

**CDBG SUBRECIPIENT AGREEMENT
(Fair Housing Services)**

This **CDBG SUBRECIPIENT AGREEMENT (Fair Housing Services)** (“Agreement”) is made and entered into as of May 24, 2016, by and between the **CITY OF LANCASTER**, a municipal corporation and charter city (“City”), and **SOUTHERN CALIFORNIA HOUSING RIGHTS CENTER dba HOUSING RIGHTS CENTER**, a California nonprofit public benefit corporation (“Subrecipient”).

RECITALS

A. City has applied for and received funds (“CDBG Funds”) from the United States Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, 42 U.S.C. Section 5301, *et seq.*, (as amended, the “HCD Act”), and the regulations promulgated thereunder at 24 CFR part 570 (“CDBG Regulations”; and, together with the HCD Act, the “CDBG Program”).

B. Pursuant to 42 U.S.C. 5304(b), City has certified to the U.S. Department of Housing and Urban Development (“HUD”), among other things, that City will affirmatively further fair housing.

C. The CDBG Regulations, in particular 24 CFR 570.601(a)(2) and 24 CFR 91.225(a)(1), describe the City’s obligation to affirmatively further fair housing (AFFH) as follows: City must (1) undertake fair housing planning by conducting an analysis to identify impediments to fair housing choice within its jurisdiction, (2) take appropriate actions to overcome the effects of any impediments identified through that analysis, and (3) maintain records reflecting the analysis and actions in this regard (collectively, “AFFH Obligations”).

D. City’s fair housing obligations additionally include compliance with Section 109 of the Housing and Community Development Act of 1974, as amended, Title VI of the Civil Rights Act of 1964, as amended, the Section 504 of the Rehabilitation Act of 1973, as amended, and Title VIII of the Civil Rights Act of 1968 (collectively, “Fair Housing Laws”).

E. City wishes to engage the Subrecipient to assist the City by providing fair housing counseling services to residents of the City of Lancaster, in order to satisfy City’s AFFH Obligations and assist City in its compliance with Fair Housing Laws. City will compensate Subrecipient for the Services (defined below) using CDBG Funds in accordance with the CDBG Program.

F. Pursuant to 24 CFR 570.201(e), CDBG Funds may be used to provide fair housing counseling services, provided that such activities meet the national objective to benefit low- and moderate-income families, pursuant to 24 CFR 570.200(a)(2), which may be demonstrated by ensuring that not fewer than 51% of the persons served by such housing counseling services are persons whose family income does not exceed the low and moderate income limit, or otherwise in accordance with 24 CFR 570.208(a)(2).

G. City has engaged Subrecipient to provide the Services described herein, or similar services, in the 2015/16 CDBG Program Year and prior years.

H. City and Subrecipient now desire to enter into this Agreement to provide for City to transfer CDBG Funds to Subrecipient to enable Subrecipient to perform the Services required by this Agreement, all in accordance with the CDBG Program.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

ARTICLE 1 SCOPE OF SERVICES

1.1 Statement of Work. Subrecipient shall provide fair housing counseling services to implement and satisfy City's AFFH Obligations and assist City in its compliance with the Fair Housing Laws as described below in this Section 1.1 and as further described in the "Proposal" submitted by Subrecipient to City, dated April 26, 2016, a copy of which is attached hereto as Attachment No. 2 and incorporated herein (collectively, the "Services"). In connection with the Services, Subrecipient shall comply with the Subrecipient Handbook for CDBG Funding ("Subrecipient Handbook") prepared by the Agency, which Subrecipient acknowledges it has received from City.

(a) Maintenance of a telephone hotline and to provide fair housing counseling to City residents by telephone and in-person. Walk-ins must be welcome at City Hall and maintained by Subrecipient during designated hours. Subrecipient shall maintain an 800 number and a TTY number. The telephone hotline and walk-in service shall be staffed by trained, bilingual fair housing counselors that will determine whether discrimination is a factor in the client's concerns and, in any event, provide guidance appropriate to respond to the client's inquiry or concerns.

(b) Hold monthly clinics at Lancaster City Hall or such other location as may be approved by City for the purpose of conducting outreach and training activities.

(c) Investigation of complaints received through the telephone hotline maintained by Subrecipient and/or from walk-in clients and provision of counseling services regarding such complaints, based on the results of the investigation. Case investigations may include testing, surveys, on-site visits, witness statements and document requests and reviews, as described in more detail in the Proposal.

(d) Outreach services to provide information, training and counseling to tenants and landlords, including press releases, fair housing newsletters, workshops, other media, development of informational materials regarding fair housing issues, property management and landlord training events, booths at community festivals and other events, special events, and collaborations with other organizations including the Los Angeles Times Fair Housing Advertising Task Force and Call to Action.

(e) Monitoring of landlord compliance with laws and fair housing practices based on the results of mediation and/or other legal actions resulting from prior discriminatory or noncompliant activities.

(f) Legal services including transactional and advisory services and litigation of housing discrimination cases on behalf of low and moderate income households. Mediation of disputes between landlords and tenants, prospective housing purchasers and sellers and/or lenders,

and regarding other housing-related disputes, regardless of whether discrimination is a factor in the dispute.

(g) Prepare and disseminate printed materials in English, Armenian, Cantonese, Korean, Mandarin, Russian, Spanish and American Sign Language to provide low and moderate income households with information regarding housing availability, counseling services and training events.

(h) Subrecipient shall employ or contract with staff proficient in the following languages: English, Armenian, Cantonese, Korean, Mandarin, Russian, Spanish and American Sign Language.

(i) Subrecipient acknowledges that City is negotiating an Agreement for Voluntary Compliance (“VCA”) with HUD relating to City’s compliance with various requirements of the Fair Housing Laws. Pursuant to the terms of the VCA, when executed by City and HUD, City may be required to comply with certain outreach, monitoring, reporting and/or recordkeeping or other requirements to implement the Fair Housing Laws. Subrecipient hereby agrees to take all reasonable efforts, within the scope of the Budget, to assist City in its compliance with such requirements of the Fair Housing Laws as set forth in the VCA. Specifically, Subrecipient agrees to collect and report data on the race (American Indian/Alaskan Native, Asian, Black, Native Hawaiian/Pacific Islander and/or White) and ethnicity/national origin (Hispanic/Latino or Non Hispanic/Latino) characteristics of participants or beneficiaries using a method consistent with “OMB Standards for Federal Data on Race and Ethnicity: HUD Policy Statement and Implementing Guidelines” (dated August 13, 2002). City shall provide Subrecipient with a copy of the executed VCA, when available, if City desires Subrecipient to modify any Services and/or add Services to assist in City’s compliance with the VCA.

1.2 Performance Goals.

(a) Counseling Services. Subrecipient shall maintain physical, open office hours and telephone hotline hours from at least 8:30 a.m. to 5:00 p.m. Monday through Friday. Counseling services shall additionally be provided at monthly walk-in clinics to be held at Lancaster City Hall or other locations in the City approved by City.

(b) Investigation. Subrecipient shall investigate every complaint received by Subrecipient that Subrecipient determines may involve discrimination of any kind prohibited by federal laws.

(c) Outreach and Education. Subrecipient shall present not fewer than one annual workshop, hold not fewer than one walk-in clinic per month, disseminate not fewer than one annual newsletter, hold not fewer than one annual landlord training event, and participate in not fewer than one annual fair housing fair and/or other special event at which trainings, outreach efforts, and/or counseling services are conducted, all within the City and during the Term of this Agreement.

(d) Legal Services. Continue to retain not fewer than three staff attorneys available to litigate housing discrimination cases determined to be meritorious by Subrecipient, provide legal advice and guidance to City residents, evaluate legal compliance of landlords in connection with investigations of complaints, and train Subrecipient staff members regarding fair housing laws and other housing and anti-discrimination laws.

1.3 National Objectives. Subrecipient certifies that the Services meet the National Objectives of the CDBG Program by benefiting low- and moderate-income persons. In the performance of the Services, Subrecipient shall require information on family size and income of all households assisted by Subrecipient to verify that at least 51% of the clientele served by Subrecipient under this Agreement are persons whose family income does not exceed the low and moderate income limit, in accordance with 24 CFR 570.208(a)(2)(B).

1.4 Performance Monitoring. City will monitor the performance of the Subrecipient against the goals and performance standards set forth in Section 1.2 above. From time to time, City shall be entitled to audit and review Subrecipient's performance of the Services to verify adequate performance of the Services and compliance with the HCD Act and this Agreement. Substandard performance as determined by the City will constitute noncompliance 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, termination procedures will be initiated in accordance with Section 4.10.

ARTICLE 2 TIME OF PERFORMANCE

2.1 Term. Services of the Subrecipient shall start on the 1st day of July, 2016 and end on the 30th day of June, 2017 ("Term"). 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 CDBG Funds or other CDBG assets, including program income.

ARTICLE 3 BUDGET AND PAYMENTS

3.1 Budget. Subrecipient has submitted a budget to City for approval; a copy of the Subrecipient's fiscal year 2016-17 budget for the Services is attached as Attachment No. 1 and incorporated herein. Any amendments to the approved budget for the Services must be approved by the City's Director of Housing & Neighborhood Revitalization or her authorized designee ("Housing Director"). In the event this Agreement is extended past the initial one-year Term, Subrecipient shall prepare and submit to the Housing Director for approval annual budgets for each year during which this Agreement remains in effect. The City may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the City.

3.2 Payments. It is expressly agreed and understood that the total amount to be paid by the City under this Agreement shall not exceed \$35,000.00. Drawdowns for the payment of eligible expenses for Services, including general administrative expenses, shall be made based on the line item budget specified in Section 3.1 herein and in accordance with Subrecipient's performance of the Services. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

3.3 Requests for Payments. To receive each payment under this Agreement, Subrecipient shall submit to the City a Subrecipient Reimbursement Request in substantially the form included in the Subrecipient Handbook and such other and supporting documentation as may be requested by the City to verify Subrecipient's performance of the Services for which the payment is requested.

3.4 Accounting. Subrecipient shall, upon request, provide City with an accounting report, in form and content reasonably satisfactory to City, of any funds disbursed by City pursuant to Section 3.2.

ARTICLE 4 GENERAL CONDITIONS

4.1 General Compliance. The Subrecipient agrees to comply with all CDBG Regulations, including subpart K thereof, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 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 Independent Contractor. In performing under this Agreement, Subrecipient is and shall at all times be acting and performing as an independent contractor to City, performing its duties in accordance with its own judgment. City shall neither have nor exercise any control or direction over the methods by which Subrecipient performs its work and function nor shall City have the right to interfere with such freedom or action or prescribe rules or otherwise control or direct the manner in which such services are performed. The sole interest of the City in the Services performed by the Subrecipient is that such Services be performed in a legal, competent, efficient, and satisfactory manner. Nothing contained herein shall cause the relationship between the parties to this Agreement to be that of employer and employee. Subrecipient shall not have the authority to obligate City to any contract, obligation, or undertaking whatsoever and shall make no representation, either oral or in writing, except those expressly set forth in the materials provided by City.

4.3 Hold Harmless. The Subrecipient shall hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

4.4 Insurance. Without limiting City's right to indemnification set forth in Section 4.3, Subrecipient shall secure prior to commencing the performance of any Services under this Agreement, and maintain during the Term of this Agreement, insurance coverage as set forth in this Section.

(a) Required Insurance. Subrecipient shall secure and maintain the following coverage:

- (i) Workers' Compensation Insurance as required by California statutes;
- (ii) Comprehensive General Liability Insurance, or Commercial General Liability Insurance, including coverage for Premises and Operations, Contractual Liability, Personal Injury Liability, Products/Completed Operations Liability, Broad-Form Property Damage, Independent Contractor's Liability and Fire Damage Legal Liability, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form; and

(iii) Comprehensive Automobile Liability coverage, including - as applicable - owned, non-owned and hired autos, in an amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, written on an occurrence form.

The Director, with the consent of City's Risk Manager, is hereby authorized to modify the requirements set forth above in the event he determines that a modification, whether an increase or decrease, is in City's best interest.

(b) Required Clauses in Policies. Each insurance policy required by this Agreement shall contain the following clauses:

"This insurance shall not be canceled or allowed to lapse without at least ten (10) days' prior written notice given to the City Clerk of the City of Lancaster, 44933 Fern Avenue, Lancaster, CA 93534."

"It is agreed that any insurance maintained by the City of Lancaster shall apply in excess of and not contribute with insurance provided by this policy."

Each insurance policy required by this Agreement, excepting policies for workers' compensation, shall contain the following clause:

"The City of Lancaster, its officials, agents, employees, representative, and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of Lancaster."

Subrecipient hereby agrees to waive subrogation which any insurer of the Subrecipient may acquire from the Subrecipient by virtue of the payment of any loss. If requested by City, Subrecipient agrees to obtain and deliver to City an endorsement from Subrecipient's general liability and automobile insurance insurer to effect this waiver of subrogation.

(c) Property Insurance. Subrecipient shall further comply with the insurance requirements of 24 CFR 84.31. 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).

(d) Required Certificates and Endorsements. Prior to commencement of any Services under this Agreement, the Subrecipient shall deliver to City (i) insurance certificates confirming the existence of the insurance required by this Agreement, and including the applicable clauses referenced above, and (ii) endorsements to the above-required policies, which add to these policies the applicable clauses referenced above. Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by City, it shall be the Subrecipient's responsibility to see that City receives documentation, acceptable to City, which sustains that the individual signing such endorsements is indeed authorized to do so by the insurance company. Also, City reserves the right at any time to demand, and to receive within a reasonable time period, certified copies of any insurance policies required under this Agreement, including endorsements effecting the coverage required by these specifications.

(e) Remedies for Defaults Re: Insurance. In addition to any other remedies City may have if the Subrecipient fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option:

(i) Obtain such insurance and deduct and retain the amount of the premium for such insurance from any sums due under the Agreement;

(ii) Order the Subrecipient to stop work under this Agreement and/or withhold any payment(s) which become due to the Subrecipient hereunder until the Subrecipient demonstrates compliance with the requirements hereof; or

(iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies City may have and is not the exclusive remedy for the Subrecipient's failure to maintain insurance or secure appropriate endorsements.

Nothing herein contained shall be construed as limiting in any way the extent to which the Subrecipient may be held responsible for payment of damages to persons or property resulting from the Subrecipient's or its subcontractor's performance of the Services covered under this Agreement.

4.5 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.

4.6 Notices. Any approval, disapproval, demand, document or other notice ("Notice") which any party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) facsimile transmission, or (vi) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below, or at any other address as that party may later designate by Notice. Service shall be deemed conclusively made at the time of service if personally served; upon confirmation of receipt if sent by facsimile transmission; the next business day if sent by overnight courier and receipt is confirmed by the signature of an agent or employee of the party served; the next business day after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by express mail; and three (3) days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail.

Subrecipient: Housing Rights Center
 3255 Wilshire Boulevard, Suite 1150
 Los Angeles, California 90010
 Attn: Chancela Al-Mansour, Executive Director
 Fax No.: (213) 381-8555

City: City of Lancaster
44933 North Fern Avenue
Lancaster, California 93534
Attn: Elizabeth Brubaker
Fax No.: (661) 723-6274

Such addresses may be changed by Notice to the other party(ies) given in the same manner as provided above.

4.7 Amendment and Waiver. This Agreement may be amended, modified, or supplemented only by a writing executed by each of the parties. Any party may in writing waive any provision of this Agreement to the extent such provision is for the benefit of the waiving party. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by that party of its or any other party's compliance with any representations or warranties or with any provision of this Agreement. No waiver by any party of any provision of this Agreement shall be construed as a waiver of any subsequent or different breach, and no forbearance by a party to seek a remedy for non-compliance or breach by another party shall be construed as a waiver of any right or remedy with respect to such compliance or breach.

4.8 Entire Agreement. This Agreement (including all Attachments attached hereto) embodies the entire agreement and understanding between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations, representations, and discussions, whether verbal or written, of the parties pertaining to the subject matter.

4.9 Governing Law. The validity, construction, and performance of this Agreement shall be governed by the laws of the State of California.

4.10 Termination.

(a) Termination for Cause. 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:

(i) 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;

(ii) Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

(iii) Ineffective or improper use of funds provided under this Agreement;
or

(iv) Submission by the Subrecipient to the City reports that are incorrect or incomplete in any material respect.

(b) Termination for Convenience. 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.

ARTICLE 5 ADMINISTRATIVE REQUIREMENTS

5.1 Financial Management.

(a) Accounting Standards. Subrecipient agrees to comply with 24 CFR 84.21 through 84.28 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. Subrecipient shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations." These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

5.2 Documentation and Recordkeeping.

(a) Records to be maintained. Subrecipient shall maintain all records required by the federal regulations specified in 24 CFR 570.506, that are pertinent to the Services to be funded under this Agreement. Such records shall include but not be limited to:

- (i) Records providing a full description of each activity undertaken;
- (ii) Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program, specifically including records documenting that at least 51% of the clientele served by Subrecipient under this Agreement are persons whose family income does not exceed the low and moderate income limit;
- (iii) Records required to determine the eligibility of activities;
- (iv) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- (v) Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- (vi) Financial records as required by 24 CFR 570.502 and 24 CFR 84.21–28; and
- (vii) Other records necessary to document compliance with the CDBG Program.

(b) Retention. The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or

other actions that involve any of the records cited and that have started before the expiration of the four-year period, then all pertinent records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

(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 unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

(e) Close Outs. The Subrecipient's obligation to the City shall not end until all close-out requirements are completed. Activities during the close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the 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 CDBG Funds, including program income.

(f) Audits and Inspections. All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City 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 prepare and deliver to City monthly reports declaring all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG Funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the Term of this Agreement for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the Term of this Agreement. 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) Payment Procedures. The City will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient, including the Subrecipient Reimbursement Request form required by the Subrecipient Handbook, and consistent

with the approved budget and other pertinent City policies concerning payments. All payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the City in accordance with advance 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.

(c) Quarterly Progress Reports. Subrecipient shall submit quarterly progress reports to the City on or before each April 15 (for January through March), July 15 (for April through June), October 15 (for July through September), and January 15 (for October through December) in the form, content, and frequency as required by the Subrecipient Handbook or as otherwise directed by City. Such reports shall include information regarding the income of individuals served by Subrecipient to satisfy the requirements of 24 CFR 570.208(a)(2)(B) and evidence satisfaction of the national objective set forth at 24 CFR 570.200(a)(2). Such reports shall describe Subrecipient's activities during the prior quarter.

5.4 Procurement.

(a) Compliance. The Subrecipient shall comply with current City policy (including as stated in the Subrecipient Handbook) 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 CDBG program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

(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 and the Subrecipient Handbook.

(c) Travel. The Subrecipient shall obtain written approval from the City for any travel outside the metropolitan area with CDBG Funds provided under this Agreement.

5.5 Use and Reversion of Assets. The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

(a) The Subrecipient shall transfer to the City any CDBG 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 CDBG 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 City for the CDBG 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-CDBG funds used to acquire the equipment.

ARTICLE 6
PERSONNEL & PARTICIPANT CONDITIONS

6.1 Civil Rights.

(a) Compliance. The Subrecipient agrees to comply with the Lancaster Municipal Code, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, 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, 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, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279 and the applicable non-discrimination provisions in Section 109 of the HCDA Act.

(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 570.601 and 570.602.

(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.

6.2 Affirmative Action.

(a) Executive Order 11246. 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.

(b) Women- and Minority-Owned Businesses (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) 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.

(d) 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.

(e) Subcontract Provisions. The Subrecipient will include the provisions of Sections 6.1, Civil Rights, and 6.2, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

6.3 Employment Restrictions.

(a) Prohibited Activity. The Subrecipient is prohibited from using CDBG 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) Labor Standard. 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.

(c) Prevailing Wage. The Subrecipient agrees that, to the extent applicable, all contractors engaged under contracts for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement shall comply with the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 and California Labor Code Section 1720, *et seq.* governing the payment of wages and ratio of apprentices and trainees to journey workers. 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. The Subrecipient agrees, to the extent applicable, to comply with Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135. The Subrecipient further agrees to include the following language in all subcontracts for construction, demolition or rehabilitation work 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.”

6.4 Conduct.

(a) Assignment. 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 Agreement 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.

(b) Subcontracts.

(i) 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.

(ii) 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.

(iii) Content. The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

(iv) 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.

(c) 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.

(d) Conflict of Interest. The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

(i) 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 administration of contracts supported by CDBG Funds.

(ii) No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by CDBG Funds if a conflict of interest, real or apparent, would be involved.

(iii) No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the

CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the Subrecipient, or any designated public agency.

(e) Lobbying. The Subrecipient hereby certifies that:

(i) No federal 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;

(ii) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and

(iii) It will require that the language of paragraph (iv) 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:

(iv) 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.

(f) Religious Activities. The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

ARTICLE 7 DISPUTE RESOLUTION

7.1 Mediation and Conciliation. Any controversy between City and Subrecipient arising out of or relating to this Agreement, or involving the construction or application of any of the terms, provisions, or conditions of this Agreement shall, on the written request of either City or Subrecipient served on the other, be submitted to a nonbinding mediation by a mediation or conciliation service mutually agreeable to Subrecipient and City, prior to submitting such controversy to arbitration pursuant to Section 7.2. The decision of the mediator or conciliator shall not be binding on either party, and exercising the provisions of this Section 7.1 shall not prevent either party to this Agreement from subsequently pursuing arbitration of the dispute or controversy as provided in Section 7.2.

7.2 Arbitration. Except as provided in Section 7.1, any controversy between City and Subrecipient arising out of or relating to this Agreement, or involving the construction or application of any of the terms, provisions, or conditions of this Agreement, shall, on the written request of either City or Subrecipient served on the other, be submitted to arbitration; any such arbitration shall comply with and be governed by the provisions of the California Arbitration Act (Cal. Civil Proc. Code §§ 1280 – 1294.2). City and Subrecipient shall mutually agree upon one person to hear and determine the dispute and, if the parties are unable to agree, then a judge’s decision shall be final and conclusive upon both parties. The cost of arbitration shall be divided equally among the parties. Any arbitral award, where appropriate, may be enforced by a court of competent jurisdiction through injunctive or other equitable relief, as well as relief at law (*e.g.*, damages). City and Subrecipient shall each be entitled, as a matter of right, to apply to a court of competent jurisdiction for temporary, interim, provisional, or partial injunctive relief (*e.g.*, temporary restraining order or preliminary injunction) during or prior to any arbitration proceedings. Neither this provision nor the exercise by either City or Subrecipient of its rights hereunder shall constitute a waiver by either City or Subrecipient of any other rights hereunder which it may have to damages or otherwise.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above first written.

CITY:

CITY OF LANCASTER,
a municipal corporation and charter city

By: _____
Mark V. Bozigian
City Manager

ATTEST:

By: _____
Britt Avrit, CMC
City Clerk

APPROVED AS TO FORM:

By: _____
Allison E. Burns, Esq.
City Attorney

APPROVED BY DIRECTOR:

By: _____
Elizabeth Brubaker
Director, Housing &
Neighborhood Revitalization

SUBRECIPIENT:

**SOUTHERN CALIFORNIA HOUSING RIGHTS
CENTER dba HOUSING RIGHTS CENTER,**
a California nonprofit public benefit corporation

By: _____
Chancela Al-Mansour,
Executive Director

ATTACHMENT NO. 1

BUDGET

[To be inserted]

ATTACHMENT NO. 2

SUBRECIPIENT'S PROPOSAL TO PROVIDE FAIR HOUSING SERVICES

[Attached on Following Pages]