

ATTACHMENT 1

AMENDMENT NUMBER THREE TO 2020-2021 SUBRECIPIENT AGREEMENT AMONG THE CITY OF COSTA MESA, AS GRANTEE UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT-CORONAVIRUS PROGRAM, THE COSTA MESA HOUSING AUTHORITY AND MERCY HOUSE LIVING CENTERS

This Amendment Number Three ("Amendment") is made and entered into this 15th day of November, 2022 ("Effective Date"), by and among the CITY OF COSTA MESA ("CITY"), a municipal corporation and MERCY HOUSE LIVING CENTERS, a nonprofit corporation ("SUBRECIPIENT"). CITY and AUTHORITY are collectively referred to herein as "CITY."

WHEREAS, CITY and SUBRECIPIENT entered into an agreement dated October 6, 2020 for SUBRECIPIENT to provide shelter, supportive services and housing navigation services for homeless men and women (the "Agreement"); and

WHEREAS, CITY and SUBRECIPIENT entered into an Amendment One dated June 15, 2021 to amend the use of Community Development Block Grant-Coronavirus ("CDBG-CV") funds and extend the term ("Amendment One"); and

WHEREAS, Amendment One provides for the expiration of the Agreement on June 30, 2022; and

WHEREAS, CITY and SUBRECIPIENT entered into an Amendment Two dated June 21, 2022 to amend the Agreement term to expire on June 30, 2023 and to increase the amount of CDBG-CV funds to \$392,633.00 ("Amendment Two"); and

WHEREAS, CITY was awarded American Rescue Plan Act ("ARPA") funds through the United States Department of the Treasury; and

WHEREAS, CITY desires to provide an additional Five Hundred Thousand Dollars (\$500,000.00) of ARPA funds to SUBRECIPIENT; and

WHEREAS, CITY and SUBRECIPIENT desire to extend the term for an additional six (6) months, through December 30, 2023; and

WHEREAS, CITY and SUBRECIPIENT desire to amend the Scope of Services to include the additional services set forth in Exhibit "A," attached hereto and incorporated herein by this reference; and

WHEREAS, CITY and SUBRECIPIENT desire to include ARPA related provisions to the Agreement to ensure compliance with all ARPA-related laws and regulations.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The term of the Agreement shall be extended through December 31, 2023.
2. The Scope of Services shall be amended to include the additional services set forth in Exhibit A.
3. Section 4 of the Agreement shall be amended to include that SUBRECIPIENT'S total compensation shall not exceed Five Hundred Thousand Dollars (\$500,000.00) of ARPA funds.

4. The Agreement shall be amended to include Section 13(c), providing that "SUBRECIPIENT understands, acknowledges, and agrees that the funding source for its work is from the American Rescue Plan, Coronavirus State and Local Fiscal Recovery Funds (collectively "ARPA") and as such, SUBRECIPIENT is required to comply with the regulations associated with ARPA funds pursuant to 31 CFR Part 35. Those regulations and reporting requirements are set forth in Exhibit "B" attached hereto and incorporated herein by reference. By executing this Contract, SUBRECIPIENT agrees to comply with all such regulations and reporting requirements and shall familiarize itself with those requirements."
5. All terms not defined herein shall have the same meaning and use as set forth in the Agreement.
6. All other terms, conditions, and provisions of the Agreement shall remain in full force and effect.
7. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first written above.

SUBRECIPIENT

Signature

Date: _____

Name and Title

CITY OF COSTA MESA

John Stevens
Mayor

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Lori Karaguezian
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Lori Ann Farrell Harrison
City Manager

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT A
SCOPE OF SERVICES

City of Costa Mesa ARPA Rental Assistance Program

SCOPE OF WORK

Program Overview

The City of Costa Mesa (City) is seeking the services of an experienced local non-profit and/or consultant (Program Administrator) to implement and administer the American Rescue Plan Act (ARPA) Rental Assistance Program (Program). The purpose of the Program is to provide very-low income Costa Mesa residents with financial assistance to maintain housing at-risk of being lost or secure permanent housing for those experiencing homelessness.

Program Administrator Requirements

Program Administrator shall manage the application, verification, payment and reporting for the Program as follows:

- Provide technical assistance to individuals applying for rental assistance.
- Determine applicant eligibility and complete intake documentation.
- Determine maximum allowable rent payment per the Orange County Housing Authority (OCHA) Payment Standards (City to provide).
- Distribute rental assistance payments to landlords. Payments will be made in the form of grants payable to the landlord/property owner for a maximum term of six (6) months.
- Distribute rental arrears payments (as applicable) to landlords. Rental arrears payment will be made in the form of a grant to the landlord/property owner for a maximum of six (6) months of past-due rent. Rental arrears payments do not count toward the maximum term of rental assistance payments.
- Assess applicant eligibility and amount of assistance required based on evaluation of family or individual's financial need. Participating households shall earn no more than 50% of the Area Median Income (AMI) and pay no more than 30% of their Adjusted Gross Income toward rent.
- Develop, prepare, distribute and process Program application forms, surveys and reporting materials.
- Provide outreach and circulate information of the availability of the Program in coordination with the City.
- Ensure each case file is appropriately closed-out and case files shall be maintained for a period of no less than four (4) years.

Verify the following requirements of Program applications:

- Household is a current resident of Costa Mesa or is currently homeless with strong ties to Costa Mesa (i.e. Live, Work, School).
- Household income at or below 50% AMI as determined by a Part 5 HUD Income Calculator.
- Current rental payments as evidenced by an executed lease.
- Documented need for the Program assistance.
- Tenant and landlord/property owner self-certification (under penalty of perjury) that they are not receiving any other form of rental subsidy or assistance for the participating household.

Verify the following Program grant payment requirements with landlord/property owner:

- Validate lease/rental agreement between tenant and landlord.
- Obtain a landlord/property owner affidavit affirming Program terms.
- Create and send letters to applicants confirming or denying their Program grant payment.
- Issue rental assistance payments directly to landlord/property owner and send an invoice to the City.

PROGRAM SPECIFICATIONS

Distribution of Funds

Funds will be disbursed from the Program Administrator directly to the landlord/property owner for rental assistance on behalf of an approved program participant. No funds will be disbursed directly to Program beneficiaries.

Amount of rental assistance shall be objectively determined based on the following formula:

- $(\text{Household's Adjusted Gross Income} \times 0.3) - \text{Base Rent} = \text{Maximum Rental Assistance Payment}$
 - In special cases, and only when expressly approved by the City, Program Administrator may provide financial assistance equal to 100% of a households rent when failure to do so would result in a shortfall.

Prior to the award of funds, Program Administrator shall submit the following documents to the City:

From the Landlord/Property Owner:

- W-9 for the Landlord/Property Owner receiving rental payment; and
- Signed affidavit affirming that the Landlord/Property Owner has not and will not receive payment for the same month(s) rent due for the same tenant from any other rental assistance program.

From the Tenant/Household:

- Executed Rental Assistance Agreement that includes a signed affidavit affirming that the tenant is not receiving rent from any other sources (rental assistance programs, sub-lessees, roommates, etc.).

Reporting Requirements

Monthly - Program Administrator shall submit quarterly reports addressing progress of objectives identified in the Scope of Work by the 15th of the month following the close of each prior month.

Quarterly - Program Administrator shall submit quarterly invoices for services provided to the City by the 15th of the month following the close of the quarter. Quarterly invoices must include back-up documentation for all costs submitted for reimbursement. Only those items in the approved budget, or an approved amendment, will be eligible for reimbursement.

Annually – Program Administrator shall provide an annual report within 45 days of the completion of each contract year. The annual report shall provide a summary of applicants who were approved and received rental assistance to include the following data:

- Name and address
- Participant eligibility
- Income level, ethnicity and race category
- Documented need for rental assistance
- Total rental assistance payment approved including the amount paid and for what month(s)/year

Program Administrator shall provide a summary of applicants who were denied rental assistance to including the following:

- Name and address
- Reason for rental assistance program denial

Program Administrator shall prepare, submit and report the results of a Client Satisfaction Survey of all program applicants to determine their satisfaction with participating in the program and working with the Program Administrator.

If the contract between the City and Program Administrator is extended, the Program Administrator shall provide annual reports following each subsequent contract year.

EXHIBIT B
ARPA REQUIREMENTS

ARPA Regulations, 31 CFR Part 35 ("Regulations") are incorporated herein and made a part of this Contract

CONTRACTOR agrees to be bound by the reporting requirements set out in the Regulations. This includes submitting quarterly reports by the 15th of the month following the end of each quarter to the City. The reports must include, but is not limited to, the use of the funds, documentation/receipts of the funds spent, description of the project and status of completion of the project. The Director of Finance may require additional information of CONTRACTOR for compliance with ARPA Regulations.

CONTRACTOR, in the performance of this Contract and as a sub-receipt of ARPA funds, as well as all of its subcontractors, must comply with the following:

1. CONTRACTOR, and any and all of its subcontractors, must ensure that they do not deny benefits, services or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity) in accordance with Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23. CONTRACTOR will be required to submit data showing compliance with the above.
2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found at 2 CFR Part 200 Appendix II.
3. The Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and all applicable standards, orders or regulations.
4. The Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) regulations regarding restrictions on lobbying and required certificates.
5. Section 2 CFR 200.323 regarding Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (EPA guidelines at 40 CFR Part 247.
6. Section 200.322 of 2 CFR 200.322, Domestic preferences for procurements.