



staff report

TO: Honorable Mayor and Members of the City Council

ATTENTION: Jeffrey L. Stewart, City Manager

FROM: Jim DellaLonga, Director of Economic Development

SUBJECT: Consideration and possible action to receive and file Public Services Agreement File No. 205.26-1 with Kingdom Causes Bellflower to provide Community Development Block Grant (CDBG) funding for employment and training opportunities through Good Soils Industries.

DATE: August 8, 2016

EXECUTIVE SUMMARY

On May 9, 2016, the City Council adopted the FY 2016-2017 Action Plan approving the various projects and programs funded through federal funds from the U.S. Department of Housing and Urban Development (HUD). Among the approved programs is the allocation of Community Development Block Grant (CDBG) funding for the Kingdom Causes Bellflower to offer employment opportunities through Good Soils Industries.

RECOMMENDATION TO CITY COUNCIL

- 1) Receive and file Agreement File No. 205.26-1; or
- 2) Alternatively, discuss and take other action related to this item.

FISCAL IMPACT

Proposed funding of \$20,000 will be covered through Community Development Block Grant Program Activity Account No. 900-44556-4155.

DISCUSSION

Since 2012, Kingdom Causes Bellflower (KCB) has offered employment opportunities through Good Soils Industries (Good Soils). Good Soils is a social enterprise program. The program assists in the hiring of underemployed or unemployed residents who may have a criminal record or be at-risk of being homeless. Services include providing on-the-job training, certification programs, and job acquisitions skills.

The proposed funding of \$20,000 will support Kingdom Causes Bellflower's Good Soils Program with the costs of rent, insurance policies, and case management activities such as resume building, financial planning, and goal setting. The agreement requires a minimum of five participants be from Bellflower. It is estimated that 20 jobs will be created or retained through the Good Soils Program for FY 2016-2017.

ATTACHMENT

Agreement File No. 205.26-12

CITY OF BELLFLOWER

Public Services Agreement Agreement File No. 205.26-1

THIS AGREEMENT is as of the 1st day of July 2016, between the CITY OF BELLFLOWER, a municipal corporation, (hereinafter "GRANTEE") and KINGDOM CAUSES BELLFLOWER 16429 Bellflower Blvd., Bellflower, CA 90706, a California Registered 501.c.3 non-profit organization (hereinafter "SUBRECIPIENT"), and is made with reference to the following facts:

RECITALS

WHEREAS, GRANTEE has applied for and received Community Development Block Grant ("CDBG") funds from the United States Government through its Department of Housing and Urban Development, hereinafter referred to as "HUD" under Title 1 of Housing and Community Development Act of 1974, as amended, hereinafter referred to as the "ACT," and;

WHEREAS, GRANTEE wishes to engage SUBRECIPIENT, which is qualified by reason of experience, preparation, organization, staffing, and facilities, to provide the program and/or services as described below in "Scope of Services," and;

WHEREAS, GRANTEE recognizes the public benefit in providing the program and/or services described below in the Scope of Services to low- and moderate-income ("LMI") persons and desires "SUBRECIPIENT" to carry out said program and/or services on GRANTEE'S behalf.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived there from, the parties agree as follows:

1. SCOPE OF SERVICES

A. Activities

Kingdom Causes Bellflower will offer employment opportunities through Good Soils Industries. The program will assist in hiring Bellflower's "hard-to-hire" population, more specifically the unemployed and under-employed. The program provides on-the-job training, certification programs, and job acquisition skills.

B. National Objectives

The SUBRECIPIENT certifies that the activities carried out with funds provided under this Contract will benefit low-and-moderate-income persons, as defined under 24 CFR Part 570.208 (a) (2) of the CDBG Program National Objectives.

C. Levels of Accomplishment

Total number of City of Bellflower residents to be served during Fiscal Year 2016-2017: **20 residents.**

2. TIME OF PERFORMANCE

The program and/or services to be provided by SUBRECIPIENT hereunder shall commence **July 1, 2016**, and shall be completed no later than **June 30, 2017**. This Agreement does not reimburse any expenditure incurred by the SUBRECIPIENT prior to the date of commencement and execution of this Agreement by GRANTEE. This Agreement does not reimburse any expenditure made after the completion date without written authorization to extend the contract, but not more than **12 months**, as set forth in Section 28, Time of Performance Modifications. Notwithstanding any provision contained herein to the contrary, this Agreement shall remain in effect during any period of time that SUBRECIPIENT has control over CDBG funds, including program income as provided in Section 11, Program Income below.

3. COMPENSATION AND METHOD OF PAYMENT

It is expressly agreed and understood that the total amount to be paid by GRANTEE under this Agreement shall not exceed **Twenty Thousand dollars (\$20,000.00)** of Fiscal Year 2016-2017 CDBG funds. This payment shall constitute full and complete compensation for SUBRECIPIENT services under this Agreement. For the purpose of this Agreement, GRANTEE shall disburse the CDBG funds and monitor SUBRECIPIENT's performance in satisfying the Scope of Services under the terms of this Agreement. Notwithstanding the foregoing, GRANTEE shall not be obligated to disburse any funds that it does not directly or indirectly receive from HUD for the CDBG program.

Disbursement of payments to SUBRECIPIENT shall be made upon GRANTEE's receipt of the **Quarterly Invoice and Quarterly Report** together with true and correct copies of receipts, timesheets, invoices, and such other documentation as may be reasonably requested by GRANTEE.

Expenditures shall be documented with supportive evidence for each expenditure and proof of payment, in accordance with HUD regulations. Payments may also be contingent upon certification that SUBRECIPIENT's financial management system is in accordance with the standards specified in OMB Circular A-110. After timely receipt by GRANTEE of each properly documented expenditure submittal, GRANTEE will draw a warrant in favor of SUBRECIPIENT for the approved expenditure amount within thirty (30) days.

4. QUARTERLY PERFORMANCE REPORTS

Quarterly Performance Reports shall be submitted by SUBRECIPIENT corresponding to the quarters of the Agreement year: Quarter 1 = July - September, Quarter 2 = October-December, Quarter 3 = January - March and Quarter 4 = April-June. A complete Quarterly Performance Report must be received by the GRANTEE within 30 days after the end of Quarters 1, 2 and 3, and within 10 days after the 4th Quarter ends.

5. BUDGET SECTION

No more than the amounts specified in the Program Budget may be spent for the separate cost categories specified in the Budget Summary without express prior written approval of GRANTEE. SUBRECIPIENT acknowledges that verbal authorizations shall not be deemed a substitute for written approval.

6. USE OF FUNDS

Funds allocated pursuant to this Agreement shall be used exclusively for costs included in SUBRECIPIENT program budget. Agreement funds shall not be used as security or to guarantee payments for any non-program obligations, nor as loans for non-program activities.

7. BUDGET MODIFICATIONS

The GRANTEE, or its designee, may allow budget modifications to this Agreement when such modifications are approved in advance in writing and: a) do not exceed \$8,000 per budget cost category; b) are specifically requested by SUBRECIPIENT; c) do not alter the amount of compensation with this Agreement; d) will not change the eligibility of the project goals or scope of services under this Contact; e) are in the best interests of GRANTEE and SUBRECIPIENT in performing the scope of services; and f) when related to salaries, are in accordance with applicable salary ordinances or laws. Requests for modification as described above are subject to review for compliance with the Consolidated Plan, budget summary and program description by the Housing Administrator.

8. CHANGES IN GRANT ALLOCATION

GRANTEE reserves the right to reduce the amount of CDBG fund to be paid hereunder when GRANTEE'S fiscal monitoring indicates that SUBRECIPIENT rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be done after consultation with SUBRECIPIENT and written notification by GRANTEE.

9. REVENUE DISCLOSURE REQUIREMENT

By its execution of this Agreement, SUBRECIPIENT certifies that it has previously filed with GRANTEE a written statement listing all revenue received, or expected to be received, by SUBRECIPIENT from Federal, State, City or County of Los Angeles sources, or from other governmental or private agencies, and applied or expected to offset in whole or in part any of the costs incurred by SUBRECIPIENT in conducting current or prospective projects, programs, services, or business activities, including, but not necessarily limited to, the project, program, service or business activity which is the subject of this Agreement. Such statement shall reflect the name and a description of such project, program, service, or business activity, the dollar amount of funding provided, or to be provided, by each and every agency for each such project, program, service, or business activity, and the full name and address of each such agency. During the term of this Agreement, SUBRECIPIENT shall prepare and file a similar written statement each time it receives funding from any agency which is in addition to that revenue disclosed in SUBRECIPIENT'S initial revenue disclosure statement hereunder. Such statement shall be filed by SUBRECIPIENT with GRANTEE within fifteen (15) calendar days following receipt of such additional funding. SUBRECIPIENT shall make available for inspection and audit by GRANTEE'S employees, agents, contractors, or other representatives, upon request, at any time during the duration of this Agreement and during a period of three (3) years thereafter, all of its books and records relating to the operation by it of each project, program, service, or business activity which is funded in whole or in part with governmental monies, whether or not such monies are received through GRANTEE. All such books and records shall be maintained by SUBRECIPIENT. Failure of SUBRECIPIENT to comply with the requirements of this section of the Agreement shall constitute a material breach of contract upon which GRANTEE may cancel, terminate, or suspend this Agreement.

10. JOINT FUNDING

For programs in which there are sources of funds in addition to CDBG funds, SUBRECIPIENT shall provide proof of such funding. GRANTEE shall not pay for any projects, programs, services, or business activities provided by SUBRECIPIENT which are funded by other sources. All restrictions and/or requirements provided in this Agreement relative to accounting, budgeting, and reporting applies to the total program regardless of funding sources.

11. PROGRAM INCOME

Program income represents net income directly generated from the use of CDBG funds by SUBRECIPIENT as a result of the activity funded under the terms of this Agreement. When such income is generated by an activity only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. SUBRECIPIENT shall return program income to GRANTEE. Program income shall be returned to GRANTEE within thirty (30) days after the occurrence of any of the following: (A) disposition or sale of real or personal property occurs or; (B) cumulative program income reaches increments of one thousand (\$1,000) dollars; or (C) the end of each fiscal year. SUBRECIPIENT shall include the reports required by Section 22, Program Reporting, all sources and amounts of program income on a monthly and year-to-date basis.

12. FISCAL LIMITATIONS

HUD may place programmatic or fiscal limitation(s) on CDBG funds not presently anticipated by the parties. Accordingly, GRANTEE reserves the right to revise, rescind, terminate for convenience or otherwise modify this Agreement because of or related to actions affecting HUD program funding. Where GRANTEE has reasonable grounds to question SUBRECIPIENT's fiscal accountability, financial soundness, or compliance with this Agreement, GRANTEE may act to suspend the operation of this Agreement for up to sixty (60) days upon three (3) days notice to SUBRECIPIENT of GRANTEE's intention to so act, pending an audit or other resolution of such questions. SUBRECIPIENT expressly acknowledges that such changes shall not be the basis for a claim for monetary or other damages. In no event, however, shall any revision made by GRANTEE affect expenditures and legally binding commitments made by SUBRECIPIENT before SUBRECIPIENT received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable and that such commitments are consistent with HUD cash withdrawal guidelines.

13. NONEXPENDABLE PROPERTY

SUBRECIPIENT shall maintain an accurate and verifiable record for each item of nonexpendable property acquired for this program with CDBG funds. This record shall be provided to GRANTEE upon request. "Nonexpendable property" shall include tangible personal property, including but not limited to computer equipment, office equipment, and real property and any interest in such real property, including any mortgage or other encumbrance of real property as well as any funds derived from the sale or disposal of nonexpendable property. Any utilization of funds derived from the sale or disposition of nonexpendable property must have prior approval of GRANTEE and otherwise comply with all applicable laws and regulations. Upon termination of this Agreement, GRANTEE reserves the right to determine the final disposition of said nonexpendable property acquired for this program with CDBG funds, including funds derived there from.

Said disposition may include GRANTEE taking possession and title of said nonexpendable property. Nonexpendable personal property means tangible personal property having a useful life of more than one (1) year and an acquisition cost of five hundred (\$500) dollars or more per unit.

14. EXPENDABLE PERSONAL PROPERTY

Expendable personal property refers to all tangible personal property other than nonexpendable personal property.

15. PURCHASE OR LEASE OF NONEXPENDABLE PROPERTY OR EQUIPMENT

SUBRECIPIENT shall obtain competitive bids prior to purchasing or leasing any nonexpendable personal property or equipment over five hundred (\$500) dollars in unit value and having a life expectancy of more than one (1) year. Such property shall be properly tagged and inventoried. This inventory shall be provided to GRANTEE upon request.

16. ACQUISITION OF SUPPLIES AND EQUIPMENT

SUBRECIPIENT may purchase from a related agency/organization only if: a) prior authorization is obtained in writing from GRANTEE; b) charges do not exceed the authorized amount and minimum written specifications are met; c) a community related benefit is derived from such SUBRECIPIENT-related acquisition; and d) no conflict of interest for private gain accrues to SUBRECIPIENT or its employees, agents or officers.

GRANTEE reserves the right to disallow any purchase from any vendor of supplies, equipment, nonexpendable property or expendable property which is purchased in whole or in part with funds provided by this Agreement. SUBRECIPIENT may seek prior approval of GRANTEE for any such expenditure, and prior approval which is granted shall be binding on GRANTEE unless such expenditure violates federal law or regulations or is disallowed by HUD.

17. PURCHASE

Purchase of equipment or property must be completed before the end of the 4th quarter in any calendar year and all equipment invoices must be submitted by the end of the last month of the term of this Agreement.

18. TRAVEL AND CONFERENCE RESTRICTIONS

SUBRECIPIENT certifies and agrees that travel and conference expenses for persons other than employees of SUBRECIPIENT, will not be paid by funds provided through this Agreement. No travel expenses for out-of-state travel shall be included in this Agreement unless specifically listed in the Budget Summary, attached hereto. SUBRECIPIENT further agrees that any travel expense incurred by SUBRECIPIENT which is not listed in the Program Budget shall not be paid by funds provided through this Agreement.

19. USE OF FUNDS FOR ENTERTAINMENT, GIFTS, OR FUND RAISING ACTIVITIES

SUBRECIPIENT certifies and agrees that it will not use funds provided through this Agreement to pay for any entertainment, gifts, or fund raising activities.

20. MONITORING

GRANTEE will conduct quarterly program monitoring to review beneficiary files and program records. GRANTEE and HUD shall have the right of access to all activities and facilities operated by SUBRECIPIENT under this Agreement. Facilities include all files, records and other documents related to the performance of this Agreement. Activities include attendance staff, board of directors, advisory committee and advisory board meetings and observation of on-going program functions. SUBRECIPIENT will permit on-site inspection by GRANTEE and HUD and ensure that its employees and board members furnish such information as, in the judgment of GRANTEE and HUD representatives, may be relevant to compliance with contractual conditions and HUD directives, or the effectiveness, legality and achievements of the program.

Substandard performance as determined by GRANTEE will constitute non-compliance with and a breach of this Agreement. If action to correct and cure such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time after being notified by GRANTEE, Agreement suspension or termination procedures will be initiated.

21. BENEFICIARY QUALIFICATION

Persons qualifying for program services on the basis of income, hereinafter referred to as BENEFICIARIES, shall have an annual household gross income equal to or less than the low- and moderate-income limits defined by the U.S. Department of Housing and Urban Development (HUD) Income Limits. SUBRECIPIENT is responsible for obtaining from GRANTEE the current applicable HUD Income Guidelines for each year of the Agreement term identified in Section 2, Time of Performance. Under CDBG regulations, the following clientele categories qualify as presumed to benefit persons, 51% of whom are low-and-moderate income: Abused Children; Battered Spouses; Elderly Persons (62 and older); Handicapped Persons; Homeless Persons; Illiterate Persons; Migrant Farm Workers. However, SUBRECIPIENT shall document the household income of all BENEFICIARIES by obtaining from BENEFICIARIES, completed "Beneficiary Qualification Statements."

22. PROGRAM REPORTING

SUBRECIPIENT agrees to prepare and submit financial, program progress, evaluations and other reports as required by HUD or GRANTEE directives. SUBRECIPIENT shall maintain such property, personnel, financial and other records and accounts as are considered necessary by HUD or GRANTEE to assure proper accounting for all Agreement funds. All SUBRECIPIENT records, with the exception of confidential client information, shall be made available to representatives of GRANTEE and the appropriate Federal agencies. SUBRECIPIENT is required to submit data necessary to complete the "Annual Grantee Performance Report" or "Consolidated Annual Performance and Evaluation Report (CAPER)", in accordance with HUD regulations in the format and at the time designated by GRANTEE.

23. FINANCIAL MANAGEMENT

A. Accounting

SUBRECIPIENT agrees to comply with OMB Circular A-110 and further 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" or A-21 "Cost Principles for Education Institutions," as applicable, for all costs incurred whether charged on a direct or indirect basis.

24. DOCUMENTATION AND RECORD KEEPING

A. Records to be Maintained

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

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the Fair Housing and Equal Opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR part 570.502, and OMB Circular A 110; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

B. Retention

SUBRECIPIENT shall retain all records pertinent to expenditures incurred under this Agreement for a period of four (4) years after the termination of this Agreement. Records for non-expendable property acquired with funds under this Agreement shall be retained for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after he/she has received final payment. 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 three-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

C. Client Data

SUBRECIPIENT shall maintain and submit client data demonstrating client eligibility for services provided by obtaining completed "Beneficiary Qualification Statements." Such data shall include, but not be limited to, client name, address, income or for determining eligibility and description of service provided. Such information shall be made available to GRANTEE monitors or their designees for review upon request during on-site monitoring.

D. Disclosure

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 GRANTEE'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. Property Records

SUBRECIPIENT shall maintain real property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions specified in 25 CFR Parts 570.503(b) (8), as applicable.

F. Close-Outs

SUBRECIPIENT'S obligation to the GRANTEE shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets, including the return of all unused material, equipment, unspent cash advances, program income balances, and accounts receivable to GRANTEE and determining the custodianship of records.

G. Audit and Inspections

SUBRECIPIENT is required to arrange for an independent financial/compliance audit performed within the direction of Generally Accepted Auditing Standards and Government Auditing Standards. Said audit shall be conducted for the term of this Agreement. In the event SUBRECIPIENT receives \$500,000 or more in the aggregate in federal funds from all federal funding sources within a fiscal year, SUBRECIPIENT shall be required to perform an audit in compliance with OMB Circular A-133.

SUBRECIPIENT shall submit a copy of the audit report to GRANTEE within thirty (30) days of completion. Within thirty (30) days of the submittal of said audit report, SUBRECIPIENT shall provide to GRANTEE a "Corrective Action Plan" which shall contain a written response to any concerns or findings identified in said audit report. The response must examine each concern or finding and explain a proposed resolution, including a schedule for correcting any deficiency. All actions to correct said conditions or findings shall be taken within six (6) months after receipt of the audit report. Any concern or finding will be referred to the HUD field office.

GRANTEE, or HUD, may make additional audits or reviews, as necessary, to carry out the responsibilities of SUBRECIPIENT under Federal, State or Local laws and regulations. SUBRECIPIENT agrees to cooperate fully with all persons conducting said additional audits or reviews. GRANTEE and its authorized representatives shall, at all times, have access for the purpose of audit or inspection, to any and all books, documents, papers, records, property and premises of SUBRECIPIENT.

If indications of misappropriation or misapplication of the funds of this Agreement cause GRANTEE to require an additional audit, the cost of the audit will be encumbered and deducted from this Agreement budget. Should GRANTEE subsequently determine that the additional audit was not warranted, the amount encumbered will be restored to the Agreement budget. SUBRECIPIENT shall reimburse all misappropriation or misapplication of funds to GRANTEE.

25. ASSIGNMENT

This Agreement is not assignable by SUBRECIPIENT without the express written consent of GRANTEE. Any attempt by SUBRECIPIENT to assign any performance of the terms of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

26. TERMINATION AND TERMINATION COSTS

This Agreement may be terminated in whole or in part at any time by either party upon giving thirty (30) days notice in writing to the other party. GRANTEE and SUBRECIPIENT shall set forth the reasons and conditions for termination in compliance with the provisions of federal regulations at 24 CFR Part 85.44, Termination for Convenience.

GRANTEE may immediately terminate this Agreement upon the termination, suspension, discontinuation or substantial reduction in CDBG funding for the Agreement activity, or if for any reason the timely completion of the work under this Agreement is rendered improbable, infeasible or impossible. If SUBRECIPIENT materially fails to comply with any term of this Agreement, GRANTEE may take one or more of the actions provided under federal regulation at 24 CFR Part 85.43, including, without limitation, temporarily withholding cash, disallowing non-compliant costs, wholly or partly terminating the award, withholding future awards, and other remedies that are legally available. In such event, SUBRECIPIENT shall be compensated for all services rendered and all necessarily incurred costs performed in good faith in accordance with the terms of this Agreement that have been previously reimbursed, to the date of said termination to the extent that CDBG funds are available from HUD.

27. REVERSION OF ASSETS

Upon termination of this Agreement SUBRECIPIENT shall transfer to GRANTEE all real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 under this Agreement; or it must be disposed of in a manner resulting in a reimbursement to GRANTEE in the amount of the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

28. TIME OF PERFORMANCE MODIFICATIONS

GRANTEE may grant time of performance modifications to this Agreement when such modifications:

- a. In aggregate do not exceed twelve (12) calendar months;
- b. Are specifically requested by SUBRECIPIENT;
- c. Will not change the project goals or scope of services;
- d. Are in the best interests of GRANTEE and SUBRECIPIENT in performing the scope of services under this Agreement; and
- e. Do not alter the amount of compensation under this Agreement.

29. INDEPENDENT CONTRACTOR

At all times hereunder, each of GRANTEE and SUBRECIPIENT will be acting in an independent capacity and not as agents, employees, partners, joint venture, or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agent or employees of the other party for any purpose whatsoever.

30. AFFIRMATIVE ACTION AND CONTRACT COMPLIANCE

SUBRECIPIENT shall make every commercially reasonable good faith effort to ensure that all projects funded wholly or in part by CDBG funds shall provide equal employment and career advancement opportunities for minorities and women, consistent with Federal and State laws. In addition, SUBRECIPIENT shall make every commercially reasonable good faith effort to employ residents of the area and shall keep a record of the positions that have been created directly or as a result of this program.

SUBRECIPIENT agrees to comply with the provisions of the Affirmative Action Compliance Program of GRANTEE and rules and regulations adopted pursuant thereto. SUBRECIPIENT shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act, applicable California Public Contracts Code and other applicable Federal, State, and GRANTEE laws, regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

31. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

SUBRECIPIENT agrees to comply with Title I 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 1 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 with Executive Order 11246 as amended by Executive Orders 11365 and 12086.

2. Nondiscrimination

SUBRECIPIENT will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. SUBRECIPIENT will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. 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 602 in regards to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, 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 GRANTEE and the United States Government are beneficiaries of and entitled to enforce such covenants. 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.

4. SECTION 504

SUBRECIPIENT agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C 706), which prohibits discrimination against the handicapped in any Federally assisted program.

B. Affirmative Action

1. Access to Records

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 GRANTEE, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

2. EEO/AA Statement

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.

32. RELIGIOUS PROSELYTIZING OR POLITICAL ACTIVITIES

SUBRECIPIENT agrees that it will not perform or permit any religious proselytizing or political activities in connection with the performance of this Agreement. Funds under this Agreement will be used exclusively for performance of the work required under this Agreement and no funds made available under this Agreement shall be used to promote any religious or political activities.

33. CONFLICT OF INTEREST

SUBRECIPIENT, its agents and employees shall comply with all applicable Federal, State and Local laws and regulations governing conflict of interest. To this end, SUBRECIPIENT will make available to its agents and employees copies of all applicable Federal, State, and Local laws and regulations governing conflict of interest. In particular, the following Federal regulation paraphrased from 24 CFR 570-611, Conflict of Interest: Except for salaries and related administrative or personnel costs, no employees, agents consultants, officers or elected officials or appointed officials, of subrecipients which receive CDBG funds, who exercise or have exercised any CDBG functions or who are in a position to participate in a decision making process or gain inside information, may obtain a personal or financial interest or benefit from a CDBG assisted activity or any CDBG funded contract, subcontract or agreement, during their tenure or for one year thereafter.

SUBRECIPIENT shall furnish to GRANTEE, prior to GRANTEE's execution of this Agreement, a written list of all current or proposed subgrantees/subcontractors, vendors or personal service providers, including subsidiaries of SUBRECIPIENT. This list should be limited to those subgrantees/subcontractors, vendors or personal service providers, including subsidiaries of SUBRECIPIENT, which will receive \$10,000 or more during the term of this Agreement. Such a list shall include the names, addresses, telephone numbers, and identification of principal party (ies), and a description of services to be provided. During the term of this Agreement, SUBRECIPIENT shall notify GRANTEE in writing of any change in the list of subgrantees/ subcontractors, vendors, personal service providers or subsidiaries of SUBRECIPIENT within fifteen (15) days of change.

34. REPRESENTATIONS AND WARRANTIES

SUBRECIPIENT represents and warrants: (A) that SUBRECIPIENT is a duly organized and validly existing nonprofit corporation in good standing under the laws of the state of its incorporation; (B) that the form, terms and provisions of this Agreement have been approved in all respects by SUBRECIPIENT's governing board at a meeting duly noticed and held; (C) that SUBRECIPIENT's executive director has been duly authorized to execute and deliver this Agreement on behalf of SUBRECIPIENT; (D) that SUBRECIPIENT's execution, delivery and performance of this Agreement are not in contravention of any provision of law, or of any agreement, by which SUBRECIPIENT is bound;

(E) no action or proceeding is now pending or, to the best of SUBRECIPIENT's knowledge, is threatened, against SUBRECIPIENT, in equity or otherwise, before any court, board, commission, agency or instrumentality of the Federal Government or any state government or of any municipal government or any agency or subdivision thereof; or before any arbitrator or panel of arbitrators; (F) SUBRECIPIENT is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material contractual obligation of SUBRECIPIENT, and no condition exists which with the giving of notice or the lapse of time or both would constitute such a default; (G) all financial statements furnished to GRANTEE by SUBRECIPIENT are true, correct and complete and all other information previously furnished by or on behalf of SUBRECIPIENT to GRANTEE in connection with this Agreement is true, complete and correct in all material respects and does not fail to state any material fact necessary to make the statements made not misleading; and (H) no material adverse change in the operations or financial condition of SUBRECIPIENT has occurred since the selection of SUBRECIPIENT and the allocated award of CDBG funds were approved by the City Council of the City of Bellflower at the duly noticed public hearings held on March 10, 2009.

35. INDEMNIFICATION

SUBRECIPIENT shall indemnify, hold harmless and defend GRANTEE (with legal counsel selected by GRANTEE) and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising from SUBRECIPIENT acts, errors or omissions and for any costs or expenses incurred by GRANTEE on account of any claim therefore, except where such indemnification is prohibited by law. SUBRECIPIENT shall promptly notify GRANTEE in writing of the occurrence of any such claims, actions, losses, damages, and/or liability. SUBRECIPIENT shall indemnify and hold harmless GRANTEE against any liability, claims, losses, demands, and actions incurred by GRANTEE as a result of the determination by HUD or its successor that activities undertaken by SUBRECIPIENT under the program(s) fail to comply with any laws, regulations or policies applicable thereto or that any funds billed by and disbursed to SUBRECIPIENT under this Agreement were improperly expended.

36. INSURANCE REQUIREMENTS

Without in any way affecting the indemnity herein provided and in addition thereto, SUBRECIPIENT shall secure and maintain throughout the Agreement the following types of insurance with limits as shown:

Workers' Compensation - A program of Worker's Compensation insurance or a State-approved Self Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits, covering all persons providing services on behalf of SUBRECIPIENT and all risks to such persons under this Agreement.

Commercial General and Automobile Liability Insurance - This coverage to include contractual coverage and automobile liability coverage for owned, hired, and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million (\$1,000,000) dollars.

Additional Named Insurance - All policies, shall contain additional endorsements naming GRANTEE and its officers, employees, agents, and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder.

Policies Primary and Non-Contributory - All policies required above are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by GRANTEE.

Proof of Coverage - SUBRECIPIENT shall immediately furnish certificates of insurance to GRANTEE evidencing the insurance coverage, including endorsements, above required prior to the commencement of performance of services hereunder, which shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to GRANTEE, and SUBRECIPIENT shall maintain such insurance from the time SUBRECIPIENT commences performance of services hereunder until the completion of such services. Within sixty (60) days of the commencement of this Agreement, SUBRECIPIENT shall furnish to GRANTEE certified copies of the policies and all endorsements. SUBRECIPIENT shall complete and submit, Insurance Inventory, along with the above required insurance documents.

Insurance Review - The above insurance requirements are subject to periodic review by GRANTEE. GRANTEE's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of GRANTEE. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements, to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against GRANTEE, inflation, or any other item reasonably related to the GRANTEE's risk.

Any such reduction or waiver for the entire term of the Agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. SUBRECIPIENT agrees to execute any such amendment within thirty (30) days of receipt.

37. ENVIRONMENTAL CONDITIONS

A. Air and Water

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

- i. Clean Air Act, 42 U.S. C., 7401, et seq.
- ii. 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 115 and Section 308, and all regulations and guidelines issued there under.

iii. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F. R., Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), SUBRECIPIENT shall assure that for activities located in an area identified by 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).

C. Lead-Based Paint

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 in 24 CFR 570.608 and 24 CFR Part 35. Such regulations pertain to all HUD-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 may be undertaken.

D. Historic Preservation

SUBRECIPIENT agrees to comply with the Historic Preservation requirement set forth in the National Historic Preservation Act of 1966, as amended (17 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, 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.

38. COMPLIANCE WITH LAWS

SUBRECIPIENT agrees to comply with all applicable Federal, State, and Local laws, ordinances, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the ACT; 24 Code of Federal Regulations, Part 570 and Part 85, Chapter V; and U.S. Office of Management and Budget Circulars A-110, A-122, and A-133.

39. LOBBYING

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, United States Code.

SUBRECIPIENT certifies that:

- a. 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; and
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying." in accordance with its instructions; and
- c. It will require that the language of this certification be included in any award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grant, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

40. AMENDMENTS

This Agreement with exhibits embodies the whole of agreements of the parties hereto. There are no oral agreements not contained herein. No amendment of this Agreement shall be valid unless made in the form of a written amendment to this Agreement formally approved and executed by both parties.

41. NOTICES

All notices shall be served in writing. The notices shall be sent to the following addresses:

To GRANTEE: City of Bellflower
Housing and Grants
16600 Civic Center Drive
Bellflower, CA 90706-5494

To SUBRECIPIENT: Kingdom Causes Bellflower
Attn: Christina Padilla Birkey
16429 Bellflower Boulevard
Bellflower, CA 90706
(562) 804-2189
cpbirkey@kcbellflower.org

42. COUNTERPART EXECUTION

This Agreement may be executed in counterparts. When executed, each counterpart shall be deemed an original irrespective of date of execution. Said counterparts shall together constitute one and the same Agreement.

The selection of SUBRECIPIENT and the allocated award of CDBG funds were previously approved at the duly noticed public hearings held on **May 9, 2016**, by the City Council of the City of Bellflower. This Agreement is an acknowledgment of that selection and allocation of CDBG funds and subsequent responsibilities of the SUBRECIPIENT and GRANTEE.

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

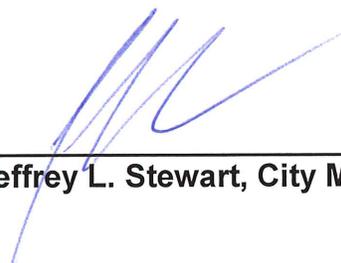
EXECUTED AND APPROVED this 12th day of July, 2016.

GRANTEE:

CITY OF BELLFLOWER

SUBRECIPIENT:

KINGDOM CAUSES BELLFLOWER

By: 

Jeffrey L. Stewart, City Manager

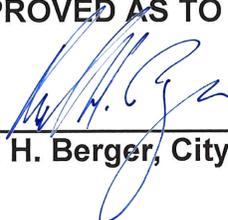
By: 

Christina Padilla Birkey,
Executive Director

ATTEST:


Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:


Karl H. Berger, City Attorney

ATTACHMENT

Exhibit A – Insurance Requirements

EXHIBIT A

(Agreement File No. 205.26-1)

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Subrecipient will maintain insurance in conformance with the requirements set forth below. Subrecipient will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Subrecipient agrees to amend, supplement or endorse the existing coverage to do so. Subrecipient acknowledges that the insurance coverage and policy limits set forth in this Section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this Agreement and which is applicable to a given loss, will be available to City.

Subrecipient shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 (One Million Dollars) per occurrence.

Workers' Compensation on a State-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 (one Million) per accident or disease.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the State of California and with an A.M. Bests rating of A or better and a minimum financial size VII.

General conditions pertaining to provisions of insurance coverage by Subrecipient.

Subrecipient and City agree to the following with respect to insurance provided by Subrecipient.:

1. Subrecipient agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insured City, its officials, employees and agents, using standard ISO endorsement No. CG 20 10 with an edition prior to 1992. Subrecipient also agrees to require all contractors, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Subrecipient, or Subrecipient's employees, or agents, from waiving the right of subrogation prior to a loss. Subrecipient agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all Subrecipients and sub-subrecipients to do likewise.

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Agreement 205.26-1
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3. All insurance coverage and limits provided by Subrecipient and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other Agreement relating to the City or its operations limits the application of such insurance coverage.

4. None of the coverage required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Subrecipient or sub-subrecipient.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Subrecipient shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverage required and an additional insured endorsement to Subrecipient's general liability policy, shall be delivered to the City Clerk at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other Agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Subrecipient or deducted from sums due Subrecipient, at City's option.

8. Certificate(s) are to reflect that the insurer will provide 30 days' notice to City of any cancellation of coverage. Subrecipient agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this Agreement that all insurance coverage required to be provided by Subrecipient or any sub-subrecipient, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self-insurance available to City.

10. Subrecipient agrees to ensure that sub-subrecipients, and any other party involved with the project who is brought onto or involved in the project by Subrecipient, provide the same minimum insurance coverage required of Subrecipient. Subrecipient agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Section. Subrecipient agrees that upon request, all Agreements with sub-subrecipients and others engaged in the project will be submitted to City for review.

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11. Subrecipient agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Subrecipient, sub-subrecipient, architect, engineer or other entity or person in any way involved in the performance of work on the project contemplated by this Agreement to self-insure its obligations to City. If Subrecipient's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Subrecipient, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The City reserves the right at any time during the term of the Contract or Agreement to change the amounts and types of insurance required by giving the Subrecipient ninety (90) days' advance notice of such change. If such change results in substantial additional cost to the Subrecipient, the City will negotiate additional compensation proportional to the increased benefit to City.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Subrecipient acknowledges and agrees that any actual or alleged failure on the part of the City to inform Subrecipient of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.

15. Subrecipient will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this Agreement. This obligation applies whether or not the Agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.

16. Subrecipient shall provide proof that policies of insurance herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted to the City Clerk prior to expiration. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five (5) days of the expiration of the coverage.

17. The provisions of any Workers' Compensation or similar act will not limit the obligations of Subrecipient under this Agreement. Subrecipient expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this Section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

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19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all sections and provisions of this Agreement to the extent that any other Section or provision conflicts with or impair the provisions of this Section.

21. Subrecipient agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves that right to charge City or Subrecipient for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

22. Subrecipient agrees to provide immediate notice to City of any loss against Subrecipient arising out of the work performed under this Agreement. City assumes no obligation or liability by such notice, but has the right, but not the duty, to monitor the handling of any such claim or claims if they are likely to involve City.