



APPROVAL OF SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF GARDEN GROVE  
AND THE GARDEN GROVE HOUSING AUTHORITY FOR THE ADMINISTRATION OF A  
TENANT BASED RENTAL ASSISTANCE PROGRAM

February 25, 2014

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program, the Housing Authority will make payments directly to property owners on behalf of approximately 180 eligible families annually.

In order for the Authority to administer the TBRA program on behalf of the City, HUD requires that both entities enter into a Subrecipient Agreement.

FINANCIAL IMPACT

The Subrecipient Agreement will have no impact on the General Fund. Funding the TBRA program will come from the City's Federal HOME funds, fill a Section 8 funding reduction and not impact any other planned activities or projects.

RECOMMENDATION

Staff recommends that the City Council:

- Approve the Subrecipient Agreement between the City and Authority for the administration of a Tenant Based Rental Assistance Program;
- Authorize the City Manager to execute the Agreement and any pertinent documents to effectuate the Agreement, and to make minor modifications as appropriate; and

Staff recommends the Housing Authority:

- Approve the Subrecipient Agreement between the City and Authority for the administration of a Tenant Based Rental Assistance Program;
- Authorize the Director to execute the Agreement and any pertinent documents to effectuate the Agreement, and to make minor modifications as appropriate.



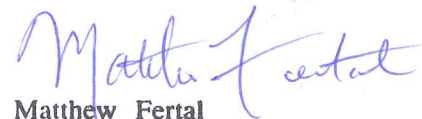
SUSAN EMERY  
Community Development Director



By: Allison Mills  
Neighborhood Improvement Manager

Attachment 1: Subrecipient Agreement

Recommended for Approval



Matthew Fertal  
Director

**HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM  
SUBRECIPIENT AGREEMENT  
BETWEEN THE CITY OF GARDEN GROVE  
AND  
GARDEN GROVE HOUSING AUTHORITY**

This Agreement is made and entered into this 1st day of July, 2013, by and between the CITY OF GARDEN GROVE, a municipal corporation of the State of California, hereinafter referred to as "CITY," and GARDEN GROVE HOUSING AUTHORITY, a municipal corporation under the laws of the State of California, hereinafter referred to as "SUBRECIPIENT."

**RECITALS**

The following recitals are a substantive part of this Agreement:

1. The CITY has applied for and received funds from the U.S. Department of Housing and Urban Development (HUD) under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.;
2. The CITY has as a HOME Investment Partnerships (HOME) participating jurisdiction made the certification about inclusion in its Consolidated Plan of using HOME funds for tenant-based rental assistance in accordance with 24 CFR 91.225(d)(1), 91.325(d)(1), or 91.425(a)(2)(i), and has specified local market conditions that lead to the choice of this option.
3. The CITY wishes to engage the SUBRECIPIENT to operate the HOME Tenant Based Rental Assistance Program to provide rental housing assistance payments to low income families ("PROJECT"); and
4. The provision of this service is an eligible expenditure of available HOME funds of CITY as a Tenant Based Rental Assistance activity that helps the City to provide rental housing payments for low-income families under the requirements found at 24 CFR 92.209.

**AGREEMENT**

The parties mutually agree as follows:

- 1. Term of Agreement.** This Agreement shall cover services rendered from January 1, 2014 until June 30, 2016. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the SUBRECIPIENT remains in control of HOME funds or other assets, including program income.
- 2. Services to be Provided.** The SUBRECIPIENT is to perform all the services

("SERVICES") set forth in the Scope of Services, attached hereto as Exhibit "A" and incorporated herein by this reference. The Scope of Services includes the following components:

2.1 Activities. The SUBRECIPIENT will be responsible for administering the PROJECT with Fiscal 2013-14 HOME Program funds to Garden Grove residents in a manner satisfactory to the CITY and consistent with any standards required as a condition of providing these funds.

1) Program Delivery. The Scope of Services includes a complete description of each activity eligible under the HOME Program, the products or services to be performed, where they are to be provided, for whom they are to be provided, and how they are to be provided.

2) General Administration. A description of the SUBRECIPIENT's general administrative services to be performed in support of the activities noted in the Scope of Services, including a schedule for the completion of these services and goals shall be included in the Project Description. The PROJECT will include activities eligible under the HOME Program.

2.2 Level of Accomplishment-Goals and Performance Measures. The Scope of Services is to include measurements for each activity per quarter and year-to-date.

2.3 Performance Monitoring. The CITY will monitor the performance of the SUBRECIPIENT against goals and performance standards required herein. Substandard performance as determined by the CITY will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being notified by the CITY, Agreement suspension or termination procedures will be initiated.

3. Compensation. SUBRECIPIENT shall be compensated as follows:

3.1 Amount. It is expressly agreed and understood that the total amount to be paid by the CITY under this Agreement shall not exceed TWO MILLION FIVE HUNDRED THOUSAND Dollars (\$2,500,000). Payment shall be contingent upon certification of the SUBRECIPIENT's financial management system in accordance with the standard specified in 24 CFR 84.21.

3.2 Not Exceed. Compensation under this Agreement shall not exceed \$2,500,000. If the cost of providing the SERVICES exceeds \$2,500,000, the SUBRECIPIENT shall be responsible for all additional costs. If the cost of services provided is less than \$2,500,000, the CITY shall retain all unused funds.

3.3 Budget. Draw downs for the payment of eligible expenses shall be made against the line item budgets specified in the Project Budget, Exhibit A herein, and in accordance with the payment procedures set forth in Section 5.3 of this Agreement.

**4. General Conditions.** During the performance of this Agreement, the SUBRECIPIENT agrees as follows:

4.1 General Compliance. The SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 92 (the U.S. Housing and Urban Development regulations concerning HOME Investment Partnerships Program (HOME)) including subpart K of these regulations, except that (1) the SUBRECIPIENT does not assume the recipient's environmental responsibilities described in 24 CFR 92.352 and (2) the SUBRECIPIENT does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The SUBRECIPIENT also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. The SUBRECIPIENT further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

4.2. Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Address of CITY is as follows:

City of GARDEN GROVE  
Attn: Susan Emery  
Community Development Department  
11222 Acacia Parkway  
Garden Grove, CA 92840

With One (1) Copy to:

City of Garden Grove  
Attn: City Attorney  
City Attorney's Office  
11222 Acacia Parkway  
Garden Grove, CA 92840

Address of SUBRECIPIENT:

Garden Grove Housing Authority  
11277 Garden Grove Blvd, Suite 101-C  
Garden Grove, CA 92840

4.3. Independent Contractor. Nothing contained in this Agreement is intended to,

or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The SUBRECIPIENT shall at all times remain an independent contractor with respect to the services to be performed under this Agreement. All persons employed for the performance of services and functions hereunder shall be officers, agents, or employees (including volunteers) of the SUBRECIPIENT and shall not be deemed to be those of the CITY; no CITY officer, agent, or employee shall be under control or supervision of the SUBRECIPIENT, and no SUBRECIPIENT officers, agents or employees (including volunteers), shall have any entitlement to wages, pension, civil service, or any status or rights with the CITY. The CITY shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the SUBRECIPIENT is an independent contractor.

- 4.4. Hold Harmless. SUBRECIPIENT agrees to protect, defend, and hold harmless the CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by the SUBRECIPIENT, the SUBRECIPIENT'S agents, officers, employees, subcontractors, or independent contractors hired by the SUBRECIPIENT. The only exception to the SUBRECIPIENT'S responsibility to protect, defend, and hold harmless the CITY, is due to the sole negligence of the CITY, or any of its elective or appointive boards, officers, agents, or employees. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the SUBRECIPIENT.
- 4.5. Workers' Compensation. For the duration of this Agreement, the SUBRECIPIENT and all subcontractors, consultants, and agents shall maintain Workers' Compensation Insurance in the amount and type required by law California Law, if applicable.
- 4.6. Insurance. The SUBRECIPIENT is a Division of the CITY and is insured by the CITY.
- 4.7. City Recognition. The SUBRECIPIENT shall insure recognition of the role of the CITY in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the SUBRECIPIENT will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

- 4.8. Amendments. The CITY or SUBRECIPIENT may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the CITY's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the CITY or SUBRECIPIENT from its obligations under this Agreement.

The CITY may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both CITY and SUBRECIPIENT.

- 4.9. Suspension or Termination. In accordance with 24 CFR 85.43, the CITY may suspend or terminate this Agreement if the SUBRECIPIENT materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

- A. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
- B. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner its obligations under this Agreement;
- C. Ineffective or improper use of funds provided under this Agreement; or
- D. Submission by the SUBRECIPIENT to the CITY reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this agreement may also be terminated for convenience by either the CITY or the SUBRECIPIENT, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the CITY determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the CITY may terminate the award in its entirety.

## **5. Administrative Requirements.**

- 5.1. Financial Management.

- A. Accounting Standards. The SUBRECIPIENT agrees to comply with 24 CFR 84.21–28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- B. Cost Principles. The SUBRECIPIENT shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

5.2. Documentation and Record Keeping.

- A. Records to be Maintained. The SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR 92.508 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:
  - 1) A full description of each project assisted with HOME funds, including the location, form of HOME assistance, and the units or tenants assisted with HOME funds.
  - 2) The source and application of funds for each project, including supporting documentation in accordance with 24 CFR 85.20.
  - 3) Records demonstrating that each project meets the property standards of § 92.251 and the lead based paint requirements of § 92.355.
  - 4) Records demonstrating that each family is income eligible in accordance with § 92.203.
  - 5) Records demonstrating that each tenant-based rental assistance project meets the written tenant selection policies and criteria of § 92.209(c), including the tenant preference requirements, the rent reasonableness requirements of § 92.209(f), the maximum subsidy provisions of § 92.209(h), HQS inspection reports, and calculation of the HOME subsidy.
  - 6) If HOME funds are used for tenant-based rental assistance, records supporting the participating jurisdiction's Consolidated Plan certification in accordance with 92.209(b), including documentation of the local market conditions that led to the choice of this option; written selection policies and criteria; supporting documentation for



preferences for specific categories of individuals with disabilities; and records supporting the rent standard and minimum tenant contribution established in accordance with § 92.209(h).

- 7) Records demonstrating that each lease for a tenant receiving tenant-based rental assistance and for an assisted rental housing unit complies with the tenant and participant protections of § 92.253. Records must be kept for each family.
  - 8) HOME funds are used for tenant-based rental assistance or rental housing, records evidencing that not less than 90 percent of the families receiving such rental assistance meet the income requirements of § 92.216.
  - 9) Records documenting compliance with the fair housing and equal opportunity components of the HOME program;
  - 10) Records demonstrating compliance with the lead-based paint requirements of part 35, subparts A, B, J, K, M and R of this title.
  - 11) Records supporting exceptions to the conflict of interest prohibition pursuant to § 92.356.
  - 12) Financial records as required by 24 CFR 92.505, 24 CFR 92.508(5) and 24 CFR 84.21–28; and
  - 13) Other records necessary to document compliance with Subpart K of 24 CFR Part 570.
- B. Retention. The SUBRECIPIENT shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this Agreement for a period of four (4) years. The retention period begins on the date of the submission of the CITY's annual performance and evaluation report to HUD in which the activities assisted under this Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.
- C. Client Data. The SUBRECIPIENT shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for

determining eligibility, and description of service provided. Such information shall be made available to CITY monitors or their designees for review upon request.

- D. Disclosure. The SUBRECIPIENT understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the CITY's or SUBRECIPIENT's responsibilities with respect to services provided under this Agreement, is prohibited by all applicable state and Federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.
  
- E. Closeouts. The SUBRECIPIENT's obligation to the CITY shall not end until all closeout requirements are completed. Activities during this closeout period shall include, but are not limited to: Making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the CITY), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over HOME funds, including program income.
  
- F. Audits & Inspections. All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to the CITY, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the SUBRECIPIENT within 30 days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance with current CITY policy concerning subrecipient audits and OMB Circular A-133.

### 5.3 Reporting and Payment Procedures.

- A. Program Income. The SUBRECIPIENT shall report quarterly all program income (as defined at 24 CFR 92.2) generated by activities carried out with HOME funds made available under this Agreement. The use of program income by the SUBRECIPIENT shall comply with the requirements set forth at 24 CFR 92.503. By way of further limitations,

the SUBRECIPIENT may use such income during the agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unexpended program income shall be returned to the CITY at the end of the agreement period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the CITY.

- B. Indirect Costs. If indirect costs are charged, the SUBRECIPIENT will develop an indirect cost allocation plan for determining the appropriate SUBRECIPIENT's share of administrative costs and shall submit such plan to the CITY for approval, in a form specified by the CITY.
- C. Payment Procedures. The CITY will pay to the SUBRECIPIENT funds available under this Agreement based upon information submitted by the SUBRECIPIENT and consistent with any approved budget and CITY policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the SUBRECIPIENT, and not to exceed actual cash requirements. Payments are to be adjusted by the CITY in accordance with advanced fund and program income balances available in SUBRECIPIENT accounts. In addition, the CITY reserves the right to liquidate funds available under this Agreement for costs incurred by the CITY on behalf of the SUBRECIPIENT.
- D. Progress Reports. The SUBRECIPIENT shall submit regular Progress Reports to the CITY in the form, content, and frequency as required by the CITY.

#### 5.4 Procurement.

- A. Compliance. The SUBRECIPIENT shall comply with current CITY policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the CITY upon termination of this Agreement as provided for herein.
- B. OMB Standards. Unless specified otherwise within this Agreement, the SUBRECIPIENT shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-48.
- C. Travel. The SUBRECIPIENT shall obtain written approval from the CITY for any travel outside the metropolitan area with funds provided under this Agreement.

5.5 Use and Reversion of Assets.

- A. The SUBRECIPIENT shall transfer to the CITY any HOME funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
- B. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the SUBRECIPIENT for activities under this Agreement shall be (a) transferred to the CITY for the HOME program or (b) retained after compensating the CITY an amount equal to the current fair market value of the equipment less the percentage of non-HOME funds used to acquire the equipment.

6. **Relocation, Real Property Acquisition and One-for-One Housing Replacement.**

The SUBRECIPIENT agrees to comply with the following:

- A. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 92.353; and
- B. The requirements of 24 CFR 92.353(e) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and
- C. The requirements in 24 CFR 92.353(d) governing optional relocation policies, unless the CITY preempts such policies; and
- D. The SUBRECIPIENT shall provide relocation assistance to displaced persons as defined by 24 CFR 92.353(c)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a HOME-assisted project; and
- E. The SUBRECIPIENT also agrees to comply with all applicable CITY ordinances, resolutions and policies concerning the displacement of persons from their residences.

7. **Personnel & Participant Conditions.**

7.1. Civil Rights.

A. Compliance.

The SUBRECIPIENT agrees to comply with all local and State civil rights laws and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

B. Nondiscrimination.

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, executive orders referenced in 24 CFR 92.350, as revised by Executive Order 13279, and all local ordinances. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

C. Land Covenants.

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 92.202. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the CITY and the United States are beneficiaries of and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

D. Section 504.

The SUBRECIPIENT agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The CITY shall provide the SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

7.2. Affirmative Action.

A. Approved Plan.

The SUBRECIPIENT agrees that it shall be committed to carry out pursuant to the CITY's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The CITY shall provide Affirmative Action guidelines to the SUBRECIPIENT to assist in the formulation of such program. The SUBRECIPIENT shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

B. Women- and Minority-Owned Business Enterprise (W/MBE).

The SUBRECIPIENT will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

C. Access to Records.

The SUBRECIPIENT shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the CITY, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

D. Notifications.

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the SUBRECIPIENT's commitments hereunder, and shall post copies of the

notice in conspicuous places available to employees and applicants for employment.

E. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement.

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.

F. Subcontract Provisions.

The SUBRECIPIENT will include Section 7.1(a), Civil Rights, and Section 7.2, Affirmative Action, specifically or by attached reference, in every subcontract or purchase order, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

7.3 Employment Restrictions.

A. Prohibited Activity.

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: Political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

B. OSHA.

Where employees are engaged in activities not covered under the Occupational Safety Act of 1970 (OSHA), they shall not be required or permitted to work, be trained, or receive services in buildings that are unsanitary, hazardous, or dangerous to the participants' healthy or safety.

C. Labor Standards.

The SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this agreement. The SUBRECIPIENT agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The SUBRECIPIENT shall maintain documentation that demonstrates compliance with hour and wage requirements of this part.

Such documentation shall be made available to the CITY for review upon request.

The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the CITY pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

D. Section 3 Clause.

1) Compliance.

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the agreement through which Federal financial assistance is provided. The SUBRECIPIENT certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The SUBRECIPIENT further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this agreement:

"The work to be performed under this agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban



Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low and very low-income persons residing in the metropolitan area in which the project is located."

The SUBRECIPIENT further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low and very low-income persons residing within the metropolitan area in which the HOME-funded project is located; where feasible, priority should be given to low and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low and very low-income persons residing within the metropolitan area in which the HOME-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low and very low-income residents within the service area or the neighborhood in which the project is located, and to low and very low-income participants in other HUD programs.

The SUBRECIPIENT certifies and agrees that no contractual and/or other legal incapacity exists that would prevent compliance with these requirements.

2) Notifications.

The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

3) Subcontracts.

The SUBRECIPIENT will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The SUBRECIPIENT will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

#### 7.4 Conduct.

##### B. Assignability.

The SUBRECIPIENT shall not assign or transfer any interest in this agreement without the prior written consent of the CITY thereto; provided, however, that claims for money due or to become due to the SUBRECIPIENT from the CITY under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the CITY.

##### C. Subcontracts.

###### 1) Approvals.

The SUBRECIPIENT shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the CITY prior to the execution of such agreement.

###### 2) Monitoring.

The SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

3) Content.

The SUBRECIPIENT shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

4) Selection Process.

The SUBRECIPIENT shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the CITY along with documentation concerning the selection process.

D. Hatch Act.

The SUBRECIPIENT agrees that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

E. Conflict of Interest.

The SUBRECIPIENT agrees to abide by the provisions of 24 CFR 84.42 and 92.346, which include (but are not limited to) the following:

- 1) The SUBRECIPIENT shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and the administration of contracts supported by Federal funds.
- 2) No employee, officer or agent consultant, officer, or elected official or appointed official of the SUBRECIPIENT which are receiving HOME funds shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- 3) No covered persons who exercise or have exercised any functions or responsibilities with respect to HOME-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 HOME-assisted activity, or with respect to the proceeds from the HOME-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 paragraph, a "covered person" includes any person who is an employee, agent, subcontractor, consultant, officer, or elected or appointed official of the CITY, the SUBRECIPIENT, or any designated public agency.

F. Lobbying.

The SUBRECIPIENT hereby certifies that:

- 1) No Federally appropriated funds have been paid or will be paid, by or on behalf of it, 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 of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- 3) It will require that the language of paragraph (4) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENTS shall certify and disclose accordingly; and
- 4) Lobbying Certification. 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.C. 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.

G. Copyright.

If this Agreement results in any copyrightable material or inventions, the CITY and/or grantor agency reserves the right to royalty-free, exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

H. Religious Activities.

The SUBRECIPIENT agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 92.257(b), such as worship, religious instruction, or proselytization. An organization that is awarded direct HUD funds may still engage in inherently religious activities providing they are voluntary for participants in HUD-funded activities and occur separately in time or location from the HUD-funded activities. An organization receiving HUD funds may not restrict HUD-funded services or housing to people of a particular religion or religious denomination.

**8. Environmental Conditions.**

8.1 Air and Water.

The SUBRECIPIENT agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- A. Clean Air Act, 42 U.S.C., 7401, *et seq.*;
- B. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued hereunder;
- C. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

8.2 Flood Disaster Protection.

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the SUBRECIPIENT shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

### 8.3 Lead-Based Paint.

The SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 92.355, and 24 CFR Part 35, Subpart B. Such regulations pertain to all HOME-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures might be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

### 8.4 Historic Preservation.

The SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, and any and all local ordinances insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

## **9. Severability.**

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

## **10. Section Headings and Subheadings.**

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

**11. Waiver.**

The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not waive its right to act with respect to subsequent or similar breaches. The failure of the CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

**12. Entire Agreement.**

This Agreement constitutes the entire agreement between the CITY and the SUBRECIPIENT for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the CITY and the SUBRECIPIENT with respect to this Agreement.

IN WITNESS WHEREOF, the City Manager of the City of Garden Grove has caused this Agreement to be subscribed and attested by the City Clerk hereof, and the SUBRECIPIENT has subscribed the same through its authorized officer, the day, month and year first above written.

[SIGNATURE PAGE FOLLOWS]

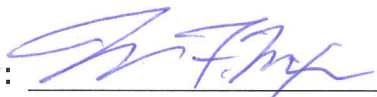
SUBRECIPIENT

GARDEN GROVE HOUSING AUTHORITY,  
a municipal corporation

By: \_\_\_\_\_  
Matthew J. Fertel  
Executive Director

Dated: \_\_\_\_\_

Approved as to Form:

By:   
Tom Nixon  
City Attorney

Dated: 8/19/13

CITY

CITY OF GARDEN GROVE,  
a municipal corporation

By: \_\_\_\_\_  
Matthew J. Fertel  
City Manager

Dated: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Kathleen Bailor  
City Clerk

Dated: \_\_\_\_\_



**EXHIBIT A**

**SCOPE OF SERVICES AND BUDGET**

**FY 2013-2014**