of paragraph 5a, COUNTY may suspend
20 or terminate this Agreement forthwith for cause upon a ten (10) day written notice to
21 SUBRECIPIENT of the action being taken. Cause shall be established:

22 (i) In the event SUBRECIPIENT fails to perform the covenants
23 herein contained at such times and in such manner as provided in this Agreement; or

24 (ii) In the event there is a conflict with any federal, state or local law,
25 ordinance, regulation or rule rendering any of the provisions of this Agreement invalid or
26 untenable; or

27 (iii) In the event the funding from the United States Department of
28 Housing and Urban Development (HUD), referred to in the recitals herein, is reduced,
terminated or otherwise becomes unavailable. COUNTY shall provide written notice to

1 SUBRECIPIENT within five (5) days from the date HUD reduces, suspends, or terminates the
2 ESG funding. This Agreement shall be either terminated or amended to reflect said reduction
3 in funds.

4 c. Upon termination of this Agreement, SUBRECIPIENT agrees to return
5 any unencumbered funds which it has been provided by COUNTY. In accepting said funds,
6 COUNTY does not waive any claim or cause of action it may have against SUBRECIPIENT
7 for breach of this Agreement.

8 d. Upon termination of this Agreement, SUBRECIPIENT shall not incur
9 any obligations after the effective date of such termination, unless expressly authorized in
10 writing by COUNTY in the notice of termination.

11 6. CONDITIONS PRECEDENT. It is expressly understood and agreed by
12 SUBRECIPIENT that there will be no processing and continued funding of this Agreement
13 unless and until the following conditions have been satisfied:

14 a. Emergency Shelter Operations: SUBRECIPIENT shall, as applicable,
15 provide COUNTY with the following information for ESG Grant funded emergency shelter
16 operations:

(i). Documentation of site control;

17 (ii). Documentation from the local jurisdiction verifying the status of
18 the property;

19 (iii). Documentation of compliance with minimum standards for safety,
20 sanitation, and privacy pursuant to 24 CFR Part 576.403; and

21 (iv). Local map and site plan identifying the location of the office,
22 shelter, and other sites where ESG funded activities will occur; and

23 (v). SUBRECIPIENT shall employ at least one (1) full-time staff
24 person to operate and coordinate the activities of the shelter and/or drop-in center.

25 b. Rapid Re-Housing and Homelessness Prevention: SUBRECIPIENT
26 shall, pursuant to 24 CFR 576.403, comply with the minimum habitability standards for
27 permanent housing funded with the ESG Grant for rapid re-housing and homelessness
28 prevention activities.

1 7. PAYMENT OF FUNDS. The Board of Supervisors of the COUNTY shall
2 determine the final disposition and distribution of all funds received by COUNTY under the
3 Acts. COUNTY, through its Economic Development Agency, shall make payments of ESG
4 funds to SUBRECIPIENT as designated in the Scope of Services attached hereto as Exhibit
5 "A." COUNTY shall monitor the expenditure of funds and activities of SUBRECIPIENT to
6 ensure compliance with applicable federal regulations and the terms of this Agreement.
7 SUBRECIPIENT shall establish and maintain a separate account for all ESG funds received
8 under this agreement and deposit all such funds in said account.

9 All disbursements of ESG funds will be made as follows:

10 a. Payments shall be made to a SUBRECIPIENT upon written request after
11 this Agreement has been fully executed on a reimbursement basis and made within thirty (30)
12 days after the SUBRECIPIENT has submitted written notice identifying payments made and
13 requesting reimbursement. Payments shall be based on actual approved and documented
14 expenses by SUBRECIPIENT.

15 b. In no event shall COUNTY be held liable for expenses incurred by
16 SUBRECIPIENT in excess of the ESG Grant allocation set forth in Paragraph 1, SCOPE OF
17 SERVICES, above.

18 c. Payments may be withheld if, on a determination by COUNTY in its sole
19 discretion, that SUBRECIPIENT has not complied with the covenants herein contained at
20 such times and in such manner as provided in this Agreement.

21 d. No later than thirty (30) days prior to the termination of this Agreement,
22 SUBRECIPIENT shall provide COUNTY with its estimate of the amount of funds which will
23 remain unexpended upon such termination. Notwithstanding any provision contained in this
24 paragraph 7, COUNTY shall, after a thirty (30) day written notice is given SUBRECIPIENT,
25 have the right to (1) reduce the payment of funds hereunder, (2) renegotiate the actual levels
26 of expenditures in the event SUBRECIPIENT's rate of expenditures will result in unexpended
27 funds at the expiration of this Agreement, and (3) reprogram funds associated with a project
28 on which there has been no substantial progress or activity.

1 8. DOCUMENTATION, REPORTS, INSPECTIONS, AND PERFORMANCE
2 EVALUATION.

3 a. Documentation of Expenditures. All expenditures supported by properly
4 executed payrolls, time records, invoices, contracts, vouchers, orders and any other accounting
5 documents pertaining in whole or in part to this Agreement, shall be clearly identified and
6 readily accessible. SUBRECIPIENT shall maintain and keep available all such documents for
7 a period of not less than five (5) years from the termination of this Agreement if a COUNTY,
8 State, or Federal audit has occurred and for a period of not less than five (5) years from said
9 date if such audit has not occurred. In the event of audit exception, such documents shall be
10 maintained until every exception has been cleared to the satisfaction of COUNTY.

11 b. Inspections. SUBRECIPIENT shall make available to COUNTY, State
12 and/or Federal officials, its records and data with respect to all matters covered by this
13 Agreement for inspection and audit, which inspection and audit may be made at any time after
14 reasonable notice. SUBRECIPIENT shall comply with the audit requirements of OMB
15 Circular A-110 as applicable and as they relate to the acceptance and use of Federal funds
16 under this Agreement.

17 c. Performance Evaluation. SUBRECIPIENT shall permit COUNTY, State
18 or Federal officials to monitor, assess, or evaluate SUBRECIPIENT's performance under this
19 Agreement on an as needed basis to be determined by the COUNTY based on monitoring and
20 performance evaluations. Said monitoring, assessment, or evaluation to include, but are not
21 be limited to, audits, inspections within the program area, and interviews with
22 SUBRECIPIENT's employees, agents, independent contractors, and subcontractors providing
23 the services under this Agreement and recipients thereof.

24 9. BUILDING OR FACILITY.

25 a. Any building for which ESG Grant funds are used for renovation,
26 conversion, or major rehabilitation, must meet local government safety and sanitation
27 standards and comply with the requirements of 24 CFR Part 576.55.

1 b. When ESG funds are utilized to provide emergency shelter for the
2 homeless in hotels or motels or other commercial facilities providing transient housing, the
3 following shall be satisfied:

4 (i) SUBRECIPIENT, at the request of COUNTY, shall execute an
5 agreement with the provider of such housing which provides that comparable living space, in
6 terms of quality, available amenities, and square footage, will be available in the facility for
7 use as emergency shelter for at least the same period of time provided in Paragraph 2 herein;
8 and

9 (ii) Leases negotiated between SUBRECIPIENT and the provider of
10 such housing shall make available such living space at substantially less than the daily room
11 rate otherwise charged by the facility; and

12 (iii) SUBRECIPIENT shall certify in writing to COUNTY that is has
13 considered using other facilities as emergency shelters, and has determined that the use of
14 such living space in the facilities provides the most cost-effective means of providing
15 emergency shelter for the homeless in the COUNTY.

16 c. SUBRECIPIENT shall ensure that any building or facility is utilized
17 exclusively for secular purposes and is made available to all persons regardless of religion. If
18 ESG funds are used to renovate, rehabilitate, or convert buildings owned by primarily
19 religious organizations or entities, SUBRECIPIENT shall comply with the provisions of 24
20 CFR 576.21 (b)(2).

21 d. SUBRECIPIENT shall comply with the Uniform Federal Accessibility
22 Standards (24 CFR 40, Appendix A) when activities funded by the ESG Program involve
23 major rehabilitation or conversion.

24 e. SUBRECIPIENT shall, if applicable, comply with Section 3 of the
25 Housing and Urban Development Act of 1968, as amended; attached hereto as Exhibit "S".

26 10. MAINTENANCE AS A HOMELESS FACILITY.

27 a. SUBRECIPIENT shall maintain any building for which ESG funds are
28 used for not less than a three (3) year period, or for not less than a ten (10) year period if the

1 ESG Grant amounts are used for major rehabilitation or conversion of the building (24 CFR
2 576.63).

3 b. The three or ten year periods begin to run:

4 (i) On the date of initial occupancy as an emergency shelter for the
5 homeless when the building utilized was not operated as an emergency shelter for the
6 homeless before receiving ESG funds; or

7 (ii) On the date that ESG funds are first obligated to the shelter when
8 the building was operated as an emergency shelter before receiving ESG funds.

9 c. When ESG funds are used exclusively to provide essential services
10 including, but not limited to, services concerned with employment, physical or mental health,
11 substance abuse, education or food, the time periods noted above are not applicable.

12 11. INDEPENDENT CAPACITY. The SUBRECIPIENT is, for purposes relating to
13 this Agreement, an independent contractor and shall not be deemed an employee, officer, or
14 agent of the COUNTY. It is expressly understood and agreed that the SUBRECIPIENT
15 (including its employees, agents and subcontractor's) shall in no event be entitled to any
16 benefits to which the COUNTY employees are entitled, including but not limited to overtime,
17 any retirement benefits, worker's compensation benefits, and injury leave or other leave
18 benefits. There shall be no employer-employee relationship between the parties; and the
19 SUBRECIPIENT shall hold the COUNTY harmless from any and all claims that may be
20 made against the COUNTY based upon any contention by a third party that an employer-
21 employee relationship exists by reason of this Agreement. It is further understood and agreed
22 by the Parties that the SUBRECIPIENT in the performance of this Agreement is subject to the
23 control or direction of the COUNTY merely as to the results to be accomplished and not as to
24 the means and methods for accomplishing the results.

25 12. ASSIGNABILITY. SUBRECIPIENT shall not assign any of its rights, duties, or
26 obligations pursuant to this Agreement to any person or entity without the prior written
27 consent of COUNTY in its sole and absolute discretion, including but not limited to the ability
28 to subcontract all or a portion of its rights, duties, and obligations hereunder.

1 13. INSURANCE. Without limiting or diminishing the SUBRECIPIENT'S
2 obligation to indemnify or hold the COUNTY harmless, SUBRECIPIENT shall procure and
3 maintain or cause to be maintained, at its sole cost and expense, the following insurance
4 coverage's during the term of this Agreement.

5 a. Workers' Compensation:

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

12 b. Commercial General Liability:

13 Commercial General Liability insurance coverage, including but not limited to,
14 premises liability, contractual liability, products and completed operations liability, personal
15 and advertising injury, and cross liability coverage, covering claims which may arise from or
16 out of SUBRECIPIENT 'S performance of its obligations hereunder. Policy shall name the
17 County of Riverside as Additional Insured. Policy's limit of liability shall not be less than
18 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
19 aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the
20 occurrence limit.

21 c. Vehicle Liability:

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

28 d. General Insurance Provisions - All lines:

 (i). Any insurance carrier providing insurance coverage hereunder shall be
admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8)

1 unless such requirements are waived, in writing, by the County Risk Manager. If the County's
2 Risk Manager waives a requirement for a particular insurer such waiver is only valid for that
3 specific insurer and only for one policy term.

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

13 (iii). SUBRECIPIENT shall cause SUBRECIPIENT'S insurance
14 carrier(s) to furnish the County of Riverside with either 1) a properly executed original
15 Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as
16 required herein, and 2) if requested to do so orally or in writing by the County Risk Manager,
17 provide original Certified copies of policies including all Endorsements and all attachments
18 thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and
19 policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days
20 written notice shall be given to the County of Riverside prior to any material modification,
21 cancellation, expiration or reduction in coverage of such insurance. In the event of a material
22 modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate
23 forthwith, unless the County of Riverside receives, prior to such effective date, another
24 properly executed original Certificate of Insurance and original copies of endorsements or
25 certified original policies, including all endorsements and attachments thereto evidencing
26 coverage's set forth herein and the insurance required herein is in full force and effect.
27 *SUBRECIPIENT shall not commence operations until the COUNTY has been furnished*
28 *original Certificate (s) of Insurance and certified original copies of endorsements and if*
requested, certified original policies of insurance including all endorsements and any and all

1 *other attachments as required in this Section. An individual authorized by the insurance*
2 *carrier to do so on its behalf shall sign the original endorsements for each policy and the*
3 *Certificate of Insurance.*

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

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

16 (vi). SUBRECIPIENT shall pass down the insurance obligations contained
17 herein to all tiers of subcontractors working under this Agreement.

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

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

23 14. HOLD HARMLESS AND INDEMNIFICATION. SUBRECIPIENT shall
24 indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts
25 and Departments, their respective directors, officers, Board of Supervisors, elected and
26 appointed officials, employees, agents and representatives from any liability whatsoever, based
27 or asserted upon any services of SUBRECIPIENT, its officers, employees, subcontractors,
28 agents or representatives arising out of or in any way relating to this Agreement, including but

1 not limited to property damage, bodily injury, or death or any other element of any kind or
2 nature whatsoever arising from the performance of SUBRECIPIENT, its officers, agents,
3 employees, subcontractors, or representatives from this Agreement. SUBRECIPIENT shall
4 defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of
5 investigation, defense and settlements or awards, the Indemnitees in any claim or action based
6 upon such alleged acts or omissions.

7 With respect to any action or claim subject to indemnification herein by
8 SUBRECIPIENT, SUBRECIPIENT shall, at their sole cost, have the right to use counsel of
9 their own choice and shall have the right to adjust, settle, or compromise any such action or
10 claim without the prior consent of COUNTY; provided, however, that any such adjustment,
11 settlement or compromise in no manner whatsoever limits or circumscribes
12 SUBRECIPIENT'S indemnification to COUNTY as set forth herein.

13 SUBRECIPIENT'S obligation hereunder shall be satisfied when SUBRECIPIENT has
14 provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability
15 for the action or claim involved.

16 The specified insurance limits required in this Agreement shall in no way limit or
17 circumscribe SUBRECIPIENT'S obligations to indemnify and hold harmless the COUNTY
18 herein from third party claims.

19 15. FEDERAL REQUIREMENTS. SUBRECIPIENT shall comply with the
20 provisions of the Acts and any applicable amendments thereto and the federal regulations and
21 guidelines now or hereafter enacted pursuant to the Acts. More particularly, SUBRECIPIENT
22 shall comply with those regulations found in 24 CFR 576. SUBRECIPIENT shall to comply
23 with OMB Circular Nos. A-110, A-87, and A-122, as applicable, as they relate to the
24 acceptance and use of federal funds under this Agreement. SUBRECIPIENT shall abide by
25 the provisions of the COUNTY's ESG program policies.

26 16. ENVIRONMENTAL REVIEW. SUBRECIPIENT does not assume the COUNTY'S
27 Federal environmental responsibilities described at 24 CFR 570.604. Pursuant to Section
28 15051 (d) of the Title 14 of the California Administrative Code, COUNTY is designated as
the lead agency for the project that is the subject matter of this Agreement.

1 17. FIVE-YEAR CONSOLIDATED PLAN. SUBRECIPIENT shall cooperate and
2 assist COUNTY in implementing and undertaking the goals and strategies identified in the
3 2014-2019 Five Year Consolidated Plan, pursuant to 24 CFR Part 91, in undertaking ESG
4 Grant activities to prevent homelessness and enable homeless individuals and families to
5 move toward independent living and shall act in conformity therewith.

6 18. COMPLIANCE WITH LAWS, REGULATIONS, NONDISCRIMINATION,
7 AND EQUAL OPPORTUNITY. SUBRECIPIENT shall comply with all applicable federal,
8 state, and local laws, regulations, and ordinances pertinent to its operations and services to be
9 performed hereunder, and shall keep in effect any and all licenses, permits, notices and
10 certificates as are required thereby. SUBRECIPIENT shall further comply with all laws
11 applicable to wages and hours of employment, occupational safety and to fire safety, health and
12 sanitation. By executing this Agreement, the SUBRECIPIENT hereby certifies that it shall
13 adhere to and comply with the following as they may be applicable to a subrecipient of funds
14 granted pursuant to the Housing and Community Development Act of 1974, as amended:

15 a. The Homeless Emergency Assistance and Rapid Transition to Housing Act of
16 2009 (HEARTH Act), Public Law 111-22, Title IV of the McKinney-Vento Homeless
17 Assistance Act (42 U.S.C. 11371 et seq.), and the Housing and Community Development Act of
18 1974, as amended, and the regulations issued thereto;

19 b. Uniform Administration Requirements pursuant to 24 CFR 570.502;

20 c. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and
21 implementing regulations at 41 CFR Chapter 60;

22 d. Executive Order 11063, as amended by Executive Order 12259, and
23 implementing regulations at 24 CFR Part 107;

24 e. Section 504 of the Rehabilitation Act of 1973 (PL 93-112), as amended, and
25 implementing regulations;

26 f. The Age Discrimination Act of 1975 (PL 94-135), as amended, and
27 implementing regulations;

28

1 g. The relocation requirements of Title II and the acquisition requirements of Title
2 III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,
3 and the implementing regulations at 24 CFR Part 42;

4 h. The labor standard requirements as set forth in 24 CFR Part 570, Subpart K and
5 HUD regulations issued to implement such requirements;

6 i. Title VI and Title VII of the Civil Rights Act of 1964 (42 U.S.C. 200d et seq.), as
7 amended to the Equal Opportunity Act of March 24, 1972 (Public Law 92-261);

8 j. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3619) and
9 implementing regulations issued pursuant thereto (24 CFR Part 1);

10 k. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C.
11 1701u);

12 l. Executive Orders 11625, 12432 and 12138. Consistent with HUD's
13 responsibilities under these Orders, the SUBRECIPIENT must make efforts to encourage the
14 use of minority and women's business enterprises in connection with ESG activities;

15 m. SUBRECIPIENT shall establish and maintain a procedure through which
16 homeless individuals will be informed that use of the facilities and services is available to all on
17 a nondiscriminatory basis.

18 n. SUBRECIPIENT agrees to abide by and include in any subcontracts to perform
19 work under this Agreement, the following clause:

20 "During the performance of this Agreement SUBRECIPIENT and its
21 subcontractors shall not unlawfully discriminate against any employee or
22 applicant for employment because of race, religion, color, national origin,
23 ancestry, physical handicap, medical condition, marital status, age (over 40) or
24 sex. SUBRECIPIENT and subcontractors shall insure that the evaluation and
25 treatment of their employees and applicants for employment are free of such
26 discrimination. SUBRECIPIENT and subcontractors shall comply with the
27 provisions of the Fair Employment and Housing Act (Government Code, Section
28 12900 et seq.). The applicable regulations of the Fair Employment and Housing
Commission implementing Government Code, Section 12990, set forth in

1 Chapter 5 of Division 4 of Title 2 of the California Administrative Code are
2 incorporated into this Agreement by reference and made a part hereof as if set
3 forth in full. SUBRECIPIENT and its subcontractors shall give written notice of
4 their obligations under this clause to labor organizations with which they have a
5 collective bargaining or other agreement."

6 o. During the term of this Agreement, SUBRECIPIENT and its subcontractors, if
7 any, shall not deny the benefits rendered hereunder to any person on the basis of religion, color,
8 ethnic group identification, sex, age, or physical or mental disability.

9 19. SUBRECIPIENT MONITORING. SUBRECIPIENT shall comply with all
10 COUNTY ESG program subrecipient monitoring requirements as required by 24 CFR 576.61,
11 24 CFR 85.40 (a), and the COUNTY's Community Planning and Development (CPD)
12 programs.

13 20. AFFIRMATIVE ACTION COMPLIANCE. Each SUBRECIPIENT or
14 subcontractor with less than fifty (50) employees shall comply with Section 202 of Part II of
15 Executive Order 11246, as amended. SUBRECIPIENT shall insure that subcontractors, if
16 any, falling within the scope of this provision shall comply in full with the requirements
17 thereof.

18 21. PROHIBITION AGAINST CONFLICTS OF INTEREST.

19 a. SUBRECIPIENT and its assigns, employees, agents, consultants, officers and
20 elected and appointed officials shall become familiar with and shall comply with the ESG
21 regulations prohibiting conflicts of interest contained in 24 CFR 576.57 (d) as well as 24 CFR
22 570.611, attached hereto as Exhibit "CI" and by this reference incorporated herein.

23 b. SUBRECIPIENT understands and agrees that no waiver or exception can
24 be granted to the prohibition against conflict of interest except upon written approval of HUD
25 pursuant to 24 CFR 570.611(d). Any request by SUBRECIPIENT for an exception shall first
26 be reviewed by COUNTY to determine whether such request is appropriate for submission to
27 HUD. In determining whether such request is appropriate for submission to HUD, COUNTY
28 will consider the factors listed in 24 CFR 570.611(e).

1 c. Prior to receiving any funding under this Agreement, SUBRECIPIENT
2 shall provide COUNTY with a list of all employees, agents, consultants, officers and elected
3 and appointed officials who are in a position to participate in a decision-making process,
4 exercise any functions or responsibilities, or gain inside information with respect to the ESG
5 activities funded under this Agreement. SUBRECIPIENT shall also promptly provide written
6 disclosure to COUNTY of any potential conflict, including even the appearance of conflict,
7 that may arise with respect to the ESG activities funded under this Agreement.

8 d. Any violation of this section shall be deemed a material breach of this
9 Agreement, and the Agreement shall be immediately terminated by the COUNTY.

10 22. RELIGIOUS ACTIVITIES. Under federal regulations, ESG assistance may not
11 be used for religious activities or provided to primarily religious entities for any activities
12 including secular activities. SUBRECIPIENT shall adhere to the restrictions set forth in 24
13 CFR 576.23 and 24 CFR 570.200(j), which is attached hereto as Exhibit "R" and by this
14 reference is incorporated herein.

15 23. LOBBYING. SUBRECIPIENT certifies to the best of its knowledge and belief,
16 that:

17 a. No federally-appropriated funds have been paid or will be paid, by or on behalf
18 of the undersigned, to any person for influencing or attempting to influence an officer or
19 employee of any agency, a member of Congress, an officer or employee of Congress, or an
20 employee of a member of Congress in connection with the awarding of any federal contract,
21 the making of any federal grant, the making of any federal loan, the entering into of any
22 cooperative agreement, and the extension, continuation, renewal, amendment, or modification
23 of any federal contract, grant, loan, or cooperative agreement.

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

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

6 24. ELIGIBILITY OF CONTRACTORS AND SUBCONTRACTORS. No ESG
7 Grant funds allocated to SUBRECIPIENT through this Agreement may be used, directly or
8 indirectly, to employ, award contracts to, or otherwise engage the services of, or fund any
9 contractor or subcontractor during any period of debarment, suspension, or placement in
10 ineligibility status under the provision of 24 CFR 24.

11 25. LEAD-BASED PAINT SUBRECIPIENT and all subcontractors, if any, shall
12 comply with the requirements, as applicable, of the Lead-Based Paint Poisoning Prevention
13 Act (42 U.S.C. 4821-4846) and implementing regulations issued pursuant thereto (24 CFR
14 35).

15 26. FLOOD INSURANCE. No site proposed on which renovation, major
16 rehabilitation, or conversion of a building is to be assisted under this part, other than by grant
17 amounts allocated to the State, may be located in an area that has been identified by the
18 Federal Emergency Management Agency as having special flood hazards, unless the
19 community in which the area is situated is participating in the National Flood Insurance
20 Program and the regulations issued thereunder (44 CFR 59-79) or less than a year has passed
21 since the Federal Emergency Management Agency notification regarding such hazards, and
22 the SUBRECIPIENT will ensure that flood insurance on the structure is obtained in
23 compliance with Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001
24 et seq.).

1 27. NOTICES. Any notices required or desired to be served by either party upon the
2 other shall be addressed to respective parties as set out below:

<u>COUNTY</u>	<u>SUBRECIPIENT</u>
<u>Assistant County Executive Officer/EDA</u> <u>Economic Development Agency</u> <u>P.O. Box 1180</u> <u>Riverside, CA 92502</u>	<u>Heidi Marshall</u> <u>Riverside Community Housing Corp.</u> <u>5555 Arlington Avenue</u> <u>Riverside, CA 92504</u>

7 or to such other addresses as from time-to-time shall be designated by the respective parties.

8 28. BINDING ON SUCCESSORS. SUBRECIPIENT, its heirs, assigns and
9 successors in interest shall be bound by all the provisions contained in this Agreement, and all
10 of the parties thereto shall be jointly and severally liable hereunder.

11 29. RENTAL VOUCHER PROGRAM. SUBRECIPIENT shall participate with the
12 COUNTY in the Rental Voucher & Certificate Program for Homeless families and adhere to
13 all its regulations issued there under (24 CFR 882 & 887.)

14 30. ASSURANCES AND WARRANTIES. SUBRECIPIENT represents and
15 warrants (1) that it has access to professional advice and support to the extent necessary to
16 enable SUBRECIPIENT to fully comply with the terms of the Agreement and to otherwise
17 carry out the Project, (2) that it is duly organized, validly existing and in good standing under
18 the laws of the State of California, (3) that it has the full power and authority to undertake the
19 Project and to execute this Agreement, (4) that the persons executing and delivering this
20 Agreement are authorized to execute and deliver such documents on behalf of
21 SUBRECIPIENT and (5) that neither SUBRECIPIENT nor any of its principals is presently
22 debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded
23 from participation in connection with the transaction contemplated by this Agreement.

24 31. ASSISTANCE TERMINATION. SUBRECIPIENT may, in accordance with
25 42 U.S.C. 11375 (e) and 24 CFR 576.56 (a) (3), terminate assistance provided through the
26 ESG program to an individual or family that violate program requirements. SUBRECIPIENT
27 is required to have in place COUNTY approved policies and procedures that govern the
28 termination and grievance process. The procedures must describe the SUBRECIPIENT's
program requirements and the termination process, as well as the grievance procedure that

1 outlines participant's rights to request a hearing or other recourse regarding the termination of
2 their assistance.

3 32. HOMELESS PREVENTION ACTIVITIES. SUBRECIPIENT shall comply
4 with the requirements of 24 CFR 576.21 (a)(4) pertaining to the limitations on the funding of
5 homeless prevention assistance.

6 33. PARTICIPATION OF HOMELESS. SUBRECIPIENT shall, to the maximum
7 extent practicable, provide for the involvement of homeless individuals and families in the
8 policymaking, renovation, maintaining, and operating of facilities assisted under the ESG
9 program as provided by 24 CFR 576.56.

10
11 34. JURISDICTION AND VENUE: Any action at law or in equity arising under this
12 Agreement or brought by a party hereto for the purpose of enforcing, construing or
13 determining the validity of any provision of this Agreement shall be filed in the consolidated
14 Courts of Riverside County, State of California, and the parties hereto waive all provisions of
15 law providing for the filing, removal or change of venue to any other court or jurisdiction

16 35. SEVERABILITY. Each paragraph and provision of this Agreement is severable
17 from each other provision, and if any provision or part thereof is declared invalid, the
18 remaining provisions shall remain in full force and effect.

19 36. WAIVER. Failure by a party to insist upon the strict performance of any of the
20 provisions of this Agreement by the other party, or the failure by a party to exercise its rights
21 upon the default of the other party, shall not constitute a waiver of such party's rights to insist
22 and demand strict compliance by the other party with the terms of this Agreement thereafter.

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

1 38. MINISTERIAL ACTS. The Assistant County Executive Officer/EDA of
2 COUNTY's Economic Development Agency or designee(s) are authorized to take such
3 ministerial actions as may be necessary or appropriate to implement the terms, provisions, and
4 conditions of this Agreement as it may be amended from time to time by COUNTY.

5 39. INTERPRETATION AND GOVERNING LAW. This Agreement and any
6 dispute arising hereunder shall be governed by and interpreted in accordance with the laws of
7 the State of California. This Agreement shall be construed as a whole according to its fair
8 language and common meaning to achieve the objectives and purposes of the parties hereto, and
9 the rule of construction to the effect that ambiguities are to be resolved against the drafting party
10 shall not be employed in interpreting this Agreement, all parties having been represented by
11 counsel in the negotiation and preparation hereof.

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

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

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

23 43. LETTER TO PROCEED. SPONSOR shall not initiate nor incur expenses for the
24 ESG Grant-funded project/activity covered under the terms of this Agreement prior to receiving
25 written authorization to proceed.

26 44. REPROGRAMMING OF FUNDS. If COUNTY determines that substantial
27 progress toward completion of a project is not made during the term of this Agreement, the
28 entitlement funds associated with the project may be reprogrammed by COUNTY after a thirty
(30) day written notice is provide to SUBRECIPIENT.

1 45. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT.
2 SUBRECIPIENT agrees to, and will require any lessee or assignee to notify Riverside County
3 Workforce Development Center of any and all job openings that are caused by this project.

4 46. SOURCE OF FEDERAL FUNDING. SUBRECIPIENT acknowledges that the
5 source of funding pursuant to this Agreement is Emergency Solutions Grant (ESG) funds
6 (CFDA 14.231).

7 47. ASSIGNMENT. The SUBRECIPIENT shall not make any assignment or
8 transfer in any form with respect to this Agreement, without prior written approval of the
9 COUNTY

10 48. MODIFICATION OF AGREEMENT. This Agreement can be
11 modified or modified or amended only by a writing signed by the duly authorized and
12 empowered representatives of COUNTY and SUBRECIPIENT, respectively.

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14
15
16 [REMAINDER OF PAGE INTENTIONALLY BLANK]

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18 [SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

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

RIVERSIDE COMMUNITY HOUSING
CORP.,
a California Non-profit Corporation

By: _____
Suzanne Holland,
Assistant Director of EDA


By: _____
Marion Ashley,
Chairperson of the Board

Date: _____

Date: _____


APPROVED AS TO FORM:
Gregory Priamos, County Counsel

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

By:  _____
Anita C. Willis,
Assistant County Counsel

By: _____
Deputy

APPROVED AS TO FORM:
Gregory Priamos, General Counsel

By:  _____
Jhaila R. Brown,
Deputy General Counsel

**EMERGENCY SOLUTIONS GRANT
EXHIBIT "A"**

Subrecipient: Riverside Community Housing Corp.

Address: 5555 Arlington Avenue, Riverside, CA 92504

Project Title: Housing First-Rapid-Rehousing for Riverside County

Location: 5555 Arlington Avenue, Riverside, CA 92504

Scope of Service: The Riverside Community Housing Corporation will utilize ESG funding for Rapid Re-housing activities to transition homeless persons, living on the streets or in emergency shelters, to permanent and stable housing. Clients will receive housing relocation and stabilization services and short- or medium-term rental assistance. ESG funds will be used for staff salaries (direct costs) and Rapid Re-Housing services for 22 clients.

Performance Measurements Outcome Statement:

Objective

Outcome

- Creating Suitable Living Environment
- Providing Decent Housing
- Creating Economic Opportunity

- Availability/Accessibility
- Affordability
- Sustainability

Project Budget:

ESGP APPROVED

1) Street Outreach

2) Emergency Shelter

3) Homelessness Prevention

4) Rapid Re-Housing

\$80,000

TOTAL

Sources of Local Match:

Local Government \$210,750.00

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Special Conditions:

Special Conditions: Reimbursement claims must be submitted to reflect total charges for each funding component separately. Total number to serve is 22 for RR and must be entered in HMIS under ESG in a timely manner. Agency data sharing is required. Breakdown will be as follows:

Rapid Re-Housing

Financial Assistance- moving cost, utility, security deposit

Financial Services-Housing Search, Case Management, Legal Services, credit repair, money management

Rental Assistance- rent

1. Change in Matching Funds

Subrecipient will notify EDA within thirty (30) days of any change in match funding, and must acknowledge that sub-recipient is required to match dollar-for-dollar in the funding amounts for the full term of the grant period, 2014-2015.

2. Final Reimbursement

- A. Clients must be entered in HMIS in a timely manner no less than 10 days**
- B. Client files must be kept up to date with all required client identification, verification of eligibility, client plan, and landlord/non-profit agreement, etc.**
- C. Adhere to the Priority of Service listed based on the service list to be provided by EDA**
- D. Reimbursements must be submitted on a monthly basis with all required back-up.**
- E. Unless approved by EDA in writing, all final requests for reimbursement of authorized ESG expenditures under this 2014-2015 Emergency Solutions Grant must be submitted to EDA no later May 15, 2015.**

EXHIBIT CI

§ 570.611 Conflict of interest.

(a) Applicability.

(1) In the procurement of supplies, equipment, construction, and services by recipients, and by subrecipients (including those specified at § 570.204(c)), the conflict of interest provisions in 24 CFR 85.36 and OMB Circular A 110, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and OMB Circular A-110, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202, or grants, loans and other assistance to businesses, individuals and other private entities pursuant to § 570-203, § 570.204 or § 570.455).

(b) Conflicts prohibited. Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, the general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part 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 personal or financial interest or benefit from a CDBG assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or subrecipients which are receiving funds under this part.

(d) Exceptions: threshold requirements. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project. An exception may be considered only after the recipient has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not Violate State or local law.

EXHIBIT CI

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

- (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- (2) Whether an opportunity was provided for open competitive bidding or negotiation;
- (3) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- (4) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;
- (5) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;
- (6) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (7) Any other relevant considerations.

EXHIBIT CI

Prohibition Against Conflicts of Interest
Page 3 of 4

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

DATE: October 1989

This Conflict of Interest Code is written to comply with Federal Regulations (24 CFR Part 85). These Regulations. "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" require that grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

- 1) No employee, officer or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
 - i) The employee, officer or agent;
 - ii) Any member of the immediate family;
 - iii) His/Her partners, or;
 - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
 - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
 - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.

EXHIBIT CI

Prohibition Against Conflicts of Interest
Page 4 of 4

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

DATE: October 1989

- iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
 - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
 - v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of Section 4, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 1 of 2

In accordance with First Amendment Church/State Principles, as a general rule, CDBG/ESG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of CDBG/ESG funds.

(1) CDBG/ESG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interests. This limitation includes the acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j) (2) of this section with respect to rehabilitation and under paragraph (j) (4) of this section with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG/ESG funds at no more than fair market value for a non-religious use.

(2) CDBG/ESG funds may be used to rehabilitate buildings owned by primarily religious entities to be used for a wholly secular purpose under the following conditions:

(i) The building (or portion thereof) that is to be improved with the CDBG/ESG assistance has been leased to an existing or newly-established wholly secular entity (which may be an entity established by the religious entity);

(ii) The CDBG/ESG assistance is provided to the lessee (and not the lessor) to make the improvements;

(iii) The leased premises will be used exclusively for secular purposes available to persons regardless of religion;

(iv) The lease payments do not exceed the fair market rent of the premises as they were before the improvements are made;

(v) The portion of the cost of any improvements that also serve a non-leased part of the building will be allocated to and paid for by the lessor;

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;

(vii) The lessee must remit the amount received from the lessor under subparagraph (2)(vi) of this section to the recipient or subrecipient from which the CDBG/ESG funds were derived.

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 2 of 2

The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case, the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

(3) As a general rule, CDBG/ESG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the recipient or subrecipient from which the CDBG/ESG funds are derived that, in connection with the provision of such services:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.

(ii) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(iii) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;

(iv) The portion of a facility used to provide the public services shall contain no religious symbols or decorations, other than those permanently affixed to or part of the structure.

(4) Where the public services provided under paragraph (j)(3) of this section are carried out on property owned by the primarily religious entity, CDBG/ESG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG/ESG expenditure for the public services.

EXHIBIT "S"

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

Sec. 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR 135 that implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 135 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR 135.

EXHIBIT "S"

Page 2 of 2

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).