

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PUBLIC SERVICES FUNDING CONTRACT**

This Contract is made between the City of Santa Maria, California, a California charter city, and municipal corporation, hereinafter called "CITY," and

**AGENCY
(PROGRAM NAME)**

herein called "SUBRECIPIENT" for the use of **2024-25** Community Development Block Grant (CDBG) Entitlement Funds which CITY has received pursuant to the authority of Title I of the Federal Housing and Community Development (HCD) Act of 1974 (42 U.S.C. Sections 5301 et. seq.), as amended from time to time, and the regulations promulgated thereunder (24 CFR Sections 570 et. seq.).

CITY AND SUBRECIPIENT AGREE as follows:

1. STATEMENT OF WORK AND REPORTING

SUBRECIPIENT agrees to conduct the program described in the Statement of Work, "Exhibit A," attached hereto and by this reference made a part hereof, sometimes hereinafter referred to as "the program." To the extent that any procedure or provision of the program proposed conflicts with any provision of this Contract, the provisions of this Contract shall prevail.

Minor program changes may be made to the Statement of Work, "Exhibit A," upon approval of the City of Santa Maria Community Programs Division.

In carrying out its program hereunder, SUBRECIPIENT agrees that the objectives of the program are those stated and set out in the Statement of Work.

SUBRECIPIENT agrees to submit to the City Community Programs Division quarterly reports displaying demographic information on participants of the program in accordance with the instructions set forth in Exhibit B attached hereto, within 30 calendar days of the end of the first three quarter reporting periods, as outlined in TABLE 1. SUBRECIPIENT agrees to submit to the City Community Programs Division an annual report containing the fourth quarter demographic information as set forth in Exhibit B as well as a final narrative report outlining the accomplishments of the program in accordance with the instructions set forth in Exhibit C attached hereto and incorporated by **June 11, 2025**.

TABLE 1.

Quarter	Reporting Period	Reporting Deadline
Quarter One	July 1, 2024 to September 30, 2024	October 30, 2024
Quarter Two	October 1, 2024 to December 31, 2024	January 30, 2025
Quarter Three	January 1, 2025 to March 31, 2025	April 30, 2025
Quarter Four	April 1, 2025 to June 11, 2025	June 11, 2025

2. CONTRACT TERM

The term of this Contract shall be from **July 1, 2024**, to and including **June 11, 2025**, unless sooner terminated as provided herein, and further provided that if not terminated, the term of this Contract may be extended as provided for herein.

3. DISBURSEMENT OF FUNDS

Subject to the terms and conditions contained in this Contract, CITY agrees to provide funds in an amount not to exceed the sum of

Grant Amount
Program Description
(include how allocation will be used)

The SUBRECIPIENT may request minor changes to the contract by updating its Statement of Work "Exhibit A" which will be reviewed and approved/denied by the City.

SUBRECIPIENT agrees that the allocation of CDBG funds will be used to provide services and programs that serve City of Santa Maria residents ONLY, and proof of Santa Maria residency of clients served must be obtained in the SUBRECIPIENT files.

SUBRECIPIENT hereby acknowledges that the CITY cannot guarantee that the CDBG Funds will be received from the Federal Department of Housing and Urban Development (HUD). The CITY's obligation to fund the work hereunder is limited to the availability of CDBG Funds from HUD. If the CDBG Funds are not forthcoming from HUD for any reason, the CITY shall not have any obligation to fund the work through any other funding source.

Upon acceptance of this agreement by the CITY, progress payments will be processed in accordance with the City Department of Finance's Accounts Payable Schedule. SUBRECIPIENT must submit to the CITY an invoice, in a form acceptable to the CITY, that sets forth the amounts expended by the SUBRECIPIENT for the program provided that said expenses are included in the Budget. Said invoice shall, at a minimum, set forth each budget category for which reimbursement is requested, a description of the expense, the total budgeted amount for the category, the amount requested to be reimbursed for each budget category, and the total amount expended for each budget category to date. Said invoice shall be accompanied by supporting documentation, including but not limited to payroll reports and/or paid receipts for each expense. To the extent that the CDBG Funds have been received from HUD, the CITY shall pay SUBRECIPIENT for all expenses stated on the invoice which are approved by the CITY pursuant to this Contract no later than the thirtieth day after the invoice is received. SUBRECIPIENT shall comply with the invoice requirements as set forth in "Exhibit B", Section III.

SUBRECIPIENT shall indemnify and defend and hold CITY harmless from any liability or damage resulting from any failure to make, or delay in making payments.

4. QUARTER TWO GUIDELINES (NEW)

Once quarter two concludes, the SUBRECIPIENT must accomplish the following (Refer to Section 1, TABLE 1 for referenced dates)

- a. Expend at least 50 percent of its funding allocation.
 - i. The subrecipient must submit Request for Payment(s) which reflect a 50 percent expenditure by the quarter two reporting deadline.
- b. Report that at least 50 percent of its annual people/household client goal has been served.
 - i. The subrecipient must report its client numbers in Exhibit B Report(s) by the quarter two reporting deadline.

Failure to abide by these guidelines will result in a City Staff review of the agency and potential revocation of unexpended funds. Factors that will assist in the determination of whether the funds will be revoked include, but are not limited to, the SUBRECIPIENT's current and/or past program performance, the nature of the program activity, and related extenuating factors. Exceptions to this guideline may apply and will be applied with prior City Staff approval. If the SUBRECIPIENT determines it will be unable to meet the above requirements by its respective deadlines, SUBRECIPIENT shall provide City Staff with notice and justification no less than six (6) weeks prior to the quarter two reporting deadline.

5. SUBRECIPIENT RECORDS

The SUBRECIPIENT shall keep accurate written records of all expenses incurred by it and of monies received by it and of all studies, statistics and reports made or issued by SUBRECIPIENT in conducting the program. The SUBRECIPIENT shall also keep accurate written minutes of all meetings of the Board of Directors or Committees of SUBRECIPIENT and shall keep accurate employment records, correspondence records, and other records necessary to enable CITY to review SUBRECIPIENT's operations during the conduct of the program. In addition, SUBRECIPIENT shall maintain all such records as may be required to be kept pursuant to the terms of the Housing and Community Development Act or regulations adopted pursuant thereto, and such records and documents as may be necessary to enable CITY to prepare and submit such audits, assurances, reports, and certificates as may be required of CITY under such act or such regulations. SUBRECIPIENT shall keep all such records and documents as may be necessary to enable CITY and/or the Federal Government to determine whether the funds to be allocated pursuant to the terms of this Contract have been or are being used in compliance with the provisions of the HCD Act and regulations adopted thereunder. Specifically, records shall be kept documenting income of clients served to determine that SUBRECIPIENT's program is primarily benefiting low- and moderate-income persons. SUBRECIPIENT shall estimate the annual income (24 CFR 813.106) of a family or household by projecting the prevailing rate of income of each person at the time assistance is provided for the individual, family, or household (as applicable). Estimated annual income shall include income from all family or household members, as applicable. This does not apply to activities that qualify under the National Objective 570.208(a)(1), area benefit activities, as identified by City Staff. Activities qualifying under 570.208(a)(1) must use the area income data supplied to the CITY by HUD. The SUBRECIPIENT must provide documentation showing beneficiaries meet the requirements as defined by HUD (i.e. elderly, children, youth, special needs, etc.).

HUD's definitions are referenced on the Community Programs webpage: www.cityofsantamaria.org/communityprograms, under Community Development Block Grant (CDBG) Program. At CITY's request, SUBRECIPIENT shall furnish CITY with a copy of any record maintained by SUBRECIPIENT pursuant to the terms of this Contract.

SUBRECIPIENT shall take reasonable measures to safeguard protected personally identifiable information (PII) from beneficiaries and other information that the City or HUD designates as sensitive, or the SUBRECIPIENT considers sensitive, consistent with Federal, State, County, and local laws regarding privacy and obligations of confidentiality. The obligations of this paragraph survive the termination of this Contract. All such records shall be maintained for at least five (5) years after the date on which this Contract terminates.

6. AUDIT REQUIREMENTS

CITY shall have the right to audit and review all records maintained by SUBRECIPIENT pursuant to the terms of this Contract. Any such audit and review may be conducted at any time during regular business hours.

SUBRECIPIENT is responsible for obtaining an audit at its expense in accordance with the Single Audit Act of 1996 (31 U.S.C. 7501-7) and Federal agency implementing regulations. The audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

7. STATEMENT OF WORK AND BUDGET - BUDGET ACCOUNTABILITY

SUBRECIPIENT shall prepare a statement of work and budget itemizing SUBRECIPIENT's proposed tasks and expenditures including a schedule for completing each task in conducting the program and containing a breakdown of said tasks and expenditures by major categories and subcategories. Said statement and budget shall be attached hereto, marked "Exhibit A", and made a part hereof. SUBRECIPIENT shall not obligate or expend funds for purposes other than those shown in the approved budget. The SUBRECIPIENT may request minor changes to the contract by updating its Statement of Work "Exhibit A" which will be reviewed and approved/denied by the City.

8. REIMBURSEMENT OF IMPROPER EXPENDITURES

If at any time within applicable statutory periods of limitation it is determined by CITY, by the United States Secretary of the Treasury or by any other agency or persons having jurisdiction, that funds provided for under the terms of this agreement have been used by or on behalf of the SUBRECIPIENT in a manner or for a purpose not authorized or prohibited by said Act or regulations adopted pursuant thereto SUBRECIPIENT shall, at CITY's request, pay to CITY an amount equal to any amount expended in violation of said Act or said regulations.

9. PROGRAM INCOME

Any program income received by the SUBRECIPIENT, such as interest earned on funds held in a revolving fund account, shall be returned to the CITY. This applies to any

program income received during the Contract period on hand when the agreement expires, or received after the agreement expires.

10. COMPLIANCE WITH LAWS AND REGULATIONS

SUBRECIPIENT agrees that it shall comply with all the provisions of the HCD Act, and all rules and regulations adopted pursuant thereto, and with all other local, state, and federal laws and regulations applicable to the program to be conducted hereunder. In particular, the SUBRECIPIENT shall comply with the requirements and standards of the following:

A. OMB Circular No. A-122 "Cost Principles for Nonprofit Organizations" or OMB Circular No. A-21 "Cost Principles for Educational Institution," as applicable;

B. 24 CFR Part 84, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," as modified by 24 CFR 570.502(b).

C. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations."

D. Subpart K of 24 CFR 570, except, however, that the subrecipient does not assume the grantee's environmental responsibilities or the responsibility for initiating the environmental review process under 24 CFR Part 52.

E. 24 CFR 570.200(j), prohibiting the use of CDBG funds for inherently religious activities.

F. Section 504 of the Rehabilitation Act of 1973 which prohibits discrimination against qualified individuals with disabilities from participating in or being denied benefits of any programs or activities receiving Federal financial assistance.

G. Shall obtain and maintain all licenses and permits necessary to conduct the program and to maintain the facilities and render the services proposed to be maintained or rendered in connection with the program.

H. Shall not, on the grounds of race, color, national origin, sex, religion, age, or handicap when otherwise qualified:

- (1) Deny any service or other benefit provided under the program;
- (2) Provide any service or other benefit which is different, or is provided in a different form from that provided to others under the program;
- (3) Subject to segregated or separate treatment in any facility in, or in any way or process related to receipt of any service or benefit under the program;
- (4) Restrict in any way the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit under the program;
- (5) Treat an individual differently from others in determining whether he or she satisfies any admission, enrollment, eligibility, membership, or

- other requirements or condition which individuals must benefit provided under the program;
- (6) Deny an opportunity to participate in the program as an employee.

I. Shall maintain such records and enforce and comply with such procedures as CITY may specify or require ensuring that only persons eligible for services under state and/or federal laws or regulations are admitted to the program or are provided with such services.

J. Shall not engage in any religious instruction nor use any part of the funds provided hereunder to purchase any religious books, materials or equipment or other property, or to share the salary of any person who participates in any such religious instruction or use funds for any other religious or sectarian purpose whatsoever.

11. INDEPENDENT SUBRECIPIENT INDEMNITY

It is understood and agreed by the parties hereto that SUBRECIPIENT, while engaging in conducting the program and complying with any of the terms of this Contract, is independent and is not an officer, agent, or employee of the CITY. It is further understood and agreed that CITY, its officers, agents and employees, shall not be liable or responsible for any injury or damage to persons or property resulting from the operations or activities of SUBRECIPIENT, its officers, agents or employees, in connection with the program; and SUBRECIPIENT agrees to defend indemnify and hold harmless the CITY and its officers, agents and employees, from and against any and all claims and liability for damage or injury to persons or property resulting from the activities or omissions, of SUBRECIPIENT, its officers, agents, employees or subcontractors, in connection with the operation or conduct of the program or the operation of maintenance of any buildings, equipment and other facilities used in connection with the program.

12. INSURANCE REQUIREMENTS

SUBRECIPIENT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the SUBRECIPIENT, his/her agents, representatives, or employees. If the SUBRECIPIENT maintains broader coverage and/or higher limits than the minimums shown above, the CITY requires and shall be entitled to the broader coverage and/or higher limits maintained by the SUBRECIPIENT.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), including products and completed operations, property damage, bodily injury, and personal & advertising injury.
2. Insurance Services Office Business Auto Coverage Form Number CA 00 01 covering any auto (Code 1), or if SUBRECIPIENT has no owned autos, covering hired (Code 8) and non-owned autos (Code 9).

3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the SUBRECIPIENT's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. Minimum Limits of Insurance

SUBRECIPIENT shall maintain limits no less than:

1. General Liability - \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability - \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation: Statutory limits.
4. Employer's Liability - \$1,000,000 per accident for bodily injury or disease.
5. Errors and Omissions Liability - \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

C. Self-insured Retentions

Self-insured retentions must be declared to and approved by the CITY. The CITY may require the SUBRECIPIENT to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

D. Other Insurance Provisions

All liability policies are to contain, or be endorsed to contain, the following provisions:

1. The CITY, its officers, officials, employees and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the SUBRECIPIENT including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the SUBRECIPIENT's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 and CG 20 37 forms if later revisions are used).
2. For any claims related to this project, the SUBRECIPIENT's insurance coverage shall be primary insurance coverage at

least as broad as ISO CG 20 01 04 13 as respects the CITY, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees or volunteers shall be in excess of the SUBRECIPIENT's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled or reduced, except with notice **stating the title of this contract** to the CITY. **All notices provided pursuant to this Agreement shall be given to the City representative listed for notice in this agreement and shall specify the title of this Agreement.** Notice may be given by overnight mail, facsimile with confirmation of receipt, or certified mail with return-receipt requested.
4. SUBRECIPIENT hereby grants to the CITY a waiver of any right to subrogation which any insurer of said SUBRECIPIENT may acquire against the CITY by virtue of the payment of any loss under such insurance. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer.
5. If any of the required policies provide claims-made coverage:
 - a. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - b. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the SUBRECIPIENT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

E. Acceptability of Insurers
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY.

F. Verification of Coverage
SUBRECIPIENT shall furnish the CITY with original certificates and amendatory endorsements of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the SUBRECIPIENT's obligation to provide them. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

G. Special Risks or Circumstances

The CITY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other extraordinary circumstances.

13. ENFORCEMENT OF CONTRACT

In addition to any other rights or remedies available at law or in equity, if the SUBRECIPIENT fails to fulfill its obligations under this Contract, the CITY may:

- A. Temporarily withhold payment of CDBG Funds pending correction of the default by the SUBRECIPIENT;
- B. Refuse to advance all or any part of the CDBG Funds for the Project and reallocate said funds to another activity;
- C. Wholly or partially suspend or terminate the award and this Contract;
- D. Withhold further awards for the Project and/or the Facility; and
- E. Require SUBRECIPIENT to repay any CDBG Funds which the CITY determines were not expended in compliance with the requirements of this Contract, the Act or the Regulations.

14. ASSIGNMENT

SUBRECIPIENT shall not assign this Contract or any part thereof or any monies payable hereunder.

15. POLITICAL ACTIVITY

SUBRECIPIENT certifies that to the best of its knowledge and belief no Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, SUBRECIPIENT agrees to complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

16. DRUG FREE WORKPLACE POLICY

SUBRECIPIENT agrees to provide a drug-free workplace in accordance with the City of Santa Maria's Drug Free Workplace Policy as follows:

A. SUBRECIPIENT will publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the SUBRECIPIENT's workplace and will specify the actions that will be taken against employees for violation of such prohibition.

B. SUBRECIPIENT will establish an ongoing drug-free awareness program to inform employees about:

- (1) The dangers of drug abuse in the workplace;
- (2) The SUBRECIPIENT's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

C. SUBRECIPIENT will require that each employee to be engaged in the performance of the grant be given a copy of the statement specified in paragraph A;

D. SUBRECIPIENT will notify the employee that, as a condition of employment under the grant, the employee will:

- (1) Abide by the terms of the statement specified in paragraph A; and
- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

E. SUBRECIPIENT will notify the CITY in writing, within ten calendar days after receiving notice under paragraph D from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice to every grant officer or other designee on whose grant activity the convicted employee was working.

F. SUBRECIPIENT will take one of the following actions, within 30 calendar days of receiving notice under paragraph D, with respect to any employee who is so convicted:

- (1) Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- (2) Require such employee(s) to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

G. SUBRECIPIENT agrees to make a good faith effort to maintain a drug-free workplace through implementation of paragraphs A, B, C, D, E, and F.

H. The SUBRECIPIENT hereby designates the site(s) listed below as those expected to be used for the performance of work under the grant covered by this Contract:

Place of Performance (street address, city, county, state, zip code for each site):

Total estimated number of employees expected to be engaged in the performance of the grant at the site(s) noted above: _____

17. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and this Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or is not correctly inserted, then upon application of either party, this Contract shall forthwith be physically amended to make such insertion or correction.

18. CONFLICT OF INTEREST

The SUBRECIPIENT shall comply with the conflict-of-interest provisions in the "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," 24 CFR Part 85.36, and OMB Circular A-110. The SUBRECIPIENT shall maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the SUBRECIPIENT shall participate in selection, or in the award or administration of a contract supported by Federal CDBG Funds if a conflict of interest, real or apparent, is involved.

19. SEPARATION OF CHURCH AND STATE (IF APPLICABLE)

In addition to, and not in substitution for, other provisions of this Contract regarding the provision of public services with CDBG Funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, 24 CFR 570.200(j) the SUBRECIPIENT:

- A. represents that it is, or may be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization;
- B. agrees that, in connection with the program proposed as the subject of this funding Contract:
 - (1) it will not discriminate against any person applying for public services related to the contract program on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

- (2) it will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of public services related to the contract program;
- (3) the funds received under this Contract shall not be used to construct, rehabilitate, or restore any facility which is owned by the SUBRECIPIENT and in which the public services are to be provided; Proved that, minor repairs may be made if such repairs (1) are directly related to the public services being provided with CDBG Funds; (2) are located in a structure used exclusively for non-religious purposes, and (3) constitute in dollar terms only a minor portion of the CDBG Funds being provided for public services.

20. CITY'S RIGHT TO SUSPEND OR TERMINATE CONTRACT

CITY shall have the right to suspend or terminate this Contract or any extension thereof immediately if CITY determines that SUBRECIPIENT has incurred obligations or made expenditures for purposes which are not permitted or are prohibited under the terms of the program or of this Contract or any extension thereof immediately if CITY determines that the SUBRECIPIENT is conducting the program in violation of any of the terms of the program application of this Contract, in accordance with 24 CFR Part 85.43. In any event, CITY shall have the right to suspend or terminate this Contract or any extension thereof at any time, with or without cause, by giving SUBRECIPIENT thirty (30) days prior written notice of CITY's intent to suspend or terminate this Contract; provided, that upon such suspension or termination, CITY shall pay all obligations incurred by SUBRECIPIENT prior to the date of such suspension or termination which are authorized under the terms of the program and of this Contract. This Contract may also be suspended or terminated when the CITY and SUBRECIPIENT mutually agree to terminate the agreement in whole or in part. Also, this Contract may be terminated for convenience as provided in 24 CFR Section 85.44.

21. REVERSION OF ASSETS

Upon termination of this Contract, the SUBRECIPIENT shall transfer to the CITY any Community Development Block Grant (CDBG) funds on hand at the time of termination and any accounts receivable that are attributable to the use of CDBG Funds. If the SUBRECIPIENT ceases to use any asset acquired with CDBG Funds for the purpose described in this Statement of Work, the SUBRECIPIENT shall either pay to the CITY the fair market value of the asset or transfer control of the asset to the CITY. Any real property under the SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG Funds in excess of \$25,000 must be either:

- A. used to meet one of the national objectives specified in Section 570.208 of the CDBG regulations until five years after expiration of the agreement, or for such longer period of time as determined to be appropriate by the CITY; or
- B. disposed of in a manner that result in the CITY being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditure of non-CDBG funds for acquisition of, or

improvement to, the property. Reimbursement is not required after the period of time specified in Paragraph A. of this section.

22. AMENDMENT PROCEDURE

Any programmatic changes, such as, revisions to the scope or objectives of the activity, revisions to the budget, or extension of the effective term of the Contract, must receive prior approval by the CITY. A request for prior approval of an amendment must be made in writing by the SUBRECIPIENT. Such a request must be accompanied by a narrative justification for the proposed revision. The CITY will promptly review such requests and shall approve or disapprove the request in writing. The CITY will not approve any project or budget revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the CITY. The CITY must determine any amended activities to be CDBG-eligible prior to approval of the amendment. If the revision requested by the SUBRECIPIENT results in a change to the CITY's approved project which requires Federal prior approval, the CITY will obtain the Federal agency's approval before approving the SUBRECIPIENT's request.

SUBRECIPIENT

Dated: _____

By: _____

Title _____

Dated: _____

By: _____

Title _____

CITY OF SANTA MARIA

Dated: _____

By: _____

Alex Posada, Interim City Manager

ATTEST:

Approved as to Form:

Approved as to Contents:

City Clerk

By: _____
City Attorney

By: _____
Risk Manager