

**SUBRECIPIENT AGREEMENT BETWEEN THE COUNTY OF ORANGE  
AND CITY OF COSTA MESA FOR  
AMERICAN RESCUE PLAN ACT FUNDING**

---

---

This Subrecipient Agreement (the “Agreement”) is made and entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as “County,” and the City of Costa Mesa, a California municipal corporation, hereafter referred to as “Subrecipient,” with the County and Subrecipient referred to as “Party,” or collectively as “Parties.”

WHEREAS, on February 26, 2020, the County Health Officer declared a local health emergency based on an imminent and proximate threat to public health from the introduction of a novel coronavirus (named “COVID-19”) in Orange County (the “COVID-19 Emergency”); and

WHEREAS, on March 2, 2020, the Board of Supervisors adopted Resolution No. 2020-11 ratifying the local health emergency declared by the County’s Health Officer; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a State of Emergency to exist in California because of the threat of COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States issued a Proclamation on Declaring a National Emergency Concerning the COVID-19 Outbreak; and

WHEREAS, the American Rescue Plan Act (ARPA) was passed by Congress and signed into law by the President of the United States on March 11, 2021; and

WHEREAS, under the State and Local Fiscal Recovery Funds (SLFRF) program, enacted as part of (ARPA), more than \$350 billion in emergency funding was distributed to state, local, territorial, and Tribal governments with the County receiving a total of \$616.8 million in two equal allocations of SLFRF funds; and

WHEREAS, the ARPA provides that SLFRF funds may be used for revenue replacement for the provision of government services, COVID-19 expenditures or negative economic impacts of COVID-19, premium pay for essential workers, and investments in water, sewer, and broadband infrastructure for the State or local government; and were incurred during the period that begins on March 3, 2021, and ends on December 30, 2024; and

WHEREAS, on January 6, 2022, the United States Department of Treasury released its Final Rule for the SLFRF program, which among other things, authorizes State and local government recipients to use SLFRF funds to replace lost public sector revenue and use such funding to provide government services up to the amount of revenue loss due to the pandemic; and

WHEREAS, on May 24, 2022, the Orange County Board of Supervisors authorized the allocation of \$5,000,000 in SLFRF funds to be used, among other things, to provide grant moneys to organizations within the Fifth District to support temporary shelter and support services for people experiencing homelessness; and

WHEREAS, Subrecipient has requested funding from the County for the one-time costs of shelter facility enhancements, such as computer equipment, and transitional employment services for those experiencing or at risk of experiencing homelessness; and

WHEREAS, in order to assist Subrecipient in the provision of government services, the Parties have agreed that the County shall transfer the Grant Amount described herein to Subrecipient.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM OF AGREEMENT.** The term of this Agreement begins on the date when fully executed by the Parties, and terminates on December 31, 2022, or when all the Parties' obligations under this Agreement are fully satisfied, whichever occurs earlier.

2. **USE OF GRANT AMOUNT.**

a. The grant funds provided are federal funds and subject to the Single Audit Act of 1984. The following information is provided in accordance with the Single Audit Act.

|  |  |
|--|--|
| <b>Grant Amount</b>                                | \$100,000  |
| <b>Subrecipient Name:</b>                          | City of Costa Mesa   |
| <b>Subrecipient Unique Entity Identifier (UEI)</b> | VLG5YJVFJ4M7   |
| <b>Awarding County Agency</b>                      | County Executive Office                                    |
| <b>County Contact</b>                              | Oana Cosma (714) 834-7410                                  |
| <b>Assistance Listing Number (ALN) / Name</b>      | 21.027 / Coronavirus State and Local Fiscal Recovery Funds |
| <b>Federal Award Identification Number</b>         | SLFRP1607  |
| <b>Awarding Federal Agency</b>                     | US Treasury Department                                     |
| <b>Indirect Cost Rate</b>                          | 10% MTDC or Federally Approved Rate                        |
| <b>Whether Award is R&amp;D:</b>                   | No   |

b. Subrecipient shall use Grant Amount provided under this Agreement to pay for the one-time costs of shelter facility enhancements and transitional employment services for those experiencing or at risk of experiencing homelessness.

c. Indirect costs may not exceed 10% of the modified total direct costs per 2 CFR section 200.68 or the federally approved indirect cost rate, if applicable.

d. Subrecipient must utilize the Grant Amount in accordance with all Federal and State laws, including but not limited to the American Rescue Plan Act of 2021 (ARPA), codified at 42 U.S.C. § 802, et seq., and all applicable regulations and guidelines implementing ARPA, including the regulations issued by the Department of Treasury at 31 CFR Part 35 regarding costs that are payable from SLFRF Funds.

### 3. PAYMENT OF GRANT AMOUNT

a. The County will issue a one-time payment to the Subrecipient of the Grant Amount set forth in Paragraph 2.a within 10 business days of the full execution of this Agreement. All of Subrecipient's expenditures of the Grant Amount must be for costs as described in Paragraph 2b of this Agreement.

b. It is understood that the County makes no commitment to fund this Agreement beyond the terms set forth herein.

c. If Subrecipient has not spent any portion of the Grant Amount it has received under this Agreement to cover Eligible Expenses by December 31, 2022, Subrecipient shall return to the County by January 30, 2023 the amount remaining unspent as of December 31, 2022.

### 4. STATUTES AND REGULATIONS APPLICABLE TO GRANT. Subrecipient must comply with all applicable requirements of State, Federal, and County of Orange laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient must comply with applicable State and Federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient must comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

a. Office of Management and Budget (OMB) Guidance. Subrecipient must comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards per 2 CFR Part 200 (the "Uniform Guidance"), including the procurement standards set forth in 2 CFR 200.318 through 2 CFR 200.327 when using the Grant Amount to procure goods and services.

b. Single Audit Act. Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), OMB Circular

A-133 and any administrative regulation or field memoranda implementing the Act.

c. Political Activity Prohibited. None of the funds, materials, property or services provided directly or indirectly under this Agreement may be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Funds provided under this Agreement may not be used for any purpose designed to support or defeat any pending legislation or administrative regulation.

d. SAM.gov Requirements. Subrecipient is required to have an active registration with the System for Award Management (“SAM”) (<https://www.sam.gov>).

5. **COMPLIANCE WITH GRANT REQUIREMENTS.** Grant funds awarded must be used solely for the purposes identified in Paragraph 2 of this Agreement. In accordance with Paragraph 11, Subrecipient agrees to indemnify, defend, and hold harmless the County of Orange for any sums the State or Federal government contends or determines Subrecipient used in violation of this Agreement. Subrecipient shall immediately return to the County any funds the County or any responsible State or Federal agency, including the Department of Treasury, determines the Subrecipient has used in a manner that is inconsistent with Paragraph 2 of this Agreement. The provisions of this paragraph shall survive termination of this Agreement.

6. **REPORTS.**

a. **Mid-Term Report.** By October 31, 2022, Subrecipient shall provide a report to the County that shall: (1) identify the expenses paid from the Grant Amount; (2) demonstrate how Subrecipient used the Grant Amount consistent with the use requirements of Paragraph 2; and (3) identify the balance of the Grant Amount that Subrecipient has not spent.

b. **Final Report.** Upon the earlier of Subrecipient’s expenditure of the balance of the Grant Amount or January 30, 2023, Subrecipient shall provide a report to the County that shall: (1) identify the expenses paid from the Grant Amount; (2) demonstrate how Subrecipient used the Grant Amount consistent with the use requirements of Paragraph 2; and (3) identify the balance of the Grant Amount that Subrecipient has not spent, if any.

c. The Subrecipient shall provide a certification signed by its City Manager or designee with each report required under this Paragraph 6 that the statements contained in the report are true and that the expenditures described in the report comply with the uses permitted under Paragraph 2.

d. Subrecipient shall maintain supporting documentation for the reports required by this Paragraph 6 consistent with the requirements of Paragraph 7.

7. **RECORDS MAINTENANCE.** Records, in their original form, must be maintained in accordance with requirements prescribed by the County with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period of four (4) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. Records, in their original form pertaining to matters covered by this Agreement, must be retained within the County of Orange unless authorization to remove them is granted in writing by the County.
8. **RECORDS INSPECTION.** At any time during normal business hours and as often as either the County, Inspector General acting pursuant to the Inspector General Act of 1978, or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all its records with respect to all matters covered by this Agreement. The County, Inspector General, and the Auditor General of the State of California each have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient's invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. Subrecipient agrees to provide any reports requested by the County regarding performance of this Agreement. With respect to inspection of Subrecipient's records, the County may require that Subrecipient provide supporting documentation to substantiate Subrecipient's expenses with respect to the Subrecipient's use or expenditure of monies provided by the County to the Subrecipient under this Agreement.
9. **INDEPENDENT CONTRACTOR.** The Subrecipient shall be considered an independent contractor and neither the Subrecipient, its employees, nor anyone working under the Subrecipient shall be considered an agent or an employee of County. Neither the Subrecipient, its employees nor anyone working under the Subrecipient shall qualify for workers' compensation or other fringe benefits of any kind through County.
10. **PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** Subrecipient shall be responsible for obtaining all permits, licenses, and approvals required for performing any work under this Agreement. Subrecipient shall be responsible for observing and complying with any applicable Federal, State, or local laws, or rules or regulations affecting any such work. Subrecipient shall provide copies of permits and approvals to the County upon request.
11. **INDEMNITY.** The Subrecipient agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees and agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board harmless from any claims, demands or liability of any kind or nature, arising from or

related to the Subrecipient's receipt of the Grant Amount under this Agreement, including any claims that the amounts paid by the County to Subrecipient were not used consistent with the restrictions on the use of SLFRF program funds as set forth in the regulations and guidance issued by the Department of Treasury regarding the use of such funds. The provisions of this paragraph shall survive the termination of this Agreement.

12. NOTICES. All notices, requests, demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

Subrecipient:

Lori Ann Farrell Harrison, City Manager  
City of Costa Mesa  
[loriann@costamesaca.gov](mailto:loriann@costamesaca.gov)  
P.O. Box 1200  
Costa Mesa, CA 92628-1200

County:

Oana Cosma, County Budget Office  
[Oana.Cosma@ocgov.com](mailto:Oana.Cosma@ocgov.com)  
400 W. Civic Center Dr., 5th Floor  
Santa Ana, CA 92701-4062

13. DEFAULTS. Should either Party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching Party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.
14. ATTORNEY FEES. In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear its own attorney's fees, costs, and expenses.
15. ENTIRE CONTRACT: This Agreement contains the entire contract between the Parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on the parties unless authorized by the Parties in writing.

16. **AMENDMENTS.** No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the Parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the day and year dated below.

BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
Lori Ann Farrrell Harrison, City Manager  
City of Costa Mesa

BY: \_\_\_\_\_ DATED: \_\_\_\_\_  
Helen Hernandez, Deputy Purchasing Agent  
County Procurement Office  
County of Orange, California

**APPROVED AS TO FORM:**  
Office of the County Counsel  
County of Orange, California

BY: \_\_\_\_\_  
Deputy

DATED: \_\_\_\_\_