

**SUBRECIPIENT GRANT AGREEMENT FOR THE USE OF  
AMERICAN RESCUE PLAN ACT (ARPA) FUNDS**

This SUBRECIPIENT GRANT AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT (“ARPA”) FUNDS (“Agreement”) is made and entered into as of the Effective Date (defined herein), by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“SUBRECIPIENT”) and the CITY OF COACHELLA, a municipal corporation (“CITY”). SUBRECIPIENT and CITY may be individually referred to herein as a “Party” and collectively as the “Parties”. This Agreement is for the use of U.S. Department of the Treasury (“U.S. Treasury”) Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) under the American Rescue Plan Act of 2021 (Pub. L. 117-2), amending Title VI of the Social Security Act (42 U.S.C. 801 et seq.), hereinafter “ARPA” or the “Act.”

**RECITALS**

**WHEREAS**, the CITY, as a recipient of ARPA funds under the State and Local Fiscal Recovery Funds (“SLFRF”) program, may contract with sub-recipients for the furnishing of such services to, of, or for the CITY or any Department thereof; and

**WHEREAS**, sub-recipients under the SLFRF program are entities that receive a sub award from a recipient to carry out the purposes (program or project) of the SLFRF award on behalf of the recipient; and

**WHEREAS**, as a recipient of these funds, COUNTY OF RIVERSIDE is a sub-recipient of SLFRF funds and must comply with all requirements regarding the use and reporting of expenditures of SLFRF funds; and

**WHEREAS**, since its emergence in early 2020, the COVID-19 pandemic has negatively impacted public health and the economy on a global scale, throughout the nation, and in the CITY; and

**WHEREAS**, the pandemic has both caused and magnified negative impacts on residents of the CITY, particularly low- and moderate-income families, as it pertains to issues of public health, food and housing insecurity, and childcare, among other areas; and

**WHEREAS**, although as of June 15, 2021 the State substantially lifted public health orders limiting certain activities to mitigate the spread of COVID-19, the pandemic continues to pose risks to public health and the need to respond to those risks and to recover from the negative public health and economic impacts of the pandemic continues, in particular due to the recent surge in COVID-19 cases resulting from the highly contagious Omicron BA.4 and BA.5 variants; and

**WHEREAS**, increasing and preserving affordable housing to address homelessness is an eligible use of ARPA funds and

**WHEREAS**, through this Agreement, the Parties agree to set forth terms and conditions concerning the allocation, administration, and distribution of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) from the CITY’S ARPA funds; and

**WHEREAS**, these funds will enable SUBRECIPIENT to continue managing a home rehabilitation program (“Program”) that provides assistance to homeowners within the City of Coachella to address substandard housing by correcting health and safety hazards in deteriorated housing units, and maintain and extend the life of existing affordable housing inventory; and

**WHEREAS**, SUBRECIPIENT will assist the CITY in administering and distributing the ARPA funds for the Program in City of Coachella.

**NOW THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**TERMS**

- 1. Disbursement of Funds.** Upon the Parties’ execution of this Agreement, the CITY will transmit to and deposit with SUBRECIPIENT the sum of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) in ARPA funds. To effectuate the provisions of this section, the City Manager shall have the authority to offset all, or any portion of the amount described in this section against amounts due to SUBRECIPIENT, under this Agreement or any other agreement between SUBRECIPIENT and the CITY.
- 2. Eligibility.** Eligibility for the Program managed by SUBRECIPIENT shall be limited to homeowners living within the jurisdictional boundaries of the CITY as further described as follows:

**Jurisdictional Boundaries.** As defined by the US Department of The Treasury regarding disbursement of ARPA funds, the 2022 final rule clarified that recipients may transfer funds to any entity to carry out, as a SUBRECIPIENT, an eligible activity on behalf of the SLFRF recipient (transferor), as long as they comply with the SLFRF Award Terms and Conditions and other applicable requirements. SUBRECIPIENT agrees that all homeowners funded with the monies provided will be within the jurisdictional boundaries of the CITY.
- 3. Use of Unallocated Funds.** Upon written request by the City Manager, SUBRECIPIENT shall promptly return any ARPA Funds that were unused or undistributed during the term of this Agreement to CITY for possible redistribution to other federal ARPA-eligible programs authorized by the CITY.
- 4. Term of Agreement.** The term of this Agreement shall commence on the Effective Date and shall terminate on December 31, 2025 (“Term”), unless earlier terminated by either Party or unless all APRA Funds have been distributed by SUBRECIPIENT, as set forth in this Agreement.

**5. Services Provided by SUBRECIPIENT.** The COUNTY OF RIVERSIDE shall be responsible for performing the following services to operate and administer Home Rehabilitation Program (HRP):

a. Identify homeowners in need of repairs with household incomes at or below 80% of the Area Median Income (AMI). The applicant must be the owner-occupant of the property. The property must be located within the City of Coachella. Property taxes must be current. One homeowner must be either a US Citizen or a Qualified Alien as per Section 431 of the Personal Responsibility and Work Opportunity Act (PRWORA).

b. Enter into and administer HRP Grant Agreement, HRP General Contractor Agreement and HRP Covenant Agreement with low-income qualified homeowners in the City of Coachella to identify and complete home repairs and disability accessibility improvements, which include minor roof repairs, broken/missing windows, exterior paint, fence repair, and other eligible exterior/interior improvements. The maximum grant amount is fifty thousand Dollars (\$50,000). The HRP grant is a one-time benefit regardless of the total grant amount awarded.

c. Conduct on-site inspection; prepare statement of work; solicit minimum of three (3) bids from licensed general contractors; select the lowest, most responsive, and most efficient bidder; conduct pre-construction conference, pay disbursements to contractor (retaining 25% to ensure completion); and upon receipt of the completion notice from homeowner, invoice and conditional release from Contractor certifying repairs are complete, County shall conduct a final inspection in cooperation with homeowner and contractor and release final payment.

d. Ensure participating homeowners enter five (5) year covenant agreement that restricts the use of the property to an affordable single-family dwelling, encumbers the land and restricts the sale and future loans against the property for the duration of the agreement, and requires the property owner to provide continued maintenance of the entire property interior and exterior for the duration of the agreement.

**6. Reporting Requirements.** SUBRECIPIENT shall provide the CITY with quarterly reports and one final report, in a format reasonably designated by the CITY, detailing (a) all applications received, processed, and approved; and (b) all amounts disbursed to qualifying homeowners. In addition, the CITY reserves the right to require written reports from SUBRECIPIENT, at reasonable intervals until all ARPA funds have been dispersed, and in a format reasonably designated by the CITY. These reports shall include, among other information, the receipts, use and disbursement of all ARPA Funds. SUBRECIPIENT understands and agrees that the ARPA Funds are provided as a sub award of Local Fiscal Recovery Funds under ARPA; that SUBRECIPIENT, as a subrecipient of the ARPA Funds, shall cooperate with CITY to ensure compliance with ARPA and its implementing rules, regulations, reporting and recordkeeping requirements, including without limitation cooperation, as requested, in connection with the CITY'S preparation of interim reports,

project and expenditure reports and recovery plan performance reports, and any other reports required by the US Treasury.

7. **Single Audit Act Amendments of 1996 (Single Audit Act).** The Single Audit Act Amendments of 1996 (Single Audit Act) were enacted to streamline and improve the effectiveness of audits of federal awards expended by states, local governments, and not-for-profit entities, as well as to reduce audit burdens. Amendments include uniform administrative requirements, cost principles, and audit requirements for federal awards found in Chapter 2 of the Federal Acquisition Regulations, Part 200. Single Audits are required when a non-federal entity expends \$750,000 or more in federal funds in one year. Single Audits are performed by independent auditors and encompass both financial and compliance components.

The CITY will be subject to future audits of these funds; the audits will be conducted by the CITY'S external auditors and be reviewed by the Inspector General's Office or the Government Accountability Office. The key to withstanding any future audit will be the CITY'S ability to provide sufficient and appropriate documentation regarding the use of State and Federal funds in response to COVID-19. SUBRECIPIENT agrees to make any and all supporting documentation available to CITY within fifteen (15) working days of a request made by CITY.

8. **Documentation and Record Retention.** The CITY shall maintain CITY documents in accordance with CITY'S Records Management Policy and record retention schedule. CITY and any subrecipient of Coronavirus Relief Funds must retain records for five years (5) after final payment is made and should be available on requests for audits. It should be noted that documents associated with this agreement could be subject to a Public Records Act request. If a request is made, CITY will respond to the request in accordance with the CITY'S Public Records Request Policy.
9. **Non-Discrimination Requirements for Grantees.** SUBRECIPIENT agrees not to discriminate against any person seeking service or assistance because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, immigration status, membership or activity in a local commission, disability, sexual orientation, age, physical or mental disability.
10. **Indemnification.** Each Party shall Indemnify, defend, protect, hold harmless, and release the other, its officers, agents, representatives, insurers, employees, and servants from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (Including attorneys' fees and costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying Party or its agents, representatives, employees, servants, contractors, subcontractors, or invitees. The duty of a Party to Indemnify and hold harmless another Party shall not apply to injuries or damage for which such other Party has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct. The duty to indemnify and hold harmless set forth in this Section shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts,

disability benefit acts, or other employee benefit acts, and shall include the duty to defend as set forth in Section 2778 of the California Civil Code. This indemnity/hold harmless provision survives the Agreement.

- 11. Assignment.** This Agreement is not assignable by a Party, in either whole or in part, without the express consent of each other Party in the form of a formal written amendment to this Agreement.
- 12. Governing Law & Jurisdiction.** The validity of this Agreement and of its terms, the rights and duties of the Parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venue either in Riverside County Superior Court or in the United States District Court for the Central District of California.
- 13. Integration & Modification.** This Agreement supersedes any and all prior or contemporaneous agreements, representation, and understandings of or between the Parties, and the Parties warrant that they are not relying on any such prior representations. The Parties understand and agree that the terms of this Agreement may not be altered, amended, modified, or otherwise changed in any respect or particular except by a writing duly executed by the Parties, or their respective authorized representative(s).
- 14. Severability.** In the event that, at any time subsequent to the execution of this Agreement, any portion or provision of it is found to be illegal, invalid, unenforceable, non-binding or otherwise without legal force or effect, the remaining portion(s) will remain in force and be fully binding.
- 15. Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which together will constitute a complete agreement. Moreover, this Agreement may be signed by electronic signature and copies of original signatures shall be treated the same as the originals.
- 16. State and Local Fiscal Recovery Fund Sub Recipient.** The monies referenced within this agreement represents a sub award of State and Local Fiscal Recovery (SLFRF) funds. As a recipient of these funds, SUBRECIPIENT is a subrecipient of SLFRF funds and must comply will all requirements regarding the use and reporting for expenditures of SLFRF funds. SUBRECIPIENT agrees to review and comply with the terms contained in the links provided in Attachments 1-3 for SLFRF-related documents detailing the compliance requirements for use of SLFRF funds as follows:
  - a. Attachment 1: Department of Treasury Final Rule - Coronavirus State and Local Fiscal Recovery Funds
  - b. Attachment 2: Department of Treasury Overview of the Final Rule - Coronavirus State and Local Fiscal Recovery Funds

- c. Attachment 3: Department of Treasury Compliance and Reporting Guidance - Coronavirus State and Local Fiscal Recovery Funds
- d. And all other federal and state laws rules and regulations including those pertaining to providing funds to undocumented immigrants and all tax reporting requirements of the Internal Revenue Service. The COUNTY OF RIVERSIDE agrees to be responsible for any fines, penalties and audit fees resulting from non-compliance with the items listed in this section.

## **17. Insurance.**

- a. Time for Compliance. RECIPIENT shall not commence work under this Agreement until it has provided evidence satisfactory to the CITY that it has secured all insurance required under this section. In addition, RECIPIENT shall not allow any SUBRECIPIENT to commence work on any subcontract until it has provided evidence satisfactory to the CITY that the SUBRECIPIENT has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the CITY to terminate this Agreement for cause.
- b. Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the RECIPIENT, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, RECIPIENT agrees to amend, supplement or endorse the policies to do so.
  - i. **Commercial General Liability:** Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, or the exact equivalent, with limits of not less than \$1,000,000 per occurrence and no less than \$2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions (1) limiting coverage for contractual liability; (2) excluding coverage for claims or suits by one insured against another (cross-liability); (3) products/completed operations liability; or (4) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.
  - ii. **Automobile Liability Insurance:** Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 00 01 covering "Any Auto" (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities with limits of not less than \$1,000,000 combined limit for each occurrence.
  - iii. **Workers' Compensation:** Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

- iv. Professional Liability (Errors & Omissions): Professional Liability insurance or Errors & Omissions insurance appropriate to RECIPIENT's profession with limits of not less than \$1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least five (5) years from termination or expiration of this Agreement.
- c. Insurance Endorsements. Required insurance policies shall contain the following provisions, or RECIPIENT shall provide endorsements on forms approved by the CITY to add the following provisions to the insurance policies:
  - i. Commercial General Liability: (1) Additional Insured: The CITY, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of RECIPIENT; or (4) contain any other exclusions contrary to the terms or purposes of this Agreement. For all policies of Commercial General Liability insurance, RECIPIENT shall provide endorsements in the form of ISO CG 20 10 10 01 and 20 37 10 01 (or endorsements providing the exact same coverage) to effectuate this requirement. (2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the CITY except ten (10) days shall be allowed for non-payment of premium.
  - ii. Automobile Liability: (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the CITY except ten (10) days shall be allowed for non-payment of premium.
  - iii. Professional Liability (Errors & Omissions): (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the CITY except ten (10) days shall be allowed for non-payment of premium. (2) Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

- iv. **Workers' Compensation:** (1) **Cancellation:** Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the CITY except ten (10) days shall be allowed for non-payment of premium. (2) **Waiver of Subrogation:** A waiver of subrogation stating that the insurer waives all rights of subrogation against the CITY, its officials, officers, employees, agents, and volunteers.
- d. **Primary and Non-Contributing Insurance.** All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the CITY, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.
- e. **Waiver of Subrogation.** All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the CITY, its officials, officers, employees, agents, and volunteers or shall specifically allow RECIPIENT or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. RECIPIENT hereby waives its own right of recovery against CITY, and shall require similar written express waivers and insurance clauses from each of its SUBRECIPIENTS.
- f. **Deductibles and Self-Insured Retentions.** Any deductible or self-insured retention must be approved in writing by the CITY and shall protect the CITY, its officials, officers, employees, agents, and volunteers in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.
- g. **Evidence of Insurance.** The RECIPIENT, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates on forms approved by the CITY, together with all endorsements affecting each policy. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the CITY for approval. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the CITY. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, RECIPIENT shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the CITY evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.
- h. **Acceptability of Insurers.** Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to transact business of insurance in the State of California, or otherwise allowed to place



insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

- i. Enforcement of Agreement Provisions (non-estoppel). RECIPIENT acknowledges and agrees that actual or alleged failure on the part of the CITY to inform RECIPIENT of non-compliance with any requirement imposes no additional obligation on the CITY nor does it waive any rights hereunder.
- j. Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this Section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance.
- k. Additional Insurance Provisions
  - i. The foregoing requirements as to the types and limits of insurance coverage to be maintained by RECIPIENT, and any approval of said insurance by the CITY, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the RECIPIENT pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.
  - ii. If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, CITY has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CITY will be promptly reimbursed by RECIPIENT or CITY will withhold amounts sufficient to pay premium from RECIPIENT payments. In the alternative, CITY may cancel this Agreement.
  - iii. The CITY may require the RECIPIENT to provide complete copies of all insurance policies in effect for the duration of the Project.
  - iv. Neither the CITY nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.
  - v. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further, the limits set forth herein shall not be construed to relieve the RECIPIENT from liability in excess of such coverage, nor shall it limit the RECIPIENT's indemnification obligations to the CITY and shall not preclude the CITY from taking such other actions available to the CITY under other provisions of the Agreement or law.
  - vi. RECIPIENT shall report to the CITY, in addition to RECIPIENT's insurer, any and all insurance claims submitted by RECIPIENT in connection with the Services under this Agreement.

1. Insurance for SUBRECIPIENTS. RECIPIENT shall include all SUBRECIPIENTS engaged in any work for RECIPIENT relating to this Agreement as additional insureds under the RECIPIENT's policies, or the RECIPIENT shall be responsible for causing SUBRECIPIENTS to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the CITY, its officials, officers, employees, agents, and volunteers as additional insureds to the SUBRECIPIENT's policies. All policies of Commercial General Liability insurance provided by RECIPIENT's SUBRECIPIENTS performing work relating to this Agreement shall be endorsed to name the CITY, its officials, officers, employees, agents and volunteers as additional insureds using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage. RECIPIENT shall not allow any SUBRECIPIENT to commence work on any subcontract relating to this Agreement until it has received satisfactory evidence of SUBRECIPIENT's compliance with all insurance requirements under this Agreement, to the extent applicable. The RECIPIENT shall provide satisfactory evidence of compliance with this section upon request of the CITY.

**IN WITNESS WHEREOF**, the Parties, by their duly authorized representatives, have signed Agreement as of the Effective Date set forth above.

**CITY OF COACHELLA**  
**a General law City**

**COUTY OF RIVERSIDE,**  
**a political subdivision of the**  
**State of California**

By: \_\_\_\_\_  
Dr. Gabriel Martin  
City Manager  
City of Coachella

By: \_\_\_\_\_  
Heidi Marshall  
Director  
Riverside Department of Housing  
and Workforce Solutions

ATTEST:

APPROVED AS TO FORM:

MINH C. TRAN

COUNTY COUNSEL

By: \_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Paula S. Salcido,  
Deputy County Counsel

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney

**Attachment 1:**

**Department of Treasury Final Rule - Coronavirus State and Local Fiscal Recovery Funds:**

Link: <https://www.govinfo.gov/content/pkg/FR-2022-01-27/pdf/2022-00292.pdf>

**Attachment 2:**

**Department of Treasury Overview of the Final Rule - Coronavirus State and Local Fiscal Recovery Funds**

Link: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>

**Attachment 3:**

**Department of Treasury Compliance and Reporting Guidance - Coronavirus State and Local Fiscal Recovery Funds**

Link: <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>