

CITY COUNCIL WORK SESSION

DATE: October 25, 2022

MEMORANDUM TO: Honorable Mayor and City Council

THRU: Charles P. Potucek, City Manager
Victoria Yarbrough, Assistant City Manager

FROM: Matt McLachlan, Community Development Director

SUBJECT: Status Update on Community Connect Events (One Stop Resource and Referral Center) and Homeless Service Pilot Program – Better Work (New Initiative)

Sierra Vista Community Connect (SVCC) Initiative

Since March, the City has been holding monthly SVCC events at the Ethel Berger Center in furtherance of the City Council's Strategic Plan objective of addressing homelessness in the community. The essential purpose of the program is to provide a central point of contact for navigating and accessing regionally available housing and support services and increase collaboration and coordination among participating agencies to fill "service gaps". The City contracted with Cochise Housing Connection, a non-profit, to organize, promote, and carry out the events at a monthly cost of \$1,250, including meal service. CDBG-CV (CARES Act) funding will cover the cost of the events for November through March 2023 when administrative responsibility will shift over to the United Way of Sierra Vista and Cochise County, Inc via the City's Subrecipient Agreement.

Presenter: Jay Matchett, Executive Director, Cochise Housing Connection

Better Work Initiative

Signed into law by Governor Ducey, the FY 2022 budget included an appropriation to create the Homeless Service Grant Pilot Program. Administered by the Arizona Department of Housing (ADOH), the \$10M pilot program with a 50% local match designed to support services programs which will reduce homelessness statewide. To qualify, applicants must have eligible programs that include an immediate labor component, where homeless individuals can be compensated for their work. Other wrap-around services can be provided simultaneously. Cities, towns, and counties are eligible to apply.

At the time this funding opportunity was announced, Better Bucks of Sierra Vista (BBSV) was beginning the process of implementing a civic day labor program. The operational framework developed by Corporal Borgstat, President of BBSV, served as the basis for the City's grant proposal to ADOH.

As this is a pilot program, foresight on the anticipated level of participation is limited. For application purposes, the City is estimating that the program will employ at least 15 homeless

individuals for daily shift work on an annual basis. Better Work will make participation easy. There will be no background check, no commitment beyond the day's work, and all sums will be paid in cash. A valid state identification and signing up with the Homeless Management Information System will be required. BBSV is working out a separate agreement with Good Neighbor Alliance to serve as the point of contact for registration.

Workers, who will be hired as "independent contractors" for employment purposes, will be supervised by a City employee who will provide any tools that may be needed. A city vehicle will be used to transport workers from designated pick-up locations to the job site. Workers are to be paid minimum wage up to a maximum of \$600 annually to negate the need for IRS reporting. All direct and indirect costs incurred by the City for supervision, transportation, supplies (trash grabbers, bags, vests, hand tools, roll off dumpsters, etc.) will count towards the local match requirement. All work assignments will occur on publicly owned land and rights-of-way. Jobs may include removal of non-hazardous trash, litter, debris, weeds, graffiti as well as landscape beautification type projects. Maintenance assignments at the Nancy J. Brua Animal Care Center or at municipal park sites may be considered on an as needed basis. In short, Better Work will offer the currently unemployable a respectful opportunity to improve the community where they live and move beyond dependency.

The grant will also cover half of the cost of continuing the monthly SVCC events through the end of next year with the expectation that the City's contract with ADOH will be extended for two additional years. The City may apply the \$250 waiver of the room rental fee at the Ethel Berger Center towards the local match requirement.

BBSV has tentatively agreed to administer the grant and a subrecipient agreement has been mutually drafted and is provided as Attachment "A". ADOH has approved the City's application and has provided a Funding Agreement for the Homeless Service Grant Pilot Program in the amount of \$52,250.00 which is provided as Attachment "B".

Presenters: Matt McLachlan, Director
Corporal Scott Borgstat/Representative of Better Bucks of Sierra Vista Board

ATTACHMENT "A"

**CITY OF SIERRA VISTA
SUBRECIPIENT AGREEMENT**

HOMELESS SERVICE GRANT PILOT PROGRAM - BETTER WORK

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is executed this ____ day of _____, 2022 by and between Better Bucks of Sierra Vista, an Arizona nonprofit corporation (“Subrecipient”), and the City of Sierra Vista, an Arizona municipal corporation (the “City”).

RECITALS

City has entered into a grant agreement with the Arizona Department of Housing (“ADOH”) for financial assistance to implement a new voluntary civic day labor program “Better Work” that will employ homeless individuals residing in Sierra Vista to carry out beneficial work on public properties;

City is authorized to contract by subgrant agreement with private non-profit entities for qualified activities; and City desires to reimburse Subrecipient for conducting the Better Work Program through the distribution of ADOH Homeless Service Grant funds (“ADOH funding”);

Subrecipient desires to conduct Better Work in accordance with this Agreement that will serve homeless individuals within the community;

City finds that a public purpose is served by the financial participation of the City and the ADOH Funding designated for Subrecipient.

AGREEMENT

In consideration of the mutual promises, payments, and other provisions hereof, City and Subrecipient agree as follows:

1. Subrecipient Warranties and Representations

- 1.1 Subrecipient is a duly organized non-profit corporation under the laws of Arizona. Subrecipient maintains, and will continue to maintain throughout the term of this Agreement, a designation under state and federal law as a tax-exempt, nonprofit corporation.
- 1.2 Subrecipient's governing body has duly adopted or passed as an official act, a resolution, motion, or similar action authorizing the person identified as the official representative of the Subrecipient to execute this Agreement and to comply with the terms of this Agreement.
- 1.3 Subrecipient possesses legal authority to execute this Agreement.
- 1.4 Subrecipient intends to provide the service for which funds are granted under this Agreement for at least the Agreement term.
- 1.5 Subrecipient is independent of the City in all respects and is not an agent of the City and must not in any way represent itself as an agent of the City. The relationship of City and Subrecipient under this Agreement shall be that of an independent contractor status. Each party shall have the entire responsibility to discharge all of the obligations of an independent contractor under federal, state and local law. Nothing contained in this

Agreement shall be construed to create the relationship between City and Subrecipient of employer and employee, partners or joint ventures. The City shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and workers' compensation insurance, as the Subrecipient is an independent contractor.

1.6 Subrecipient is not currently engaged in, and agrees that for the duration of this Agreement it will not engage in, a boycott of Israel, as that term is defined in A.R.S. §35-393.

2. Subrecipient Responsibilities. Subrecipient will implement, operate and/or complete the Better Work Program (the "Activity") which is further defined with specificity in Exhibit "A", Scope of Activity, in a manner satisfactory to the City and consistent with this Agreement.

3. City Responsibilities.

3.1 The City will help identify and coordinate with the Subrecipient on beneficial work assignments.

3.2 The City will provide, or arrange to provide, suitable transportation for the work crews between the designated pick-up location(s) to the job site(s) on the mutually agreed upon dates and times of the effort.

3.3 The City will provide adequate supervision of the work crews during the work effort.

3.4 The City will provide necessary supplies to carry out the work effort.

3.5 The City will account for its costs and expenses, both direct and indirect, associated with the Activity and provide the Subrecipient all necessary support documentation to satisfy the minimum local match requirement of the ADOH Grant.

3.6 The City will provide funding, if necessary, to cover any shortfall between its actual costs and expenses associated with the Activity and meeting the minimum local match requirement of the ADOH Grant. Any funding beyond the minimum necessary to meet ADOH Grant requirements will be made at the sole discretion of the City in accordance with applicable budgetary procedures.

3.7 City may provide technical assistance upon request to Subrecipient in order for Subrecipient to assure it complies at all times with applicable provisions of the City's Grant Agreement with ADOH.

3.8 The City will monitor the performance of the Subrecipient against goals and estimates as outlined in the Scope of Activity. 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, contract suspension or termination procedures may be initiated.

4. Agreement Term. This Agreement is effective _____ and will terminate on _____. This Agreement may be amended at any time during the grant term if it is deemed by both parties to be advantageous to the mission of the grant program.

5. Award Information.

- 5.1 The City agrees to allocate ADOH funds to the Subrecipient for the full performance of this Agreement and the actual conduct of the Activity specified herein for a total subgrant amount of \$54,250.
- 5.2 Subrecipient must make a concerted, good-faith effort to expend the total ADOH Funding amount specified above within the Agreement Term stated in Section 2. The Subrecipient's costs and expenditures, however, shall not exceed the total Funding amount. The City shall not be liable for or reimburse the Subrecipient for any extra costs or overruns on the Activity, or any additional funding in excess of the total amount stated above.

6. Availability of Funds.

- 6.1 The provisions of this Agreement relating to the payment for services shall become effective when ADOH Funds assigned for the purpose of compensating the Subrecipient, as provided herein, are actually available to the City for disbursement.
- 6.2 If any action is taken by ADOH to suspend, decrease or terminate its fiscal obligation under, or in connection with this Agreement, the City may amend, suspend, decrease or terminate its obligations under or in connection with this Agreement. In the event of termination, the City shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services performed are in accordance with the provisions of this Agreement. The City shall give written notice of the effective date of any suspension, amendment or termination under this section. Notice shall be deemed effective upon Subrecipient when received three days after postmarked by mail carrier, whichever is sooner.

7. Recordkeeping and Accounting:

- 7.1 The Subrecipient shall maintain accurate financial and service delivery records pertinent to the Better Work activities to be funded under this Agreement. The Subrecipient's books, records, and other documents related to this Agreement shall be sufficient to support and document that allowable services were provided to eligible participants. Records shall support that costs were incurred were reasonable and allocable to the Better Work activities under this Agreement. Client data demonstrating client eligibility for Better Work shall be maintained in the U.S. Department of Housing and Urban Development (HUD) Homeless Management Information System (HMIS).
- 7.2 Subrecipient agrees to utilize adequate internal controls and maintain necessary documentation for all costs incurred in accordance with generally accepted accounting principles.
- 7.3 Subrecipient will retain all activity and financial records under this Agreement for a period of six years from the termination of this Agreement.
- 7.4 Subrecipient will provide to the City, ADOH and/or their representatives' access for purposes of monitoring, auditing, and examining performance to all pertinent records, books, documents, and papers of the Better Work activities and Subrecipient's performance or financial condition. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within sixty (60) days. 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. However, nothing herein will be construed to require access to any privileged or confidential information in contravention of federal or state law.

8. Reporting

- 8.1 Subrecipient will keep records of and report for statistical purposes to include data regarding homeless individuals participating in Better Work Program, hours and amounts of compensation of participants, number of participants transported, etc.;
- 8.2 Subrecipient will provide to the City not later than the 15th of each month written progress reports of its activities related to Better Work;
- 8.3 On or before the 15th of the month following the end of each quarter, Subrecipient will provide a comprehensive report covering agreed upon objectives, activities, and expenditures for the prior quarter;
- 8.4 The Subrecipient's obligations to the City shall not end until all close-out requirements are completed.

9. Non-Discrimination

- 9.1 The Subrecipient must not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability.
- 9.2 The Subrecipient must not discriminate against any client, applicant, or resident on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability

10. Safeguarding Participant Information. The use or disclosure by any Party of any information concerning an applicant for, or recipient of, services under this Agreement is directly limited to the conduct of this Agreement. Subrecipient shall safeguard the confidentiality of this information. Subrecipient shall include a clause to this effect in all subcontracts.

11. E-verify, Records, and audits. To the extent applicable under A.R.S. §41-4401, the Subrecipient warrants its compliance and that of its subcontractor with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. §23-214(A). The Subrecipient or subcontractor's breach of this warrant shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by the City under the terms of this Agreement. The City retains the legal right to randomly inspect the papers and records of the other party to ensure that the other party is complying with the above-mentioned warranty. The Subrecipient warrants to keep their respective papers and records open for random inspection during normal business hours by the City. The Subrecipient shall cooperate with the City's random inspections, including granting the City entry rights onto their respective properties to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

12. Political Activities. None of the funds, materials, or property or services contributed by the City of the Subrecipient under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for political office.

13. Indemnification and Hold Harmless.

- 13.1 Should Subrecipient perform any work knowing it to be contrary to the applicable laws, ordinances, rules, or regulations it will assume full responsibility for the on-going compliance and bear all costs, fees, or penalties resulting therefrom.
- 13.2 Subrecipient will indemnify, defend, and hold harmless the City, and its elected officials, agents and employees, hereinafter collectively referred to as City, from all claims and suits, actions, loss, damage, expense, costs or claims, of any character or any nature, including attorneys' fees and costs of litigation, which arises out of any act or omission, or work done in fulfillment of the terms of this Agreement or an account of any act, omission, claim or amount arising or recovered under Workmen's Compensation Law, or arising out of the failure of the Subrecipient or those acting under the Subrecipient to conform to any statutes, ordinances, regulations, law or court decree.
- 13.3 It is the intent of the parties to this Agreement that the City, its elected officials, agents, and employees will, in all instances, except for loss of damage resulting from the sole negligence of the City, be indemnified against all liability, loss, or damage of any nature whatever for or on account of any injuries to or death of person or damages to or destruction of property belonging to any person arising out of or in any way connected with the performance of this Agreement, regardless of whether or not the liability, loss or damage is caused in part by, or alleged to be caused in part by, but not solely, the negligence or fault of the City. It is agreed that the Subrecipient will be responsible for primary loss investigation, defense and judgment costs where this Agreement of indemnity applies.

14. Amendments. This Agreement may be amended upon the consent of both parties. All amendments to this Agreement shall be in writing, signed by authorized signers for both parties.

15. Assignment and Subcontracting. No right, liability, obligation or duty under this Agreement may be assigned, delegated or subcontracted, in whole or in part, without the prior written approval of the City. The Subrecipient shall bear all liability under this Agreement, even if it is assigned, delegated or subcontracted, in whole or in part, unless the City agrees in writing, otherwise.

16. Termination; Suspension.

- 16.1 The City may suspend or terminate this Agreement should Subrecipient violate or fails to comply with any terms or conditions of this Agreement.
- 16.2 Notwithstanding this section, the City's decision to waive or defer compliance with any term or condition of the Subrecipient's required performance under this Agreement does not act, nor will it be deemed or interpreted to act as, a waiver or deferment of the City's right to terminate and to receive its refund based upon the Subrecipient's non-compliance with any term or condition of this Agreement or subsequent non-compliance with the same term and condition.
- 16.3 The City or Subrecipient may terminate this Agreement for convenience without cause upon a 30-day notice. The party initiating the termination will notify the other party in writing stating the reasons for such termination.

16.4 In the event of any termination for convenience, all finished or unfinished documents, data, studies, maps, models, photographs, reports or other materials prepared by the Subrecipient under this Agreement shall, at the option of the City, become the property of the City, and the Subrecipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

16.5 The City may suspend this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein, or take any other remedies legally available including a refund of the previously tendered ADOH Funds, without providing notice and an opportunity to cure, if the Subrecipient violates any term or condition of this Agreement.

16.6 This Agreement is subject to the provisions of A.R.S. §38-511 and may be cancelled without penalty or further obligation by the City of any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the City is, at anytime while this Agreement or any extension thereof is in effect, an employee or agent of any other party to this Agreement in any capacity or consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

17. Dispute Resolution. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered according to the current American Arbitration Association's Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

18. General Provisions.

18.1 This Agreement supersedes any and all other Agreements or understandings, either oral or in writing between the parties hereto and contains all the covenants and Agreements between the parties with respect to such employment in any manner whatsoever.

18.2 Each party to this Agreement acknowledges that no representations, inducements, promises or Agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other Agreement or amendment hereto will be effective unless executed in writing and signed by both the City and Subrecipient.

18.3 Both parties acknowledge that no member of the governing body of the City or any employee of the City who exercises any functions or responsibilities in connection with the carrying out of the Activity to which this Agreement pertains has any personal interest direct or indirect in this Agreement.

18.4 The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provision of this Agreement.

19. Attorney's Fees. In the event either party incurs attorneys' fees in the enforcement of this Agreement, the prevailing party shall be entitled to recovery of all reasonable costs and attorneys' fees and other related expenses, including fees and costs incurred in any appeals.

20. Controlling Law and Venue. This Agreement shall be governed by, construed, and interpreted in accordance with the laws of the State of Arizona.

21. Construction of Agreement. This Agreement is a result of mutual drafting and review and shall not be construed more strictly against either party.

22. Entire Agreement. This Agreement contains the entire agreement and understanding between the parties hereto, and there are no other agreements and understandings, oral or written, regarding the Activity that are not included herein. No alteration, change, or modification of the terms of the Agreement shall be valid unless made in writing and signed by both parties hereto.

23. Notices. It is hereby agreed that subsequent to the execution of this Agreement, the Community Development Department of the City of Sierra Vista will represent the City in the administration of this Agreement. All notices required or permitted to be given under this Agreement may be personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses:

TO THE CITY: City of Sierra Vista
Attention: Charles Potucek, City Manager
1011 N. Coronado Drive
Sierra Vista, Arizona 85635-6334

WITH COPY TO: City of Sierra Vista
Community Development Department
Attention: Matt McLachlan, Director
1011 N. Coronado Drive
Sierra Vista, Arizona 85635-6334

City of Sierra Vista
Attention: City Attorney
1011 N. Coronado Drive
Sierra Vista, Arizona 85635-6334

TO THE AGENCY: Better Bucks of Sierra Vista
Attention: Joseph McDermott, Jr., Treasurer
3088 Raven Drive
Sierra Vista, Arizona 85650

EXHIBIT "A": Scope of Activity

{Signatures on the following page}

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read, understand, approve, and accept all provisions to this Agreement.

CITY OF SIERRA VISTA, an Arizona municipal corporation

By: Charles Potucek
Its: City Manager

ATTEST:

Jill Adams (SEAL)
City Clerk

APPROVED AS TO FORM:

Nathan Williams
City Attorney

Better Bucks of Sierra Vista
an Arizona non-profit corporation

By: Joseph McDermott, Jr.
Its: Treasurer

**STATE OF ARIZONA
COUNTY OF COCHISE**

On this ___ day of _____, before me, the undersigned Notary Public, personally appeared _____ who acknowledged himself to be the Treasurer of Better Bucks of Sierra Vista, that he as such official, being authorized to do so, executed the foregoing Subrecipient Contract for and on behalf of said company for the purpose and consideration therein expressed.

Notary Public

**EXHIBIT “A”
SCOPE OF ACTIVITY
HOMELESS SERVICE GRANT PILOT PROGRAM - BETTER WORK**

A. Subrecipient Name.

Better Bucks of Sierra Vista

Federal Tax ID. No: _____

DUNS No. _____

B. Activity Name.

Better Work

C. Activity Description.

Better Work will operate as a new voluntary civic day labor program that will put homeless individuals on the path to finding meaningful employment. A city vehicle will be used to transport workers from designated pick-up locations to the job site. All work assignments will occur on publicly owned land and rights-of-way or at city facilities. Jobs may include the removal of non-hazardous trash, litter, debris, weeds, and graffiti; work at the animal shelter; park maintenance activities; landscape beautification type projects; and other similar assignments. Workers, who will be hired by Better Bucks of Sierra Vista as “independent contractors” for employment purposes, will be supervised by a City employee who will provide any tools that may be needed. Lunch and water will be provided. At the end of the workday, the workers will be dropped off where they were picked up. Optional wrap around services may be provided simultaneously with, or in addition to, the daily work requirement. There will be no background check, no commitment beyond the day’s work, and all sums will be paid in cash. The daily remuneration rate will depend on the shift and equate to \$14.00 per hour.

Interwoven into Better Work will be a monthly “pop-up” one-stop resource and referral center that will provide a central location for homeless individuals to learn about and access the continuum of services that are locally available to improve their situation. The monthly four-hour event will be hosted at a city facility. Registration volunteers will greet the clients and help them determine what services they need. An intake sheet will be completed that will be used to track the services the client seeks. A meal and giveaways such as a Better Bucks booklet and essentials will be provided. If an individual wants to participate in the Better Work program, the intake person, who is authorized for data entry in HMIS, will be available to start the qualification process.

D. Geographical Service Area of the Activity.

Public lands, rights-of-way and city facilities within the incorporated limits of Sierra Vista, Arizona.

E. Eligibility

Individuals must currently be experiencing homelessness as defined by the United States Department of Housing and Urban Development and used for the Point in Time (PIT) count for the Arizona balance of State Continuum of Care. Prior to starting work, individuals must undergo a no cost medical screening to ensure they are physically fit for light lifting and walking. Moreover, they need to be signed up with the Homeless Management Information System (HMIS).

F. Levels of Accomplishment – Goals and Performance.

The Subrecipient anticipates providing daily shift work to at least 15 homeless individuals during the period of performance.

G. Estimated Activity Timeline

Task	Anticipated Completion Date
Initiate Activity	12/1/2022
Provide Services	1/1/2023 – 12/31/23
Final Closeout	1/30/2024

H. Budget

The budget for Better Work is \$108,500 as outlined below.

Type of Expenditures	Budgeted Amount	Description
Worker Compensation	\$28,000	2,000 hours @ \$14.00 per hour/ \$600 maximum annually
Supervisor Compensation	\$15,000	Oversee work crews
Transportation	\$3,000	Fuel/maintenance
Supplies	\$8,000	Trash grabbers, bags, vests, hand tools, roll off dumpsters, etc.
Community Connect (One Stop Resource and Referral Events)	\$49,500	Provide monthly gathering of local service providers to connect homeless population with available resources.
Program Administration	\$5,000	Promotion, outreach, coordination, compliance activities, etc.
TOTAL	\$108,500	

ATTACHMENT "B"

**FUNDING AGREEMENT
with
ARIZONA DEPARTMENT OF HOUSING**

Table of Contents

SECTION 1. FUNDS PROVIDED2

SECTION 2. OTHER FUNDS.....3

SECTION 3. ACCEPTANCE OF FUNDS.....3

SECTION 4. DURATION3

SECTION 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM
REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW3

SECTION 6. SCOPE OF WORK5

SECTION 7. REPORTS.....6

SECTION 8. SCHEDULE OF COMPLETION.....7

SECTION 9. BUDGET9

SECTION 10. AMENDMENTS AND MODIFICATIONS10

SECTION 11. ENVIRONMENTAL REVIEW CONDITIONS10

SECTION 12. APPLICATION AND OTHER PRE-AWARD COSTS.....11

SECTION 13. COMPENSATION AND METHOD OF PAYMENT11

SECTION 14. FUNDS RECOUPED BY RECIPIENT, INTEREST AND PROGRAM INCOME12

SECTION 15. DE-OBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS.....13

SECTION 16. REVERSION OF ASSETS15

SECTION 17. DEPARTMENT OF HOUSING RESPONSIBILITIES.....15

SECTION 18. SUBCONTRACTING.....16

SECTION 19. FAILURE TO MAKE PROGRESS.....16

SECTION 20. TERMINATION FOR CAUSE.....17

SECTION 21. TERMINATION FOR CONVENIENCE.....17

SECTION 22. ENFORCEMENT.....17

SECTION 23. CANCELLATION18

SECTION 24. RECORDS RETENTION18

SECTION 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS19

SECTION 26. AVAILABILITY OF FUNDS19

SECTION 27. APPLICABLE LAW AND ARBITRATION.....19

FUNDING AGREEMENT
with
ARIZONA DEPARTMENT OF HOUSING

Table of Contents

SECTION 28. INDEMNIFICATION.....	19
SECTION 29. FEDERAL GOVERNMENT LIABILITY.....	20
SECTION 30. AUDIT.....	20
SECTION 31. AUDIT EXCEPTIONS.....	20
SECTION 32. UNALLOWABLE USE OF FUNDS.....	20
SECTION 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS.....	20
SECTION 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF.....	21
SECTION 35. IDENTIFICATION OF DOCUMENTS.....	21
SECTION 36. COPYRIGHT.....	21
SECTION 37. RIGHTS IN DATA.....	21
SECTION 38. FUNDING CONDITIONS.....	21
SECTION 39. NON-DISCRIMINATION.....	21
SECTION 40. THIRD PARTY ANTITRUST VIOLATIONS.....	22
SECTION 41. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401 – IMMIGRATION LAWS AND E-VERIFY REQUIREMENT.....	22
SECTION 42. INSURANCE.....	23
SECTION 43. PRIVACY CONSIDERATIONS.....	25
SECTION 44. NOTICES.....	25
SECTION 45. REGISTRATION WITH SOCIAL SERVE.....	26
SECTION 46. ADOH SIGNAGE.....	26
SECTION 47. PHOTOGRAPHS.....	26
SECTION 48. STATE OF ARIZONA.....	26
SECTION 49. A.R.S. § 35-393.01.....	27
SECTION 50. A.R.S. § 1-501 RELATING TO FEDERAL PROGRAMS.....	27

**FUNDING AGREEMENT
with
ARIZONA DEPARTMENT OF HOUSING**

Table of Contents

ATTACHMENTS

- A** **Scope of Work**
- B** **Performance Report/Schedule of Completion**
- C** **Budget**
- D** **Request for Payment Form**
- E** **Special Conditions of the Agreement**
- F** **Certification and Other Requirements Relating to Title I or Title II Assistance**
- G** **Authorizing Resolution(s)**
- H** **Additional Provisions of the 2013 HOME Final Rule (Effective August 23, 2013)**

AGREEMENT NO. 118-23
TERMINATION DATE December 31, 2023

**FUNDING AGREEMENT
BETWEEN THE ARIZONA DEPARTMENT OF HOUSING
AND
CITY OF SIERRA VISTA
FOR
HOMELESS SERVICE GRANT PILOT PROGRAM**

This Funding Agreement is made by and between:

The **Arizona Department of Housing (“ADOH”)**, located at, 1110 West Washington Street, Suite 280, Phoenix, Arizona 85007, acting pursuant to A.R.S. § 41-3953 and (please select applicable funding source):

- Title I of the Housing and Community Development Act of 1974, as amended (Community Development Block Grant) (“**CDBG**”).
- Title II of the National Affordable Housing Act of 1990, as amended (HOME Investments Partnerships Program) (“**HOME**”).
- A.R.S. § 41-3955 (State Housing Trust Fund) (“**HTF**”).
- A.R.S. § 41-3957 (State Housing Program Fund) (“**HPF**”).
- The AIDS Housing Opportunity Act of 1992, as amended, 42 U.S.C. Section 12902 (Housing Opportunities for Persons with HIV/AIDS) (“**HOPWA**”).
- Title IV Part 578 of the McKinney-Vento Homeless Assistance Act of 1987, as amended, 42 USC. 11301 et seq. and the Continuum of Care Program regulations as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 (Continuum of Care) (“**COC**”).
- Title I of the Housing and Economic Recovery Act of 2008, Section 1338 (Public Law 110-289). (National Housing Trust Fund) (“**NHTF**”).
- Part A of the Energy and Conservation in Existing Buildings Act of 1976, as amended and 42 U.S.C. Section 6861 (Department of Energy Weatherization Assistance Program for Low Income Persons) (“**DOE WAP**”).
- Low Income Energy Assistance Act of 1981, as amended, 42 U.S.C. Section 8621-8630, (Low Income Home Energy Assistance Program) (“**LIHEAP WAP**”).

Southwest Gas Corporation, Weatherization Assistance Program (“**SWG WAP**”).

Homeless Service Grant Pilot Program (**HSG**).

and

CITY OF SIERRA VISTA

(Entity)

An Arizona City (“Recipient”) DUNS #07-243-7031, located at

1011 N. Coronado

Street

Sierra Vista, Arizona 85635

City State Zip

In consideration of the mutual representations and obligations hereunder,
ADOH and Recipient agree as follows:

Section 1. FUNDS PROVIDED

ADOH agrees to provide \$52,250.00 in the following type of funds to Recipient in accordance with this Agreement. ADOH is entitled to change the funding sources as described in this section, in its sole discretion, so long as the total amount of funds to be disbursed is not affected thereby.

CDBG, CFDA # 14.228
Federal Fiscal Year _____
\$_____

HOME, CFDA # 14.239
Federal Fiscal Year _____
\$_____

HSG
State Fiscal Year 2023
\$52,250.00

HTF
State Fiscal Year _____
\$_____

HPF
State Fiscal Year _____
\$_____

HOPWA, CFDA # 14.241
Federal Fiscal Year _____

\$_____

COC, CFDA # 14.267
Federal Fiscal Year _____
\$_____

NHTF, CFDA # 14.275
Federal Fiscal Year _____
\$_____

DOE WAP, CFDA # 81.042
Federal Fiscal Year _____
\$_____

LIHEAP WAP, CFDA # 93.568
Federal Fiscal Year _____
\$_____

SWG WAP
State Fiscal Year _____
\$_____

Section 2. OTHER FUNDS

If applicable, Recipient agrees to secure funding other than that listed in **Section 1** for the completion of this Agreement as indicated in the *Budget* attached hereto as **Attachment C**. ADOH reserves the right to rescind some or all of the funding committed through this Agreement if other funding sources become unavailable.

Section 3. ACCEPTANCE OF FUNDS

Recipient hereby accepts the award of funds under the terms of this Agreement and agrees to execute and return this Agreement to ADOH within thirty (30) days of receipt unless Recipient receives a written waiver of this requirement by ADOH.

Section 4. DURATION

This Agreement shall be effective beginning on the date of execution by ADOH and shall remain in effect until DECEMBER 31, 2023 unless sooner terminated, extended or otherwise amended in accordance with the terms of this Agreement.

Section 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW

Recipient shall carry out each activity in compliance with all applicable State and Federal laws, Federal regulations and other requirements including, but not limited to, the provisions indicated as marked below and hereby incorporated into this Agreement, as if fully set forth herein. Also incorporated into this Agreement as applicable, are the terms of any resolution authorizing Recipient's application for funds, which is attached hereto as **Attachment G, Authorizing Resolution(s)** and any **Special Conditions of the Agreement** attached hereto as **Attachment E**.

- CDBG** funds require adherence to the following provisions as revised: (1) 24 CFR Part 570; (2) *Certification and Other Requirements Relating to Title I Assistance* attached hereto as Attachment F; (3) the provisions contained in the *State of Arizona Consolidated Plan*; (4) *ADOH ERR Handbook*; (5) *ADOH Labor Standards Handbook*; (6) *CDBG Application Handbook*; (7) *CDBG Grant Administration Handbook*; and (8) *CDBG Procurement, Contracts and Acquisition Handbook* (collectively "the Incorporated Documents") as each may be amended from time to time. In the event of a conflict between the terms of this Agreement and the terms of the Incorporated Documents, the terms of this Agreement shall govern.
- HOME** funds require adherence to the following provisions as revised: (1) 24 CFR Part 92; (2) *Certification and Other Requirements Relating to Title II Assistance* attached hereto as Attachment F; (3) the provisions contained in the *State of Arizona Consolidated Plan*; (4) *ADOH ERR Handbook*; (5) *ADOH Labor Standards Handbook*; and (6) the *State Housing Fund Program Summary and Application Guide*.
- HSG** Program funds must adhere to the terms of this Agreement, the Scope of Work (Attachment A), Performance Report (Attachment B) and any special conditions indicated on Attachment E if applicable.
- HTF** funds require adherence to the *State Housing Fund Program Summary and Application Guide* as revised.
- HPF** funds require adherence to the *Special Needs Housing Manual* as revised.
- COC** funds require adherence to the following provisions as revised: (1) 24 CFR Part 578; and (2) the *Special Needs Housing Manual*.
- HOPWA** funds require adherence to the following provisions as revised: (1) 24 CFR Part 574; and (2) the *Special Needs Housing Manual*.
- NHTF** requires adherence to the following provisions as revised: (1) 24 CFR Parts 91 and 93, Housing Trust Fund Interim Rule; (2) the provisions contained in the *State of Arizona Consolidated Plan*; (3) *State Housing Fund Program Summary and Application Guide*; (4) State of Arizona Qualified Allocation Plan; and (5) *National Housing Trust Fund Allocation Plan*.

- DOE WAP** funds require adherence to the following provisions as revised: (1) 10 CFR Part 440 as revised; (2) the *Arizona Weatherization Assistance Program State Plan (State Plan)*; (3) *Health and Safety Plan (HSD Plan)*; (4) the *Arizona Weatherization Policies and Procedures Handbook*; (5) *Arizona Weatherization Assistance Program Field Guide*; (6) *Standard Work Specifications*; and (7) *DOE WPN 22-4 Quality Work Plan*.

- LIHEAP WAP** funds require adherence to the following provisions: (1) 45 CFR Part 96 as revised; (2) the *Arizona Weatherization Assistance Program State Plan (State Plan)*; (3) *Health and Safety Plan (HSD Plan)*; (4) the *Arizona Weatherization Policies and Procedures Handbook*; (5) *Arizona Weatherization Assistance Program Field Guide*; (6) *Standard Work Specifications*; and (7) *WAP Memorandum 15-10 Quality Management Plan*.

- SWG WAP** funds require adherence to the following provisions: (1) the *Arizona Weatherization Assistance Program State Plan (State Plan)*; (2) *Health and Safety Plan (HSD Plan)*; (3) the *Arizona Weatherization Policies and Procedures Handbook*; (4) *Arizona Weatherization Assistance Program Field Guide*; (5) *Standard Work Specifications*; and (6) *WAP Memorandum 15-10 Quality Management Plan*.

Section 6. SCOPE OF WORK

Recipient agrees to utilize all funds made available under this Agreement only for the purpose of implementing the *Scope of Work* hereby incorporated into this Agreement and described in Attachment A.

Revisions to Scope of Work. Recipient agrees to follow the procedures indicated as marked below regarding changes to the *Scope of Work*.

Revisions to the *Scope of Work* that change the manner in which an activity is to be executed or that change final outcome such as number of units, feet of utility line, number of households served, square footage of building, etc. require written approval from ADOH. The following substantial revisions to the *Scope of Work* require written amendment to this Agreement:

- (a) The purpose of the project changes;
- (b) The location of the project changes;
- (c) A project activity is added, deleted or altered such that it becomes a different activity;
- (d) The beneficiary of any activity changes;
- (e) Recipient is requesting a change to the loan or grant terms. Recipient must submit a written request for an Agreement amendment to ADOH, with a revised *Scope of Work* attached;
- (f) The ownership entity changes; and
- (g) Any other changes that involve program requirements.

ADOH will respond to the written request within fourteen (14) business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

Section 7. REPORTS

Recipient shall be responsible for providing various reports of all activities related to this Agreement as identified below and as requested by ADOH or HUD. Recipient shall also provide to ADOH any additional written information requested by ADOH in a timely manner and within reasonable deadlines as shall be set by ADOH.

7.1 Performance Report. Recipient agrees to submit the ADOH *Performance Report* respective of the types of projects indicated below and attached as Attachment B.

- HOME, NHTF, HTF** funded rental development projects (“Rental Projects”) or **HPF** funded rapid rehousing projects: Recipient must submit a *Bimonthly Performance Report* attached hereto as Attachment B. The Bimonthly Progress Report must be submitted to ADOH on the 20th of January, March, May, July, September and November and address activities of the preceding two (2) months (i.e. the January report covers the months of November and December).
- HOME, HTF and CDBG** non-rental projects (“HOME, HTF and CDBG Non-Rental Projects”). Recipient must submit a *Monthly Progress Report* attached hereto as Attachment B. The Monthly Progress Report must be submitted to ADOH on the 15th of each month and address activities of the preceding one (1) month (i.e. the July report covers the month of June). Failure to submit timely Monthly Progress Reports will result in suspension of payment reimbursement requests until such reports are brought current.
- COC** funded assistance for persons who are homeless (“Homeless Projects”). ADOH is required to administer the program during the contract term, which is synonymous with the HUD grant term and as set forth in Section 4. Recipient must submit a *Bimonthly Performance Report* attached hereto as Attachment B. The Bimonthly Progress Report must be submitted to ADOH on the 20th of January, March, May, July, September and November and address activities of the preceding two (2) months (i.e. the January report covers the months of November and December). Recipient shall submit *Annual Progress Report (APR)* data from HMIS to ADOH, no later than thirty (30) days following the contract termination date listed on Page 1 of the Agreement.
- HOPWA** funded rental assistance and services (“HOPWA Projects”). A Recipient of HOPWA awarded funding shall administer said program in the contract term as set forth in Section 4 and submit one (1) *HUD Consolidated Annual Performance Evaluation Report (CAPER)* in accordance with the schedule set forth in Attachment B no later than sixty (60) days following the end of Fiscal Year date which is June 30th annually.

- DOE WAP, LIHEAP WAP and SWG WAP** funded projects (“Weatherization Projects”). Recipient must submit a *Monthly Performance Report* attached hereto as Attachment B. The Monthly Performance Report must be submitted to ADOH on the 30th (for the month of February, the last calendar day of the month) of each month and address activities of the preceding month (i.e. the January 30th report covers the month of December).
- HSG** projects (“HSG Projects”). Recipient must submit a *Monthly Progress Report* including data regarding the number of participants in the work program and the number of daily hours worked by participants; amounts earned by participants; , outreach; and other services provided (i.e. meals, showers, laundry, etc.) per the Recipients project proposal and Scope of Work Attachment A. The Monthly Progress Report must be submitted to ADOH on the 30th of each month and address activities of the preceding one (1) month (i.e. the July report covers the month of June). Failure to submit timely Monthly Progress Reports will result in suspension of payment reimbursement requests until such reports are brought current.

7.2 Contract Closeout—Completion Reports and Post-Funding Audits. Recipient's obligation to ADOH under this Agreement shall not end until all closeout requirements described in this paragraph are completed. ADOH will notify Recipient in writing that a Completion Report is due to ADOH within sixty (60) days of one (1) of the following occurrences:

- (a) The funds have been expended;
- (b) The Scope of Work has been completed;
- (c) The contract period set forth in this Agreement has expired; or
- (d) The Agreement has been otherwise terminated.

The Completion Report shall contain the information identified in the notice.

Following the receipt and approval of the Completion Report, ADOH will notify Recipient in writing that the Agreement is administratively closed.

After the project is administratively closed, Recipient must submit all required audits to ADOH. All audits for fiscal years in which Recipient received funds from ADOH must be received, reviewed and found to be satisfactory by ADOH. In the event that ADOH determines that any project costs described in a post-funding audit are unjustified or describe ineligible activities, Recipient will be required to refund such monies back to ADOH.

Section 8. SCHEDULE OF COMPLETION

Recipient agrees to make progress with the *Scope of Work* in accordance with the *Schedule of Completion* hereby incorporated into this Agreement and described in Attachment B.

Revisions to the Schedule of Completion. Recipient agrees to follow the procedures indicated as marked below regarding changes to the Schedule of Completion.

- Rental Projects funded with HOME or HTF.** Recipient must notify ADOH of revisions to the *Schedule of Completion* using the *Bimonthly Performance Report*, attached hereto as Attachment B. To the extent that the changes cause the schedule timeline to be extended, Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of thirty (30) days prior to the contract expiration date. ADOH will respond to the written request within fourteen (14) business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- Non-Rental Projects funded with HOME, HSG, HTF and CDBG.** Recipient must notify ADOH of revisions to the *Schedule of Completion* using the *Monthly Performance Report*, attached hereto as Attachment B. To the extent that the changes cause the schedule timeline to be extended, Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of thirty (30) days prior to the contract expiration date. ADOH will respond to the written request within fourteen (14) business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- Homeless Projects funded with HTF, HPF or COC.** To the extent that the changes cause the schedule timeline to be extended, Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion and Performance Report* attached. Contract amendment requests must be received by ADOH a minimum of thirty (30) days prior to the contract expiration date. ADOH will respond to the written request within fourteen (14) business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- Weatherization.** Projects funded with DOE WAP, LIHEAP and/or SWG WAP. Recipients will have twelve (12) months to complete the Scope of Work with no extensions. ADOH may, based on a review of the progress of Recipient completed units and expenditures, move funds from a non or under-performing Recipient to a Recipient meeting or exceeding their performance goals. ADOH will review the performance of the Recipient on a monthly basis. The first re-allocation of funds if applicable would occur at six (6) months with additional re-allocations, if needed, at the eight (8) month and ten (10) month time periods.

Section 9. BUDGET

Recipient agrees to use the funds provided pursuant to this Agreement in accordance with the Budget that is attached as Attachment C. Recipient further agrees that any project costs, unless otherwise specified, exceeding the Budget shall be the sole responsibility of Recipient.

Availability of funding under this Agreement is contingent on final review and approval of the Budget. Budgetary considerations for specific programs are described below:

CDBG Revisions to the Budget. Recipient must obtain written approval from ADOH to move funds from one Budget Activity Line Item to another. The following substantial revisions to the *Budget* require a contract amendment:

- (a) Funds are moved from one Budget Activity Line Item to another and the change in the Budget Activity Line from which it is moved or to which it is being moved exceeds fifty percent (50%), unless the move is from administration to a non-administration activity, in which case only written notice without a contract amendment is required;
- (b) Additional funding sources are added to the Project;
- (c) Recipient is requesting a change to the grant terms.

HOME, HOPWA, HPF, NHTF and HTF Revisions to the Budget. Recipient must obtain prior written approval from ADOH to move funds from one Budget Activity Line Item to another. ADOH will only approve changes to the Budget for eligible costs as outlined in the State Housing Fund program. The following substantial revisions to the *Budget* require a contract amendment:

- (a) Additional funding sources are added to the project which require a project to be re-underwritten to determine gap;
- (b) Recipient is requesting a change to the loan terms.

WEATHERIZATION Revisions to the Budget. Recipient must obtain written approval from ADOH to move funds from one Budget Activity Line Item to another.

See Section 10 for changes that affect the Budget.

HSG Revisions to the Budget. Revisions to Homeless Service Grants do not apply as budgets are not delineated for specific line item services.

Recipient shall not retain any funds that are drawn down in excess of immediate cash needs (to be utilized within fifteen (15) days of draw down) to cover subsequent requests for reimbursement and must return them to ADOH within thirty (30) days of receipt. Recipient

must also return to ADOH any interest that is earned on these funds that are drawn down and not expended for eligible costs within fifteen (15) days of draw down.

Section 10. AMENDMENTS AND MODIFICATIONS

ADOH may consent to amendment or modification of this Agreement upon written request of Recipient. All amendments or modifications to this Agreement shall be by mutual consent of the parties in writing.

Requests for amendments or modifications that result in changes to the Budget must be supported by a revised Budget that is otherwise consistent with Section 9.

ADOH will respond to the request for amendment or modification to this Agreement within fourteen (14) business days.

~~Section 11. ENVIRONMENTAL REVIEW CONDITIONS~~

Does not apply to HSG Grants

~~In accordance with 24 CFR 50 and 24 CFR 58 (“Environmental Review”), the environmental effects of each activity carried out with federal funds must be assessed. Local government entities are responsible for conducting environmental reviews and requesting a release of funds from ADOH. Non profits and other non governmental entities are responsible for conducting Environmental Reviews before ADOH requests a release of funds from HUD. Completion of the Environmental Review Record (“ERR”) is mandatory before taking any physical action on a site or entering into contracts. Only exempt activities such as architecture, engineering and administration may be undertaken and reimbursed by ADOH prior to receiving a written release of funds. Exempt activities described in 24 CFR 58.34(a)(1)-(11) are activities that generally have no physical impact on the environment. If federal funds are involved in a project, neither federal nor non federal funds may be expended or committed by contract (conditional or not) for property acquisition, rehabilitation, conversion, lease, repair or construction activities, until HUD or ADOH has provided written authorization based on approval of an ERR.~~

~~———An option agreement (to purchase land) on a proposed site or property is allowable prior to the completion of the Environmental Review if the option agreement is contingent upon an ADOH or HUD authorization to use funds based on a completed ERR. The cost of the option must be a nominal portion of the purchase price.~~

~~Projects funded solely with Housing Trust Funds do not require an ERR but are required to meet the requirements of the State Historic Preservation Act by consulting with the State Historic Preservation Office (SHPO). For State Housing Funded projects, Phase I Environmental Assessments are required to be completed on properties for which new construction/change in use is proposed, regardless of whether federal or state funds are the source of funding. Expenditures incurred or obligated by construction contract prior to ADOH’s release of funds or consultation with SHPO will not be reimbursed by ADOH.~~

~~Recipients who had committed or expended non federal funds to begin a project before receiving the authorization from ADOH or HUD may still be eligible to use federal funds on the project under the following circumstances:~~

- ~~(a) Recipients started the project without the intention of using federal assistance (i.e. as evidenced by other anticipated funding, the original project budget, etc.);~~
- ~~(b) All work on the project ceases once an application for federal funds is made and an ERR is begun on all activities (i.e. acquisition, construction, etc.). ADOH or HUD provides authorization to proceed based on the completed ERR.~~

WEATHERIZATION (DOE WAP, LIHEAP WAP). DOE has made a final NEPA determination for all activities under this Funding Agreement that are listed in the State Plan formally approved by DOE and incorporated into this Funding Agreement. Recipients are responsible for compliance with Section 106 pursuant to 36 CFR Part 800.2 (c)(4).

Section 12. APPLICATION AND OTHER PRE-AWARD COSTS

Recipient may use a portion of the funds provided hereunder to reimburse itself for exempt activities pursuant to 24 CFR 58.34(a)(1)-(11) such as architecture, engineering, testing and sampling of asbestos and capital needs assessments and environmental reviews.

CDBG. If Recipient is receiving funding under this Agreement from the CDBG program, in accordance with federal procedures, Recipient may use funds provided hereunder to reimburse it or to pay for costs incurred in preparing the application. In no event shall such compensation exceed eighteen percent (18%) of the total funding provided to Recipient by ADOH.

Section 13. COMPENSATION AND METHOD OF PAYMENT

Subject to availability of and receipt of funds from the State's Unclaimed Property Fund (for state HTF funds), Arizona 2022 JLBC budget and/or the United States Treasury (for HOME, CDBG, COC, NHTF HOPWA, DOE WAP and LIHEAP WAP funds) and the commitment of other required funding as indicated in Recipient's application, ADOH agrees to reimburse or advance Recipient for authorized expenditures according to the *Budget* in Attachment C. Recipient must maintain invoices and other similar documentation to support payment expenses under those generally accepted accounting principles and procedures approved by ADOH and outlined in 2 CFR 200 as applicable; 24 CFR Parts 44, 92 and 570 as applicable; and 10 CFR 440 and 600 as applicable.

Recipient may request funds only after the date of the executed Agreement and other legal documents as applicable, provided Recipient has satisfied ADOH funding contingencies

and federal Environmental Review conditions. Requests for reimbursement must be made using the ADOH *Request for Payment* form hereby incorporated into this Agreement and attached as Attachment D. For construction projects, Release of Lien documents must be attached to the Request for Payment in amounts proportionate to contractor reimbursement requests.

Recipient must maintain proof of said expenditures including checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges as may be required by applicable federal rules and regulations, including requirements by the Federal Office of Management and Budget, and as may be otherwise reasonably required to permit ADOH to determine or confirm that any such expenditures are prudent and within the Scope of Work.

Recipient's right to incur expenses under this Agreement shall cease upon expiration of this Agreement. All requests for reimbursement on expenditures made prior to expiration of this Agreement must be requested within sixty (60) days after expiration. Unless expressly authorized by ADOH in writing, expenditures not requested within the sixty (60) day period after expiration of this Agreement shall be disallowed and all funds shall be reclaimed by ADOH.

Section 14. FUNDS RECOUPED BY RECIPIENT, INTEREST AND PROGRAM INCOME

14.1 Definitions. For purposes of this section, the following definitions shall apply:

"Funds Recouped by Recipient" means funds initially provided by ADOH to Recipient under this Agreement and any matching contributions that are recouped by Recipient when: (1) the funds provided by ADOH under this Agreement or matching contributions or the proceeds of funds provided by ADOH (including, but not limited to, equipment or housing) do not continue to be used for an approved purpose or eligible activity, as described in applicable law or regulations, for the full period of affordability required by this Agreement; or (2) when a State-assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by this Agreement. Funds Recouped by Recipient are subject to all the requirements of Program Income described below with the exception that Recipient shall not use Funds Recouped by Recipient for administrative purposes. For this reason, Recipient must separately account for all Funds Recouped by Recipient.

"Interest" means any compensation paid or to be paid for the use or deposit of the funds provided by ADOH to Recipient under this Agreement.

"Program Income" means gross income received by Recipient directly generated from the use of funds provided by ADOH under this Agreement. When Program Income is generated by housing that is only partially assisted with funds provided by ADOH under this

Agreement or matching contributions, the income shall be prorated to reflect the percentage of funds provided by ADOH under this Agreement. Program Income includes, but is not limited to, the following: (1) proceeds from the disposition by sale or long-term lease of real property purchased or improved with funds provided by ADOH under this Agreement; (2) gross income from the use or rental of real or personal property acquired by Recipient with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (3) payments of principal and interest on loans made using funds provided by ADOH under this Agreement or matching contributions; (4) proceeds from the sale of loans made with funds provided by ADOH under this Agreement or matching contributions; (5) proceeds from sale of obligations secured by loans made with funds provided by ADOH under this Agreement or matching contributions; (6) Interest earned on Program Income pending its disposition; (7) proceeds from the disposition of equipment purchased with CDBG funds; (8) gross income from the use or rental of real property, owned by Recipient, that was constructed or improved with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (9) if the funds provided by ADOH under this Agreement are from the CDBG Program, funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement; and (10) if the funds provided by ADOH under this Agreement are from the HOME Program, any other interest or return on the investment permitted under 24 C.F.R. Part 92.205(b) of HOME funds or matching contributions.

14.2 Use of Program Income and Funds Recouped by Recipient.

Recipient is not authorized by ADOH to retain and reuse Program Income, Funds Recouped by Recipient or accrued Interest as described in the following paragraph(s) except as authorized by ADOH through a written agreement.

Recipient must return all Program Income, Funds Recouped by Recipient and Interest to ADOH within thirty (30) days of receipt.

Recipient must remit to ADOH any Program Income, Funds Recouped by Recipient or Interest on hand at the time of expiration, cancellation, or termination of this Agreement or subsequently received by Recipient within **thirty (30) days** of receipt by Recipient.

Section 15. DE-OBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS

15.1 De-obligation. ADOH may reduce funds from the funding award evidenced by this Agreement without regard to the source of funding, under the following circumstances: (1) Recipient has completed performance under the *Scope of Work* (Attachment A) without using all of the funds provided by ADOH under this Agreement; (2) this Agreement expires and not all funds have been expended; (3) ADOH's original allocation was a loan and Recipient or Sub-recipient paid the loan; (4) Recipient, with the consent of ADOH, cancelled or changed an activity required under the *Scope of Work* for reasons other than non-

performance; or (5) Recipient receives Program Income that has not been included in the budget or set forth in the *Scope of Work*; and (6) this Agreement has otherwise been terminated. ADOH may de-obligate funds under this Agreement under the foregoing circumstances upon written notice to Recipient.

15.2 Reallocation of De-obligated HOME or State HTF Funds. If the funds provided by ADOH under this Agreement are from the State HTF or the HOME Program, ADOH may reallocate funds that it has de-obligated under this Agreement as it determines in its sole discretion.

15.3 Reallocation of De-obligated CDBG Funds. If the funds provided by ADOH under this Agreement are from the CDBG Program, ADOH may reallocate funds that it has de-obligated under this Agreement to Recipient from which the funds were de-obligated for use under an existing or new funding contract of the same funding year if Recipient can immediately commit the reallocated funds to a project and execute a new or amended funding contract within sixty (60) calendar days of the reallocation. If ADOH is not able to reallocate funds that it has de-obligated under this Agreement in accordance with the foregoing sentence of this subsection, ADOH may reallocate those funds as it determines in its sole discretion.

15.4 Recapture. ADOH may reduce funds from the amount of the funding award evidenced by this Agreement, without regard to the source of funding, under the following circumstances: (1) ADOH determines that Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations (non-compliance); or (2) Recipient fails to perform in accordance with the performance obligations set forth in the *Scope of Work* (Attachment A) and the *Schedule of Completion* (Attachment B) or the terms of this Agreement. ADOH may recapture funds under this Agreement under the foregoing circumstances upon written notice to Recipient.

15.5 Reallocation of Recaptured Funds. ADOH may reallocate funds that it has recaptured under this Agreement, without regard to the source of funding, as it determines in its sole discretion.

15.6 Repayment of Funds. Recipient agrees to repay funds provided under this contract if ADOH determines that Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations. ADOH may specify in writing the terms of the repayment or alternative terms in lieu of repayment; however, in no case shall repayment or alternative terms be accomplished later than 180 days following the written determination of non-compliance by ADOH.

Section 16. REVERSION OF ASSETS

16.1 Funds Remaining at Expiration. Upon expiration of this Agreement, Recipient shall transfer to ADOH any unexpended funds advanced to Recipient by ADOH under this Agreement.

16.2 Real Property Acquired or Improved with CDBG Funds. Upon expiration of this Agreement, any real property under Recipient's control that was acquired or improved in whole or in part with CDBG funds, for non-owner occupied use, provided to Recipient by ADOH under this Agreement (including CDBG funds provided to Recipient in the form of a loan) in excess of \$25,000, shall either: (1) be used to meet one of the national objectives in 24 CFR Part 570.208 until five (5) years after expiration of this Agreement, or for such longer period of time as determined to be appropriate by Recipient; or (2) not be used in accordance with 24 CFR Part 570.503(b)(8)(i), in which event Recipient shall pay to ADOH an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. No payment is required after the period of time specified in 24 CFR Part 570.503 (b)(8)(i).

16.3 Real Property Acquired or Improved with HOME Funds. Upon expiration of this Agreement, any real property under Recipient's control that was acquired or improved in whole or in part with HOME funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of Conditions, Covenants and Restrictions ("CC&Rs") for the period of affordability set forth in 24 CFR Part 92.252.

16.4 Real Property Acquired or Improved with State Housing Trust Funds. Upon expiration of this Agreement, any real property under Recipient's control that was acquired or improved in whole or in part with state HTF funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of CC&Rs for the period of affordability set forth in the CC&Rs.

Section 17. DEPARTMENT OF HOUSING RESPONSIBILITIES

ADOH shall monitor and evaluate Recipient to determine compliance with and performance under this Agreement. A summary of discrepancies noted by ADOH during monitoring visits will be specified in writing. Appropriate time for correction of discrepancies will be specified in the written report to Recipient. ADOH shall follow up on discrepancies to ensure that they have been corrected in a timely manner. The failure of ADOH to require timely performance of any provision of this Agreement shall in no way affect the right of

ADOH thereafter to enforce such provision nor shall the waiver of any succeeding breach of such provision act as waiver of the provision itself.

ADOH shall provide reasonable technical assistance to assist Recipient to comply with program requirements for the provision of services under this Agreement. However, this in no way relieves Recipient of full responsibility for its acts or omissions in the performance of activities required by this Agreement.

Section 18. SUBCONTRACTING

Recipient shall not disburse any funds received under this Agreement without fully completed written agreements with subcontractors requiring they follow all provisions of this Agreement and a completed Environmental Review pursuant to Section 11 of this Agreement.

The use of subcontractors does not relieve Recipient of responsibility for ensuring the administration of the provided funds in accordance with all applicable program requirements. Recipient is responsible for determining the adequacy of performance under subcontractor agreements and procurement contracts and for taking appropriate action when performance issues arise.

Section 19. FAILURE TO MAKE PROGRESS

Failure of Recipient to make progress according to the Schedule of Completion, attached hereto as Attachment B may result in contract termination, de-obligation of funds or recapture of funds. Recipient agrees to meet with ADOH at the site in which the funded activity is taking place to discuss progress and allow ADOH to provide technical assistance if:

- (a) Recipient fails to begin work on its Environmental Review pursuant to Section 11 within the sixty (60) calendar days from the date ADOH executes this Agreement;
- (b) Recipient fails to expend any funds in performance of and in accordance with the terms of this Agreement within ninety (90) calendar days from the inception date of this Agreement.

ADOH will terminate any Agreement and recapture funds from the same Agreement in which Recipient does not commence any of the activities described in the *Scope of Work* (Attachment A) or fails to expend any funds in accordance with the *Budget* (Attachment C) within 180 calendar days from the full execution date of this Agreement. ADOH may in its sole discretion, forgo providing technical assistance and recapture funds as outlined in this Agreement under Section 15.4 hereof and/or terminate this Agreement for cause pursuant to Section 20 of this Agreement.

Section 20. TERMINATION FOR CAUSE

ADOH may terminate this Agreement in whole or in part at any time whenever it determines that Recipient has failed to comply with the conditions hereof including, but not limited to the Scope of Work set forth in Attachment A, Schedule of Completion set forth in Attachment B and Budget set forth in Attachment C to this Agreement. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for cause with such notification to include the reason(s) for the termination and the effective date of termination. If ADOH terminates this Agreement pursuant to this Section, ADOH shall recapture all funds allocated to Recipient under this Agreement pursuant to Section 15.4 hereof and obtain repayment of funds expended pursuant to Section 15.6, hereof.

Section 21. TERMINATION FOR CONVENIENCE

ADOH or Recipient may terminate this Agreement in whole or part (one (1) or more activities) if either party believes that continuation will not produce beneficial results. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If Recipient so determines, it shall notify ADOH in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If ADOH terminates this Agreement pursuant to this Section, ADOH shall de-obligate, recapture or receive repayment, as applicable, all funds allocated to Recipient under this Agreement pursuant to Section 15 hereof.

Section 22. ENFORCEMENT

22.1 Remedies for Noncompliance. If Recipient materially fails to comply with any term of this Agreement or applicable law, ADOH may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by Recipient or more severe enforcement action by the awarding agency;
- (b) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance;
- (c) Wholly or partly suspend or terminate the award evidenced by this Agreement;
- (d) Withhold further awards to Recipient's project funded by the award evidenced by this Agreement;
- (e) Recapture funds and terminate contract;
- (f) Withhold future ADOH grant awards from all sources; or
- (g) Take other remedies that may be legally available.

22.2 Appealable Agency Action. Enforcement action taken under this section is an appealable agency action pursuant to A.R.S., Title 41, Chapter 6, Article 10.

22.3 Effects of suspension and termination. Costs incurred by Recipient resulting from obligations incurred by Recipient during a suspension or after termination of an award are not allowable unless ADOH expressly authorizes them in the notice of suspension or termination or subsequently.

22.4 Relationship to debarment and suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude Recipient from being subject to “Debarment and Suspension” under the United States President’s Executive Order 12549.

Section 23. CANCELLATION

Pursuant to A.R.S. § 38-511, either party may, within three (3) years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of ADOH, at any time while this Agreement or any extension of this Agreement is in effect, is or becomes an employee or agent of any other party to this Agreement in any capacity or a consultant to any party of this Agreement with respect to the subject matter of the contract. A cancellation notice made pursuant to this provision shall be effective when Recipient receives written notice of the cancellation unless the notice specifies a later time.

Section 24. RECORDS RETENTION

Pursuant to A.R.S. § 35-214, Recipient shall retain and require that its subcontractors retain for inspection and audit by ADOH, all books, accounts, reports, files including information regarding actual beneficiaries of the fund, and other records relating to the bidding and performance of this Agreement for a period of five (5) years following the date of the letter informing Recipient of the Administrative Closeout or termination.

- CDBG funded projects only:** All CDBG records must be retained for at least three (3) years after the grant agreement close out between HUD and ADOH has been approved by HUD. ADOH will notify recipients of the records retention date of expiration for CDBG funded projects.

- WEATHERIZATION projects only:** All records must be retained for at least three (3) years after the grant agreement close out between DOE or SWG and ADOH has been approved. ADOH will notify recipients of the records retention date of expiration for Weatherization projects.

Upon request by ADOH, Recipient shall produce a legible copy of all such records at the Administrative Office of ADOH or at the Office of the Auditor General. The original records shall be available and produced for inspection and audit when required by ADOH or the Auditor General.

Recipient shall maintain records that adequately identify the source and application of the funds provided under this Agreement (including Program Income and Recaptured Funds) as part of the financial transactions of their funding program, consistent with generally accepted accounting principles and the requirements of 2 CFR 200. Recipient will provide reports regarding the capture and reuse of Program Income and Recaptured Funds as requested by ADOH from time to time.

In addition, in the event that the project resulted in Recipient holding any liens or notes as a result of this funding, Recipient must retain all pertinent records for five (5) years beyond the expiration or release of such liens or notes.

Section 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS

Nothing herein shall be construed as obligating state general appropriation funds, excepting HTF funds, for payment of any debt or liability of any nature arising hereunder. The parties expressly recognize that all payments to be made by ADOH are from federal funds and HTF funds made available to ADOH for this purpose.

Section 26. AVAILABILITY OF FUNDS

Payments under this Agreement are subject to the availability of the federal funds provided to the ADOH for the HOME and CDBG programs and the availability of state funds provided for the state HTF or HSG Program. Every payment obligation of ADOH under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by ADOH at the end of the period for which funds are available. No liability shall accrue to ADOH in the event this provision is exercised, and ADOH shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

Section 27. APPLICABLE LAW AND ARBITRATION

This Agreement shall be governed and interpreted by the laws of the State of Arizona. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

Section 28. INDEMNIFICATION

Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees)(hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by

the act omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

Section 29. FEDERAL GOVERNMENT LIABILITY

It is agreed by all parties that the Federal Government and particularly the U.S. Department of Housing and Urban Development (“HUD”) and the U.S. Department of Energy (DOE) is not a party to this Agreement and that no legal liability on the part of the Federal Government is inferred or implied under the terms of this Agreement.

Section 30. AUDIT

If federal funds are paid to Recipient through this Agreement, Recipient shall comply with the audit requirements set forth in 2 CFR 200. Recipient shall comply with A.R.S. § 35-181.03 if any state funds are paid through this Agreement. Recipient agrees to rectify issues identified in audits within ADOH prescribed time periods. Failure to comply shall result in withholding of all present and future ADOH provided funds.

Section 31. AUDIT EXCEPTIONS

If federal or state audit exceptions are made relating to this Agreement, Recipient shall reimburse all costs incurred by the State of Arizona and ADOH associated with defending against the audit exception or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorney's fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature.

Immediately upon notification from ADOH, Recipient shall reimburse the amount of the audit exception and any other related costs directly to ADOH as specified by ADOH in the notification.

Section 32. UNALLOWABLE USE OF FUNDS

Recipient, its officers, employees and agents, shall not utilize any of the federal funds or HTF provided under this Agreement to solicit or influence, or attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation.

Section 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS

No officer or employee of ADOH and no public official, employee or member of the governing body of Recipient who exercises any functions or responsibilities in review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to this Agreement which affects their personal interest or the interest of any

corporation, partnership or association in which they are directly or indirectly interested, or have any interest, direct or indirect, in this Agreement or its proceeds.

Section 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF

Recipient agrees to provide ADOH and its representatives access at any reasonable time to all participants and staff involved in this Agreement and to all records and reports involving this Agreement.

Section 35. IDENTIFICATION OF DOCUMENTS

All materials used for public outreach and for informational purposes as a part of this Agreement, other than documents exclusively for internal use by ADOH, shall identify the source of federal (CDBG, HOME, NHTF, COC, HOPWA, DOE WAP, LIHEAP WAP) or state (HTF) funds used as part of this Agreement as well as acknowledgement of support from ADOH.

Section 36. COPYRIGHT

Reports, maps or other documents produced in whole or in part under this Agreement are works for hire and shall not be the subject of any application for copyright by or on behalf of Recipient, by any employee or subcontractor of Recipient. Recipient shall advise ADOH or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

Section 37. RIGHTS IN DATA

ADOH may duplicate, use and disclose in any manner and for any purpose whatsoever, within the limits established by federal and state laws and regulations, all information relating to this Agreement.

Section 38. FUNDING CONDITIONS

ADOH will make the funding assistance available to Recipient upon execution of this Agreement by the parties. The obligation and utilization of the funding assistance provided through this Agreement are subject to the proper observation of the requirements incorporated by reference. Recipient shall require any subcontracting entities to observe and follow all provisions of this Agreement.

Section 39. NON-DISCRIMINATION

- (a) Recipient shall comply with A.R.S. § 41-1463 and Executive Orders 99-4 and 2009-09, which prohibit Recipient from discriminating against persons, or

depriving or tending to deprive any individual of employment opportunities or otherwise adversely affecting the individual's status as an employee on the basis of race, color, religion, sex, age, national origin, disability or political affiliation and require Recipient to take action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, age, national origin, disability, or political affiliation. Recipient shall comply with all of the other requirements of Executive Order 2009-09.

- (b) Recipient agrees to comply with Title VII of the Civil Rights Act of 1964, as amended. Recipient shall also comply with applicable federal regulations that prohibit discrimination in the employment or advancement in employment of qualified persons with disabilities. Recipient shall comply with all applicable federal regulations regarding equal employment opportunity and relevant orders issued by the U.S. Secretary of Labor. Recipient agrees to comply, and will require any subcontractor(s) to comply with applicable federal nondiscrimination requirements, which may include: Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. §3789(d)); the Victims of Crime Act (42 U.S.C. §10604(e)); the Juvenile Justice and Delinquency Prevention Act of 2002 (42 U.S.C. §5672(b)); the Civil Rights Act of 1964 (42 U.S.C. §2000(d)); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794); Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. §§12132); Title IX of the Education Amendments of 1972 (20 U.S.C. §1681); the Age Discrimination Act of 1975 (42 U.S.C. §6102); 28 C.F.R. pt. 35 (DOJ Regulations- Nondiscrimination on the Basis of Disability in State and Local Government Services); 28 C.F.R. pt. 42 (DOJ Regulations- Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order 13279 (equal protection of the laws for faith-based and community organizations); and 28 C.F.R. pt. 38 (DOJ Regulations- Equal Treatment for Faith-Based Organizations).

Section 40. THIRD PARTY ANTITRUST VIOLATIONS

Recipient assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to Recipient toward fulfillment of this Agreement.

Section 41. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401—IMMIGRATION LAWS AND E-VERIFY REQUIREMENT

- (a) Recipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.”)

- (b) A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and Recipient may be subject to penalties up to and including termination of this Agreement.
- (c) The ADOH retains the legal right to inspect the papers of any employee who works on this Agreement to ensure that Recipient or Recipient's subcontractor is complying with the warranty under paragraph (a).

Section 42. INSURANCE

During the contract period, Recipient shall purchase and maintain in full force the following insurance. All certifications of insurance must provide for a thirty (30) day notice to ADOH of cancellation, non-renewal or material change. Proof of insurance from Recipient shall be provided to ADOH prior to execution of this contract and periodic certifications must be furnished at the request of the Program Specialist.

Recipient and its subcontractors, at Recipient's and subcontractors' own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, 7, local government insurance pools formed pursuant to ARS 11-952.01 or other as approved by ADOH and licensed in the State of Arizona with policies and forms satisfactory to ADOH.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of this Agreement is completed satisfactorily and formally accepted; failure to do so may, at the sole discretion of ADOH, constitute a material breach of this Agreement.

Recipient's insurance shall be primary insurance as respects ADOH and any insurance or self-insurance maintained by ADOH shall not contribute to it.

Recipient shall not fail to comply with the claim reporting provisions of the insurance policies or cause any breach of an insurance policy warranty, which would affect coverage afforded under insurance policies to protect ADOH.

The insurance policies, except Worker's Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against ADOH, its agents, representatives, directors, officers and employees for any claims arising out of Recipient's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to ADOH under such policies. Recipient shall be solely responsible for the deductible and/or self-insured retention, and ADOH, at its option, may require Recipient to secure payment of such deductibles or self-insured retentions by a Surety

Bond listing ADOH as the Obligee or co-Obligee or an irrevocable and unconditional letter of credit.

ADOH reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. ADOH shall not be obligated, however, to review same or to advise Recipient of any deficiencies in such policies and endorsements, and such receipt shall not relieve Recipient from, or be deemed a waiver of ADOH's right to insist on, strict fulfillment of Recipient's obligations under this Agreement.

The insurance policies, except Worker's Compensation and Professional Liability, required by this Agreement, shall name ADOH, its agents, representatives, officers, directors, officials and employees as additionally insured.

42.1 Required Coverage

Commercial General Liability. Recipient shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage. Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof.

Such policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision that would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185, and shall include coverage for Recipient's operations and products and completed operations.

Automobile Liability. Recipient shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to Recipient's any auto, all owned autos, scheduled autos, hired autos, non-owned autos assigned to or used in performance of Recipient's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

Worker's Compensation. Recipient shall carry Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Recipient's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit.

In case any work is subcontracted, Recipient will require the subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of Recipient.

42.2 Certificates of Insurance

Prior to commencing work or services under this Agreement, Recipient shall furnish ADOH with Certificates of Insurance, or formal endorsements as required by this Agreement, issued by Recipient's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Agreement are in full force and effect.

In the event any insurance policy(s) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Recipient's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of this Agreement, a renewal certificate must be sent to ADOH fifteen (15) days prior to the expiration date.

42.3 Cancellation and Expiration Notice

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days written notice to ADOH.

42.4 Self Insurance

The parties acknowledge that Recipient is self-insured and that such self-insurance satisfies the requirements of this Section 42.

Section 43. PRIVACY CONSIDERATIONS

Recipients of federal funds (for the purpose of this section "federal funds" means funding from the CDBG, HOME, HOPWA and COC programs; *see* Section 1, above) from ADOH warrant and represent that commencing from the effective date of this Agreement and until the latest expiration or termination date of any promissory note, deed of trust, declaration or other agreement that secures the federal funds that are the subject of this Agreement, Recipient and Recipient's contractors shall comply with the requirements of the federal Privacy Act, 5 U.S.C. § 552a. Recipient warrants and represents that it has read and understands the requirements of the Federal Privacy Act and requires the same of its contractors and subcontractors.

Section 44. NOTICES

When routine reports or correspondence is required to be sent to ADOH, it shall be addressed to Arizona Department of Housing, to the attention of the assigned Program

Specialist at 1110 West Washington Street, Suite 280, Phoenix, Arizona 85007. Notices or correspondence regarding material changes to the contract or requests for amendment shall be addressed to the same. All correspondence regarding this Agreement must be identified by its ADOH Agreement number (which is located on the top left hand corner of the first page of this Agreement).

When notice or correspondence is required to be sent to Recipient, it shall be addressed to:

CITY OF SIERRA VISTA
Entity
MATT MCLACHLAN, DIRECTOR
Attention (if applicable)
DEPT. OF COMMUNITY DEV. 1011 N. CORONADO
Mailing Address
SIERRA VISTA, AZ 85635
City State Zip

Section 45. REGISTRATION WITH SOCIAL SERVE

For new construction or rehabilitation of rental projects, Recipient agrees to register the project with socialserve.com and keep the project listed with socialserve.com for the duration of the period of affordability as indicated in the Conditions, Covenants and Restrictions.

Section 46. ADOH SIGNAGE

For new construction and rehabilitation projects, Recipient must erect a sign at the project site indicating that the project is funded through the Arizona Department of Housing and indicate the sources of funds. The sign must be a minimum size of twenty-four (24) inches high by thirty-six (36) inches wide, include a minimum five (5) inch high ADOH logo and text printed at a minimum seventy-two (72) point font. An individual ADOH sign does not have to be provided if Recipient incorporates ADOH information into a larger group sign.

Section 47. PHOTOGRAPHS

For new construction and rehabilitation projects, Recipient is required to provide to ADOH before and after photographs of the project in digital or film format.

Section 48. STATE OF ARIZONA

This Agreement shall be construed in accordance with the laws of the State of Arizona.

Section 49. WRITTEN CERTIFICATION UNDER A.R.S. § 35-393.01.

If the [Recipient] engages in for-profit activity and has ten (10) or more employees, and if this Agreement has a value of \$100,000 or more, then the [Recipient] certifies it is not currently engaged in, and agrees for the durations of this Agreement, not to engage in a boycott of goods and services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

Section 50. A.R.S. § 1-501 Relating to Federal Programs

Notwithstanding any other state law and to the extent permitted by federal law, any person who applies for a federal public benefit that is administered by this state or a political subdivision of this state and that requires participants to be citizens of the United States, legal residents of the United States or otherwise lawfully present in the United States shall submit required documentation to the entity that administers the federal public benefit demonstrating lawful presence in the United States.

AGREED, effective as of the later date of the signatures of the duly authorized representatives subscribed below:

**THE STATE OF ARIZONA,
ARIZONA DEPARTMENT OF HOUSING**

**CITY OF SIERRA VISTA
RECIPIENT**

BY: _____

BY: _____

Thomas M. Simplot

Matt McLachlan, Director

TITLE: Director

TITLE: Dept. of Community Dev.

DATE: _____

DATE: _____

**ATTACHMENT A
SCOPE OF WORK**

he award will be comprised of *Homeless Service Grant (HSG)* funds and will allow the City of Sierra Vista (**recipient**) to establish the Better Work Program for persons experiencing homelessness in Sierra Vista, Arizona.

This contract award is contingent upon:

- A. The award is provided as a grant.
- B. The City of Sierra Vista must provide a dollar for dollar match to the ADOH awarded grant funds.
- C. The program will provide daily shift work to as least fifteen (15) individuals experiencing homelessness over the period of performance. Individuals to be paid on a daily basis.
- D. The period of performance will be from January 1, 2023 through December 31, 2023.
- E. The City of Sierra Vista must provide a copy of the fully executed Subrecipient Agreement with Better Bucks of Sierra Vista, Inc., a 501(c) 3 non-profit, for the administration of the Better Work Program.
- F. The City of Sierra Vista must provide monthly reports as follows:
 - a. Performance reporting to include data regarding homeless individuals participating in the Better Work Program, hours and amounts of compensation to participants, number of health screenings provided, number of participants transported, etc. on a data collection Form to be provided by Sierra Vista; and
 - b. City of Sierra Vista General Ledger reports demonstrating the City's match provided to the program. City of Sierra Vista to indicate GL coding for accounts used as match dollars.

Project Funds

The State has reserved \$52,250 from the Homeless Service Grant project funding. Approved uses include worker compensation; supervisor compensation; medical screening; transportation; supplies; Community Connect resource and referral events; and program administration. All costs must be directly attributable to the Better Work Program.



ADOH PERFORMANCE REPORT/SCHEDULE OF COMPLETION				Page 1 of 1
Recipient	City of Sierra Vista		Date	
Contract No	118-23 Contract Period: from January 2023 to December 31, 2023		Revision	
Activity	Homeless Service Grant Pilot - Better Work Program		Month	
Recipient Address	1011 N. Coronado		City	Sierra Vista
Contact Person	Matt McLachlan, Director, Dept. of Community Development		Zip Code	85635
Phone	520.439.2177	Email	Matt.McLachlan@SierraVistaAZ.gov	County
Program Specialist	Kathy Blodgett	Email	kathy.blodgett@azhousing.gov	Cochise
Indicate adherence to contract or schedule changes. Due by the 15th of each month.				
Contract Schedule		Contract Date	Complete Yes/No	Modification Date
Execute ADOH Contract		12/15/2022		
Submission of January Performance and Match Reports		12/31/2022		
Submission of February Performance and Match Reports		2/28/2023		
Submission of March Performance and Match Reports		3/31/2023		
Submission of April Performance and Match Reports		4/30/2023		
Submission of May Performance and Match Reports		6/30/2023		
Submission of June Performance and Match Reports		7/31/2023		
Submission of July Performance and Match Reports		8/31/2023		
Submission of August Performance and Match Reports		9/30/2023		
Submission of September Performance and Match Reports		10/31/2023		
Submission of October Performance and Match Reports		11/30/2023		
Submission of November Performance and Match Reports		12/31/2023		
Project Complete - Contract Expires		12/31/2023		
Submission of FINAL Performance and Match Reports		1/31/2024		
Submission of Contract Close Out Report		2/28/2024		
<p>Please provide: 1. a brief description of activities performed this period. Include occurrences that caused variation from schedule changes to plans, unforeseen circumstances, etc. Please be specific. 2. The date of submission of your last Request for Payment (RFP) RFP's should be submitted at a minimum every 6 months to remain compliant with HUD activity expenditure guidelines.</p>				
Last RFP submitted on:				
Recipient Authorized Signature		Date	Title	



HSG

Attachment C

Budget						
Recipient	City of Sierra Vista				Date	
Contract No./File No.	118-23 Contract Period: from January 2023 to December 31, 2023			Revision No.		
Activity	Homeless Service Grant Pilot - Better Work Program					
Recipient Address	1011 N. Coronado			City	Sierra Vista	
Contact Person	Matt McLachlan, Director, Dept. of Community Development			Zip Code	85635	
Phone	520.439.2177	Email	Matt.McLachlan@SierraVistaAZ.gov		County	Cochise
Program Specialist	Kathy Blodgett		Email	kathy.blodgett@azhousing.gov		
a	b	c	d	e	f	g
Budget Line Item or Activity No.	HSG FY2023	Source Program Year	Source Program Year	Source Program Year	Source Program Year	TOTAL AWARD FY2023
Activity- Better Work Program	\$52,250.00					52,250.00
Total	\$52,250.00					\$52,250.00



ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT SUMMARY SHEET PAGE 1 OF 2

Recipient	City of Sierra Vista	Date	
Contract No	118-23 Contract Period: from January 2023 to December 31, 2023	Pay Req. No	
Activity	Homeless Service Grant Pilot - Better Work Program	Direct Wire Dep	Yes No
Recipient Address	1011 N. Coronado	City	Sierra Vista
Contact Person	Matt McLachlan, Director, Dept. of Community Development	ZIP	85635
Phone	520.439.2177	Email	Matt.McLachlan@SierraVistaAZ.gov
Program Specialist	Kathy Blodgett	Email	kathy.blodgett@azhousing.gov
		County	Cochise

Itemized Payment Statement (Sheet 2 of 2) must accompany this form. Include copies of invoices, cashed checks, and other backup documentation. ORIGINAL SIGNATURES are required for processing.

a	b	c	d	e	f	g	h
Budget Line Item or Activity No.	IDIS Act No.	Funding Source FY	HSG FY2023	Total Amount Req. to Date	Balance in Account	Amount of this Request	New Balance
Act. 1 Administration	N/A	\$ -			\$ -		\$ -
Act. Better Work Program	N/A		\$ 52,250.00		\$ 52,250.00		\$ 52,250.00
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
					\$ -		\$ -
Total		\$ -	\$ 52,250.00	\$ -	\$ 52,250.00	\$ -	\$ 52,250.00

Recipient Authorized Signature	Date	Title
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Recipient Authorized Signatory certifies that all activities undertaken by the contractor with funds provided under this contract have been carried out in accordance with the contract. Attach wiring information if not previously submitted. Attach alternate mailing address if necessary.

Performance Reports	Current <input type="checkbox"/>	Not Current <input type="checkbox"/>	For ADOH Use Only
ADOH Program Specialist Approval	Date		
			ADOH Program Administrator Approval
			Date