



Agenda Item C.2
DISCUSSION/ACTION ITEM
Meeting Date: May 19, 2020

TO: Mayor and Councilmembers

FROM: Vyto Adomaitis, Neighborhood Services and Public Safety Director

CONTACT: Jaime Valdez, Principal Project Manager
Dominique Samario, Management Analyst

SUBJECT: COVID-19 Small Business, Nonprofit, and Individual Assistance Programs

RECOMMENDATION:

- A. Consider approval of a Memorandum of Understanding between the City of Goleta and Women's Economic Ventures to fund the Quick Response Loan Program and the Small Business Loan Program; and/or,
- B. Consider participation in a Goleta Small Business Grant Program administered by the Goleta Chamber of Commerce.
- C. Consider approval of an appropriation of \$200,000 from the General Fund Unassigned Fund Balance to the General Fund's Neighborhood Services Support to Other Agencies account, if no other sources of state or federal COVID-19 relief funding are received, to fund small business relief programs.
- D. Consider approval of an Agreement between the City of Goleta and Santa Barbara Foundation to fund the COVID-19 Joint Response Effort COVID-19 Response Grant Program through a one-time grant of \$90,000.
- E. Consider approval of an Agreement between the City of Goleta and United Way of Santa Barbara County to fund the COVID-19 Joint Response Effort COVID-19 Response Grant Program through a one-time grant of \$42,696.
- F. Consider approval of an appropriation of \$132,696 from the Community Development Block Grant Program COVID-19 Response funds to the CDBG Fund's Support to Other Agencies account.

BACKGROUND:

On March 17, 2020, the City Council adopted Resolution 20-18, which ratified the City Manager's emergency declaration and imposed attendant orders to close restaurants, gyms, movie theaters and the like; to prohibit the use of City play structures and exercise

equipment in its parks; and to prohibit residential and commercial evictions based on nonpayment of rent due to loss of income from the COVID-19 pandemic.

On March 19, 2020, the Governor issued Executive Order 33-20, which ordered all residents to immediately heed current State public health directives to stay home, except as needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors that the State Public Health Officer may designate as critical to protect the health and well-being of all Californians.

Staff recognizes there are two components to the existing COVID-19 pandemic. The first is the actual event that is currently happening and causing enormous health impacts and impacts to almost every individual/household, business/organization.

The second is the recovery effort that will take place in the aftermath of this crisis. Staff is also aware of the unprecedented need for assistance for struggling businesses and nonprofits—particularly as the stay-at-home orders do not have a firm end date.

The City Council has taken action to support local businesses, non-profits and individuals through this challenging time by enacting eviction and foreclosure moratoria for both residential and commercial properties, a deferral of Transient Occupancy Tax payments for hotels, and deferral of business license renewal fees for all Goleta businesses. However, as the impacts of the COVID-19 pandemic have become widely felt in Goleta, a majority of City Councilmembers expressed to the City Manager a desire to provide additional Goleta-specific assistance to businesses, nonprofits and members of the community. Staff has researched how other cities have approached COVID-19 relief programs and have identified options for Council's consideration that balance community needs with the City's own significant financial and staff resource constraints.

Other communities have established assistance programs to help local businesses through various approaches, including loan and grant programs. For example, the City of Roseville set up the "Roseville Small Business Stabilization Program" that provides zero percent interest loans up to \$20,000 for for-profit independently owned local businesses with up to 25 employees and a demonstrated COVID-19 hardship. More locally, the City of Solvang approved a \$250,000 loan program that provides up to \$5,000 to qualifying Solvang businesses with a preference to those in the downtown commercial area most impacted by the loss of tourism as a result of the statewide stay-at-home order. Attachment 1 provides additional examples of loan programs cities were putting into place to assist in local recovery efforts as of early April 2020.

DISCUSSION:

The balance of this section is organized into two parts: (1) Small Business Assistance options and (2) Nonprofit, and Individual Assistance programs. In both cases, City assistance would be provided only to Goleta-based small businesses and nonprofits serving Goleta residents. Both programs would be managed by the Neighborhood Services and Public Safety Department, through partnerships with other organizations.

Small Business Assistance

Women's Economic Ventures:

City staff reached out to Women's Economic Ventures (WEV) to learn more about their Quick Response Loan (QRL) Program in response to COVID-19. WEV's QRL goal is to assist viable businesses (those that at least broke even last year) so that they can stay in business. This means providing funding when businesses are pursuing other money from various sources.

WEV is a certified Community Development Financial Institution (CDFI) and a Small Business Administration (SBA) Microlender and has an existing Startup and Expansion Loan Program where start-ups can borrow between \$250 and \$25,000 and expanding businesses can borrow up to \$150,000. This program operates in a "normal" business environment and has been in operation prior to the current pandemic emergency. QRL, on the other hand, is designed to assist businesses experiencing economic hardship (currently, as a result of COVID-19. In the past, it assisted businesses impacted by the Thomas Fire and subsequent debris flow) with loans up to \$10,000.

QRLs are intended to serve as bridge loans until businesses can access Small Business Administration (SBA) loans or funds from other sources. WEV ultimately wants its borrowers to be well or over capitalized rather than undercapitalized. WEV advisors help businesses with their cashflow management and provide guidance on funding their operations and repaying debts.

WEV's QRLs and Startup and Expansion Loans seek to provide funding to Small Businesses in both an emergency (such as COVID-19) and as a potentially continued source of funding to start or expand a small business. Should the City Council desire to move forward in a partnership with WEV, the attached Draft Memorandum of Understanding (MOU, Attachment 2) between the City and WEV serves to establish a framework of cooperation and agreement to provide City grant funded QRLs to Goleta-based businesses immediately in response to the COVID-19 pandemic and, following this crisis, potentially to these businesses and others through the Startup and Expansion Loans.

WEV does not charge an administrative fee or percentage as part of their QRL program. WEV does charge an origination fee based on the size of the loan for the Startup and Expansion Loan Program as described in Exhibit A of the Draft MOU.

As money cycles back into the fund through loan repayment, WEV will continue to use the grant to make new loans to Goleta-based businesses through its QRL or standard loan program. It is not to be utilized for any other purpose. The grant award, minus any loan losses, is intended to continue in perpetuity, or until the funding is exhausted. WEV favors this approach for the fact that the funds will always serve to benefit the Goleta small business community.

If Council chooses to fund the small business assistance portion of the WEV COVID-19 Relief Program, Staff propose appropriating \$200,000 from the General Fund Unassigned

Fund Balance, unless state or federal COVID-19 relief funds become available and are eligible for this purpose. Given the City's financial constraints and reserve funds available, staff has determined that this amount is appropriate at this time. Future funding may be available once more information is known or if the City is provided other available funding.

However, if Council is not comfortable with the approach of having its \$200,000 circulating in the small business community in perpetuity, it may require WEV to return any grant funds not disbursed and transfer any loan payments to the City as they are made. Such a termination provision would allow the City to terminate the arrangement in the short term (i.e.: if the relationship with WEV did not work out) and in the long term (i.e.: if the City decided that the funds should be devoted to another public policy purpose). The currently proposed agreement with WEV includes this provision: if Council determines that once the grant funds are made to WEV and it does not expect to see the funds back, the termination provision could be removed before the agreement is executed.

WEV will also be providing financial reporting to the City on an annual basis, or more frequently as the City requests.

Loans will be made using the eligibility criteria and terms outlined in Exhibit A of the Draft MOU. In summary, a QRL is a 36-month loan with a limit of up to \$10,000 per loan. The Startup and Expansion Loan program is more flexible in terms of structure (1-10 years) with loans up to \$25,000 for startups and \$150,000 for expanding businesses.

WEV will provide an annual summary to include number of loans made, types of businesses supported, and other standard metrics. The City of Goleta, at its sole discretion, may forgive all outstanding loan balances made with its grant.

Goleta Chamber of Commerce:

In addition to the business loan program options that staff researched, City staff received materials from the Goleta Chamber of Commerce for a proposed grant program to address a segment of the businesses community likely to be hardest hit by the stay at home order - namely restaurants, theaters, gyms and the personal service industry. The Chamber's proposed grant program:

- Requested a total of \$600,000 (in two \$300,000 payments, originally recommended to be disbursed in April and May 2020) from the City of Goleta for one-time grants ranging from \$5,000, \$10,000 and \$15,000 to Goleta businesses in the aforementioned segment.
- Would be a new program run by the Goleta Chamber using a list of eligible businesses where grant applications would be scored by a committee of the Goleta Chamber board of directors, based on criterion agreed upon by the City of Goleta.
- The assistance grants would not be repaid by businesses.

Further details of the Chamber's proposed grant program are included in Attachment 3.

In comparing various approaches to small business assistance plans, staff recommends a loan approach that provides flexibility, without the commitment, to convert loans to forgivable

loans akin to a grant. If forgivable loans are not pursued, the repayment of loans could replenish the loan fund to make new loans available to more Goleta businesses.

Nonprofit and Individual Assistance

To quickly and efficiently aid both nonprofits serving Goleta residents and also individual Goleta residents facing hardship due to COVID-19, the City proposes partnering with the established COVID-19 Joint Response Effort led by the Santa Barbara Foundation, Hutton Parker Foundation and United Way of Santa Barbara County. This fund started in response to the Thomas Fire and subsequent debris flow that took place in 2017 and 2018. The emergency has shifted to providing COVID-19 Response Grants to local nonprofits, as well as Individual Response Grants, administered by the Santa Barbara Foundation and United Way of Santa Barbara County, respectively.

According to the participating organizations, the COVID-19 Joint Response Effort will align and coordinate efforts, collect and share information and distribute financial resources on a rolling basis for the most vulnerable populations. Together, they will mobilize funds to rapidly meet the needs of our community as they arise.

Nonprofits can apply for grants of up to \$25,000 and individuals can apply for assistance grants of up to \$1,000. There are three qualifying nonprofit categories: meeting emergency needs; adapting services; and organizational support. Individual support is focused on securing basic needs (e.g., food, housing, medication), childcare/educational support, and those who have been impacted by loss of a job/wages due to the current physical distancing mandates. Applications are considered on a rolling basis, with an application to award turnaround time of 10 days. All applications are first screened by Santa Barbara Foundation staff and then reviewed by a seven-member joint committee.

To fund the nonprofit and individual assistance portion of the COVID-19 Relief Program, Staff propose using the City's Community Development Block Grant-Coronavirus (CDBG-CV) allocation. The City of Goleta was awarded additional funding through the federal CARES Act in the amount of \$132,696. These funds must be allocated to programs and services to address the public health emergency caused by COVID-19.

Staff would enter into a subrecipient agreement with the Joint Response Effort, which has agreed to charge no administrative fees during this local emergency by partnering with the Santa Barbara Foundation and United Way of Santa Barbara County to administer the COVID-19 Response Grants.

Staff propose allocating \$90,000 towards nonprofit grants (see Attachment 4) and \$42,696 towards individual grants (see Attachment 5). This closely mirrors the funding request percentage received through the grant program at the time the staff report was written (70% of funding was requested for nonprofits and 30% for individual assistance) and supports the broader effort and reach that nonprofit organizations provide. This allocation would support up to nine nonprofit agencies serving Goleta at a minimum grant of \$10,000 each, as outlined in the City's CDBG grant policies. The Santa Barbara Foundation could supplement with Joint Relief funds to meet the needs of organizations,

allowing for both pots of money to go farther than they would alone. It would also support a minimum of 42 Goleta families through the individual assistance grants.

City staff sought this partnership to support nonprofits and residents in an efficient manner, requiring only one application and preventing duplication of support and a regional approach to assistance.

GOLETA STRATEGIC PLAN:

The assistance program seeks to address the following five strategies in bold in the City's Strategic Plan:

- Support Environmental Vitality
- **Support Community Vitality and Enhanced Recreational Opportunities**
- **Ensure Financial Stability**
- **Support Economic Vitality**
- Strengthen Infrastructure
- Return Old Town to a Vital Center of the City
- **Maintain a Safe Community**
- **Enhance the Efficiency and Transparency of City Operation**

FISCAL IMPACTS:

The following are Staff recommendations based on projected funding and discussions with community funding facilitators on need and types of assistance:

Small Business and Nonprofit Assistance Funding				
Fund Type	Account	FY 19/20 Current Budget	Additional Appropriation Requested	FY 19/20 Adjusted Budget
General Fund	101-60-6100-54012	\$0	\$200,000	\$200,000
CDBG	402-60-6300-54012	\$0	\$132,696	\$132,696
Total			\$332,696	\$332,696

As described above, the additional CDBG funding of \$132,696 is provided through the federal CARES Act. The additional appropriation of \$200,000 would be supported from the General Fund's Unassigned Fund Balance of approximately \$8 million, unless state or federal COVID-19 relief funds are disbursed to the City.

ALTERNATIVES:

The City is under no obligation to partner with WEV, the Joint Response Effort, or the Chamber of Commerce or to provide funding at the above levels or at any level. Council could choose not to fund either all or part of the recommended amounts as they see fit. For example, Council could choose to support only non-General Fund allocations toward the Nonprofit and Individual Assistance Program. If Council does not decide to support

using the City of Goleta's CARES Act allocation towards this program, staff will need to present another HUD-approved use for the CARES Act funding in order to receive the federal allocation.

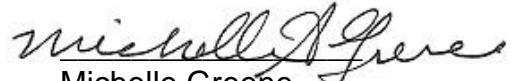
Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Michael Jenkins
City Attorney


Michelle Greene
City Manager

ATTACHMENTS:

1. Survey of Other Cities' Small Business Loan Programs
2. Draft Memorandum of Understanding between Women's Economic Ventures and the City of Goleta
3. Goleta Chamber of Commerce Proposed Business Grant Program Documents
4. Santa Barbara Foundation COVID-19 Relief Program Agreement and Program Description
5. United Way of Santa Barbara County COVID-19 Relief Program Agreement and Program Description

Attachment 1

Survey of Other Cities' Small Business Loan Programs

SMALL BUSINESS LOAN PROGRAMS FOR BUSINESSES IMPACTED BY COVID-19

City	Program Name	Program Summary	Eligibility	Document Link
City of Roseville	Roseville Small Business Stabilization Program	The City of Roseville is providing zero-interest loans from its \$1 million Roseville Small Business Stabilization Program to small businesses impacted by COVID-19. The loan provides zero interest, secured loans up to \$20,000 per business. Initial loan payments begin ninety (90) calendar days after the City of Roseville's Proclamation of the Existence of a Local Emergency is terminated or August 1, 2020, whichever is later. Loans awarded on a first-come, first-serve basis for qualified applications.	<ul style="list-style-type: none"> ▪For-profit, independently owned local business ▪Up to 25 full time employees ▪Restaurants, retail, service with a storefront ▪Physical establishment within the City of Roseville ▪Current City of Roseville Business License and in operation as of March 1, 2020 ▪Have a demonstrated hardship due to COVID-19, such as a loss in revenue ▪Funds shall be used for operational needs such as lease/mortgage payments, payroll, materials, supplies and services ▪Comply with the City's non-discrimination policy ▪One time loan per business ▪Be in good standing with the City of Roseville as of February 1, 2020 (e.g., current on utility bills, no liens or judgments, etc.) 	City of Roseville
City of Los Angeles	City of LA Small Business Emergency Microloans Program	The Small Business Emergency Microloan Program provides financing needed to strengthen small business enterprises that have been affected by the COVID-19 outbreak. The program provides loans from \$5,000 to \$20,000 with interest rates from 0%-3% for terms from 18 months- 5 years.	<ul style="list-style-type: none"> ▪For-profit and tax-exempt businesses in the City of LA ▪With 100 or fewer employees that have been negatively impacted by the COVID-19 outbreak and will make their best effort to continue or re-establish their business operations and employees ▪Business must have a Business Tax Registration Certificate with the City of Los Angeles' Office of Finance that was filed prior to March 01, 2020 	

City of Long Beach	Economic Relief Package	On March 18, 2020, the Long Beach City Council unanimously voted to direct City staff to develop an economic resiliency program that would assist Long Beach families, workers and small businesses affected by the COVID-19 pandemic. The proposed program will be presented at a later time.		City of Long Beach
City of Sacramento	Small Business Emergency Economic Relief Loan Program	The City of Sacramento established a \$1 million economic relief fund for businesses affected by COVID-19.	* Unable to locate additional information. The City is no longer accepting applications. I will contact them to obtain additional info. - SR contacted them on 4/2/20	
Oaklahoma City	Oaklahoma Small Business Continuaty Program	Oklahoma City approved \$5.5 million for their emergency relief program with \$3 million going towards their loan program for local businesses. No interest forgivable loans: 10-year, 0% interest loans up to \$50,000. Long-term employee retention and other requirements could lead to loan forgiveness over time.Low Interest Loans: 10-year, 2% interest loans from \$50,000 to \$100,000.	<ul style="list-style-type: none"> ▪Qualifying businesses must demonstrate a significant drop (50% year-over-year) in business or sales since March 16, 2020 and receive a majority of their revenue from in-store sales. ▪Priority will be given to businesses that have operated within the city limits for at least one year and to the fullest extent possible twenty-five percent (25%) of these programs will be distributed to businesses in low to moderate income census tracts. ▪Businesses must have fewer than 50 full-time equivalent employees. 	Oklahoma City

City of San Diego	Small Business Relief Fund	<p>The City of San Diego's SBRF helps businesses retain employees and sustain continuity of business operations impacted by federal, California, San Diego County and local emergency declarations regarding COVID-19.</p> <p>Approximately \$6.1 million is available in the SBRF, in the form of grants and loans. Grants and loans will range from \$10,000 to \$20,000 and will be allocated to eligible, qualified small businesses based on the availability of funds, program guidelines and the submission of all required information and supporting documentation.</p>	<ul style="list-style-type: none"> ▪Employ 100 Full-Time Equivalent (FTE) employees or less as of February 28, 2020 ▪ Have a City of San Diego Business Tax Certificate ▪Provide documentation that shows the business has been operational for at least 6 months ▪Provide proof of economic hardship due to COVID-19 ▪ Not have engaged in any illegal activity per local, state or federal regulations, with federal regulations taking precedence over local or state regulations. 	City of San Diego
Pierce County, Washington	COVID-19 Emergency Small Business Relief Loan Program	<p>The Pierce County Council enacted the COVID-19 Emergency Small Business Relief Loan Program, a direct action to keep businesses located in unincorporated Pierce County in operation and protect jobs threatened by the COVID-19 pandemic. Loan amounts up to \$10,000 will be awarded, based on number of employees. Loans will be offered to qualified applicants at no interest and no payments for 12 months. Applications will be accepted on a first come, first served basis, subject to available funds.</p>	<ul style="list-style-type: none"> ▪Be a business physically located in unincorporated Pierce County ▪Have 10 or fewer employees (including business owner) ▪Be in operation for one or more years ▪Demonstrate at least a 25% reduction in revenues attributable to the COVID-19 pandemic 	Pierce County- Washington

City of Chicago	Chicago Small Business Resiliency Fund	<p>The City of Chicago has established the \$100 million Chicago Small Business Resiliency Fund. The program will provide small businesses and non-profits with 3 months average monthly revenues before the COVID-19 outbreak, up to \$50,000 with term of up to 5 years with fixed annual interest rate of 1% for the first 18 months. After 18 months, the rate will increase to 5.57%. Repayments For months 1 – 6: \$10 monthly payment of principal for account maintenance purposes; interest accrues but is not payable. For months 7 – 12: Interest-only monthly payments. Month 13 and thereafter: Monthly principal and interest payments.</p>	<ul style="list-style-type: none"> ▪Employ fewer than 50 employees, 50% of whom are Chicago residents ▪Have realized gross annual revenues of less than \$3 million pre-COVID-19 ▪Have suffered a revenue decrease of at least 25% due to COVID-19 ▪Be located in the City of Chicago and have been in business for at least 1 year as of the date of application 	
New York City	NYC Small Business Continuity Loan Program	<p>New York City has launched the NYC Small Business Continuity Loan Program. The program is available to New York City businesses with fewer than 100 employees that can demonstrate at least a 25% decrease in revenue as a result of COVID-19. Eligible businesses can apply for an interest-free loan up to \$75,000.</p>	<ul style="list-style-type: none"> ▪Be located within the five boroughs of New York City ▪Demonstrate that the COVID-19 outbreak caused at least a 25% decrease in revenue ▪Employ fewer than 100 employees in total across all locations ▪Have been in operation for at least 2 years ▪Demonstrate ability to repay the loan ▪Have no outstanding tax liens or legal judgements 	

City of Rochester, Minnesota	COVID-19 Emergency Economic Development and Stability Information	The City of Rochester developed COVID-19 Emergency Economic Development and Stability Loan Program will be used to provide assistance to small local businesses directly during the COVID-19 pandemic event. The program loans are not to exceed \$25,000 and will be amortized over a period of 36 months on a monthly payment basis, with payments starting 90 days after the state emergency declaration is terminated with interest rate of 1%. If loan is repaid within six months of the state of emergency ending, then no interest will be paid.	<ul style="list-style-type: none"> ▪Business must be located within City of Rochester municipal limits and must not have more than 25 full time equivalent (FTE) employees. 	City of Rochester
City of San Francisco	San Francisco Hardship Emergency Loan Program	The SF Hardship Loan Emergency Program will provide loans up to \$50,000 at 0% interest. Funds can be used to pay payroll, rent, utilities, inventory and more. The loan will have a flexible repayment schedule, with terms determined on a case-by-case basis, based on each borrower's ability to repay.	<ul style="list-style-type: none"> ▪Be a for-profit business located in SF and in good standing ▪Have a total annual revenue under \$2.5M ▪Demonstrate a 25% drop in revenues since January 1, 2020 ▪Have 3 years remaining on lease 	City of San Francisco

Attachment 2

Draft Memorandum of Understanding between Women's Economic Ventures and
the City of Goleta



MEMORANDUM OF UNDERSTANDING

between

the City of Goleta

and

Women's Economic Ventures (WEV)

1. Purpose

This document serves to establish a framework of cooperation and agreement between the aforementioned parties as it pertains to a partnership to provide Quick Response Loans to Goleta-based businesses in response to the COVID-19 pandemic.

2. Primary Contacts

	City of Goleta	WEV
NAME		Kathy Odell, CEO
ADDRESS	130 Cremona Drive, Goleta, CA 93117	333 S. Salinas St., Santa Barbara, CA 93103
PHONE	(805) 961-7500	805-965-6073
E-MAIL		kodell@wevonline.org

3. Agreements

- A. All parties agree that the City of Goleta will provide a grant in the amount of \$200,000 to Women's Economic Ventures for use in its Quick Response Loan Program.
- B. All parties agree to exclude any liability to the City of Goleta except for the amount of the grant WEV indemnifies and holds City harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising out of this Agreement, or its performance. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, WEV will defend City (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.
- C. All parties agree that this grant award minus any loan losses is intended to continue in perpetuity. As money cycles back into the fund, WEV will continue to use the grant to make new loans to Goleta-based businesses through its QRL or standard loan program. It is not to be utilized for any other purpose.
- D. All parties agree that loans will be made using the eligibility criteria and terms outlined in Exhibit A below.
- E. All parties agree that WEV will provide an annual summary to include number of loans made, types of businesses supported, and other standard metrics.
- F. All parties agree that, at its discretion, the City of Goleta may forgive all outstanding loan balances made with this grant.

4. Termination

Within 90 days' notice, the City may terminate this Agreement without cause, at which time, WEV will transfer any grant funds not disbursed back to the City and loan repayments on outstanding loans made using City grant funds to the City as they are received.

5. Modification

Modifications to the scope of this partnership shall be made by mutual consent of the parties, the issuance of a written modification, signed and dated by all parties, and approved by the City of Goleta prior to any changes being performed.



6. Conflict of Interest

Any real or perceived conflicts of interest must be disclosed to the City of Goleta, including any City staff serving as paid staff or board of directors for Women's Economic Ventures.

7. Non-Assignability

The services to be rendered by WEV pursuant to this Agreement are considered to be unique, personal services, and WEV may not assign, delegate, subcontract, transfer, or otherwise substitute its interest or obligations in this Agreement without prior written consent of City. Any attempt by WEV to assign any performance of the terms of this Agreement is null and void and shall constitute a material breach of this Agreement.

8. Insurance

Before commencing performance under this Agreement, and at all other times this Agreement is effective, WEV will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance	Limits (combined single)
Commercial general liability:	\$1,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	\$1,000,000

9. Signatures

By signing below, the aforementioned parties agree to the terms of this memorandum of understanding.

Name / Title, City of Goleta

DATE

Kathy Odell, CEO Women's Economic Ventures

DATE



Exhibit A

Loan Program Criteria and Terms for City of Goleta

QUICK RESPONSE LOAN PROGRAM **Up to \$10,000**

Eligibility Criteria

- Businesses that are based in the City of Goleta
- No derogatory credit reporting past 12 months, including unresolved tax liens or judgments
- 2019 financials to evidence at minimum break-even bottom line performance
- Bank statements to show no evidence of insufficient funds or overdraft activity
- Be of legal age to enter into a contract

Terms

- 36-month term, no payments first three months
- 4.5% interest rate
- No fees
- Secured with UCC filing

STANDARD LOAN PROGRAM **up to \$25,000 for startups (< 12 months in business) and \$150,000 for expansions**

Eligibility Criteria

- Businesses that are starting or expanding operations in the City of Goleta
- Own and control at least 51% of their business
- Provide guarantees of any 20% or greater owner of the business
- Reside at least one year within the targeted area or underserved adjacent area prior to applying and be a legal U.S. resident*
- Be able to show that the loan can be repaid with business and/or personal income, accounts receivable or another source of income and that the need for capital is not a result of some crisis which the loan is unlikely to resolve
- Provide satisfactory secondary sources of repayment if repayment of the loan is based solely on projected business income
- Be of legal age to enter into a contract

* Borrowers with ITINs are eligible to apply for loans \$10,000 and under.

Terms

Term of one to five (1-5) years, no more than seven to ten (7-10) years, depending upon the size of the loan and the use of funds (i.e. the useful life of the asset(s) financed and/or held as collateral).

Interest Rates and Fees

	Tier 1	Tier 2	Tier3
Loan Amount	Up to \$5,000	Over \$5,000 and up to \$50,000	Over \$50,000
Interest Rate	10.00%	9.00%	8.00%
Origination Fee	3.0%	2.50%	2.0%

Attachment 3

Goleta Chamber of Commerce Proposed Business Grant Program Documents



Goleta Small Business Grant Program

The Goleta business community is facing unprecedented times due to the COVID-19 pandemic. Every industry cluster is affected in a different way – health care, high-tech, manufacturing, education and hospitality. Each of these business categories has a unique role to play in the crisis and the eventual recovery. The Goleta Chamber would like to address a segment of the businesses community – restaurants, theaters, gyms and personal service industry. This sector is particularly hard hit, has a large affect on the quality of life for residents in Goleta and may have a high probability of resilience if given assistance. This group is also predominantly small business, local owners, and extremely fragile given the current orders from government to stay at home.

If the Goleta community loses too many restaurants, gyms and personal service businesses, the recovery of our local economy will long. It will takes many months to rebuild these businesses if they fail. Our proposal is an emergency economic development grant, offered from the City to our local businesses, in \$5,000, \$10,000 and \$15,000 grants.

There are several loan programs available to small business, but a stimulus package from the City in the form of a grantis needed to protect our local, community-serving businesses from going out of business.

The idea is to grant \$300,000 to the Goleta Chamber in April and \$300,000 in May, to be granted to applicants in two installments. The list of eligible businesses is attached, and grant applications would be scored by a committee of the Goleta Chamber board of directors, based on criteria agreed upon by the City of Goleta (see sample attached.) Businesses receiving the grant would have to report back at the end of May on their use of the funds and how they have stayed in business.

Details of the program will be determined and agreed to by the City and the Chamber. This program is a great way for the City of Goleta to provide much-needed support to our local business community at a time of unprecedented need.



Goleta Small Business Grant Program

Program Guidelines

Small Business Grant Program Guidelines

- The City of Goleta in cooperation with the Goleta Chamber of Commerce have been working on creating a Small Business Grant Program. In light of the COVID-19 epidemic, we have worked to alter the program to assist with the unprecedented issues currently facing our small businesses within the City of Goleta.
- This program will be used, at least over the next few months, to provide our local small businesses with grants for the purpose of assisting them during this national emergency or assisting them in reopening when the emergency comes to an end.

This manual has been developed to provide a summary of policies, procedures, administrative processes, criteria, and compliance standards for the Small Business applicants to use when applying for grants.

Who is Eligible?

- For the Grant Program, any small business with less than 20 full-time employees are eligible to apply for a grant through this program.
- Eligible businesses must be for-profit and located within Goleta City limits.
- The grants will be available to local small businesses. This includes funding for working capital, inventory, staffing, utilities, and related costs.
- Staff reviews all completed grant applications, analyzes the request, approves/disapproves the grant, and oversees the general operation of the grant fund.

To determine eligibility, certain criteria will be considered:

- The needs for assistance; whether the proposed expenditures are necessary now or perhaps in the future.
- The community's need for the activity;

- Whether the level of assistance to the business is proportionate to the benefit the public will receive.

Pre-Application Process:

Potential Applicants can download the Application and Program Guidelines off the Goleta Chamber of Commerce website. If there are any questions, the potential applicant can call and discuss their needs and determine whether the funding is necessary now or in the future.

Goleta Chamber of Commerce
Cortney@GoletaChamber.com
805-967-2500.

Applicants will provide us with background information, financial information, and supporting documentation for the project evaluation.

Application Processing:

Applicant will complete the loan application and submit it via email to Cortney@GoletaChamber.com for initial review to ensure the request is complete and that it meets the program guidelines.

Applicants will be contacted if there are any questions or additional information is needed.

The goal is to let businesses know within 72 hours after submittal the status of their application and proceed accordingly.

All communication for this grant process will be done via email or phone calls.

Evaluation Criteria: Financial Evaluation

- Financial Status of the Business: An evaluation of the present financial performance of the business.

Business Evaluation

- Continuity Plan: Some form of continuity plan or re-opening plan that must be described in your application.

Public Purpose Evaluation

- Benefit to the Community: Grant will be evaluated based on the overall benefit to the community, at this time.

Grant Terms and Conditions:

Grant Amount:

Grants will be given in amounts from \$5,000 not to exceed \$15,000.

If you have any questions, contact:

Kristen Miller
Goleta Chamber of Commerce
805-967-2500

DRAFT



Goleta Small Business Grant Program Application

1. Full Name _____
2. Business Name _____
3. Email Address _____
4. Phone Number _____
5. Year Business Started _____
6. Is your business registered for a City of Goleta Business License? Yes ___ No ___
7. Are you a Goleta Chamber of Commerce Member? Yes ___ No ___
8. Business Address _____
9. Business Tax ID Number: _____
10. Type of Business _____
11. Principle Product or Service _____
12. Amount Requested through Grant Program (max: \$15,000): \$ _____
13. Do you want to have a call with the Goleta Chamber of Commerce leadership to discuss the future of your business or any other issues you may be having with this national emergency? Yes _____ No _____

I understand that any information disclosed will be held in strict confidence, and used only to help me succeed in my business endeavors. I understand that all Boards, Staff and associated professionals hold all personal information and disclosed business information in strict confidence at all times.

Signature _____ Date _____

Printed Name _____ Title _____

Narrative Questions

1. Please provide us a narrative on how this money will be utilized by your business to help you get through the COVID - 19 National Emergency. (use additional paper & enclose with application)
2. What changes have you already made or do you plan to make to help your business sustain this national emergency? (use additional paper & enclose with application)
3. Do you have a continuity plan for your business, specifically for the next 3-6 months?
Yes _____ No _____

If yes, please explain in as much detail as possible at this time:

Financials:

Please fill out the following financial information.

Project Costs	Total	RLF	Private Lender (if applicable)	Notes
Staff				
Utilities/Rent				
Supplies				
Other Costs				
Total Fixed Costs				
Working Capital				
Total Costs				

Additional Information/Explanation:

Required Attachments

1. Signed Application
2. Year-end Financials (Profit & Loss and Balance Sheet)
 - 2019 Year-end Financials (required)

- 2018 Year-end Financials (preferred)

3. Narrative Question Responses

4. Letter of Intent from Private Lender (if applicable)

All applications must be submitted electronically. If there are any questions regarding your application, you will be contacted via email or phone by the Goleta Chamber of Commerce.

Please email all applications and attachments to: XXXX

SUBMISSION ACKNOWLEDGMENT

As an authorized agent of the applicant company/business, I hereby submit this application. I understand that any false statement in this record may subject the applicant company and the signer to criminal prosecution. I also understand that additional information may be required to complete the application process.

_____ Signature

_____ Company Name

_____ Title

_____ Date

Takeout/Delivery/ CLOSURE	Area/Shopping Center	Local Business Name	Address	Business URL	Phone	Chamber Member	Business License	# of Employees	National/Regional/Local - is it a chain?
Takeout	Delivery/Food Truck	Neighbor Tim's Beachside Bar & Cafe							
	1 Patterson	Domino's Pizza							
	1 Patterson	South Coast Deli	185 S Patterson Ave	goleta.southcoastdeli.com	(805) 967-8226				
	1 Patterson	Choi's Oriental Market							
	1 Patterson	Crushcakes and Cafe							
	1 Old Town	Uniboil/Phresh Teas Co.							
	1 Old Town	The Imperial							
	1 Old Town	La Guerrerita Mexican Food							
	1 Old Town	The Habit Burger Grill							
	1 Old Town	Domingo's Cafe							
	1 Old Town	Alphie's Restaurant							
	1 Old Town	Wendy's							
	1 Old Town	Goleta Sushi House							
	1 Old Town	La Hacienda Mexican Restaurant							
	1 Old Town	Del Valle Grill							
	1 Old Town	The Island							
	1 Old Town	Spudnuts Donuts							
	1 Old Town	La Tapatia #3							
	1 Old Town	Santa Barbara Cider Company							
	1 Old Town	Goleta Bakery							
	1 Old Town	Altamirano's Mexican Grill							
	1 Old Town	La Tia Joanna							
	1 Old Town	Noodle City							
	1 Old Town	Goodland Kitchen and Market							
	1 Old Town	Lemon & Coriander							
	1 Old Town	Pepe's Mexican Restaurant							
	1 Old Town	Mercury Lounge							
	1 Old Town	Pattaya Thai Restaurant							
	1 Old Town	Old Town Coffee							
	1 Old Town	Taco Bell							
	1 Old Town	McDonald's							
	1 Old Town	El Sitio Restaurant							
	1 Old Town	Little Caesars Pizza							
	1 Old Town	Three Pickles							
	1 Fairview/Calle Real	Cajun Kitchen Cafe							
	1 Fairview/Calle Real	Santa Barbara Chicken Ranch							
	1 Fairview/Calle Real	Panda Express							
	1 Fairview/Calle Real	Starbucks							
	1 Fairview/Calle Real	Taco Bell							
	1 Fairview/Calle Real	Country Catering Company							
	1 Fairview/Calle Real	Z's Taphouse & Grill (insize Zodos)							
	1 Fairview/Calle Real	China King							
	1 Fairview/Calle Real	Pizza Hut							
	1 Fairview/Calle Real	Rusty's Pizza Parlor							
	1 Fairview/Calle Real	Yogurtland							
	1 Fairview/Calle Real	Masala Spice Indian Cuisine							
	1 Fairview/Calle Real	Subway							
	1 Fairview/Calle Real	Carl's Jr.							
	1 Fairview/Calle Real	Los Arroyos Goleta							

	1 Fairview/Calle Real	Nikka Fish Market & Grill
	1 Fairview/Calle Real	Nikka Ramen
	1 Fairview/Calle Real	Coffee Bean
	1 Fairview/Calle Real	Sushi Teri
	1 Fairview/Calle Real	Kyle's Kitchen
	1 Fairview/Calle Real	Backyard Bowls
	1 Fairview/Calle Real	Outpost (inside the Goodland Hotel)
	1 Fairview/Calle Real	Coldstone Creamery
	1 Fairview/Calle Real	KFC
	1 Fairview/Calle Real	Panino Goleta
	1 Fairview/Calle Real	Meun Fan Thai
	1 Fairview/Calle Real	Nugget Bar & Grill
	1 Fairview/Calle Real	Elk's Lodge
	1 Los Carneros	Captain Fatty's Brewery
	1 Los Carneros	SAMsARA Wine Co.
	1 Storke Road	Goleta Red Distillery
	1 Storke Road	M.Special Brewing Company
	1 Storke Road	Rooftop Bistro & Bar (in the Hilton)
	1 Storke Road	Cajun Kitchen
	1 Storke Road	Lucky Dragon
	1 Storke Road	Sam's To Go
	1 Storke Road	Subway
	1 Storke Road	Pollofino
	1 Storke Road	Saigon Noodle House
	1 Storke Road	Starbucks (inside Target)
	1 Storke Road	Lily's Taqueria
	1 Storke Road	Jack in the Box
	1 Storke Road	Ca'Dario Cucina Italiana
	1 Storke Road	The French Press
	1 Storke Road	Chipotle
	1 Storke Road	Rusty's Pizza Parlor
	1 Storke Road	Zizzo's
	1 Storke Road	MJ Cafe (inside Ice in Paradise)
Closed	1 Marketplace	McDonald's
	Marketplace	Jane at the Marketplace
	1 Marketplace	Chili's Grill & Bar
	1 Marketplace	Hollister Brewing Company
	1 Marketplace	The Natural Cafe
	1 Marketplace	Mesa Burger
	1 Marketplace	Anna's Marketplace Bakery
	1 Marketplace	Sushi Ai
	1 Marketplace	Los Agaves
	1 Marketplace	Jersey Mike's
	1 Marketplace	On the Alley
	1 Marketplace	Starbucks
	1 Marketplace	Costco Food Court
	1 Hollister Village	Kyle's Kitchen
	1 Hollister Village	Pieology Pizzeria
	1 Hollister Village	Choppa Poke
	1 Hollister Village	Sharky's Woodfire Mexican Grill
	1 Hollister Village	Jeannine's Restaurant & Bakery
	1 Hollister Village	Pickle's & Swiss
	1 Hollister	Draughtsmen Aleworks
	1 Hollister	Cal Taco
	1 Alberstons	Itsuki Restaurant
	1 Alberstons	L&L Hawaiian Barbeque
	1 Alberstons	Phamous Cafe
County of SB	MISC	Frog Bar & Grill (inside Glen Annie Golf Club)

Area/Shopping Center	Business Name	Address	Business URL	Phone	Chamber Member	Business License	# of Employees	National/Regional/Local - is it a chain?
Patterson	Curves	185 S Patterson Ave	curves.com	(805) 692-5399				
Old Town	The Cultural School : Aikido with Ki	255 Magnolia Ave	goletaaikido.net	(805) 967-3103				
Old Town	South Coast Karate	5679 Hollister Ave	southcoastkarate.com	(805) 687-5001				
Old Town	Macomber Karate							
Hollister Ave	Goleta Valley Athletic Club	170 Los Carneros Way	gvac.com	(805) 968-1023				
Fairview	Orangetheory Fitness	5700 Calle Real	orangetheoryfitness.com	(805) 699-5551				
Fairview	Paragon	5940 Calle Real	paragonbjj.com	(805) 681-1691				
Fairview	AC4 Fitness	52 N Fairview Ave	ac4fitness.com	(805) 845-4348				
Fairview	Gold's Gym	6144 Calle Real	goldsgym.com	(805) 964-0556				
Cathedral Oaks	TrueWest Fitness	5540 Cathedral Oaks Rd	truewestfitness.com					
Cathedral Oaks	Cathedral Oaks Athletic Club	5800 Cathedral Oaks Rd	coac.swellclubs.com	(805) 964-7762				
Storke Road	9Round Fitness	6831 Hollister Ave, Suite I	9round.com	(805) 966-3888				
Marketplace	CorePower Yoga	6992 Market Pl Dr	corepoweryoga.com	(805) 845-2574				

NOTE: Entertainment venues include Theaters, Bowling Alleys & Arcades

Area/Shopping Center	Business Name	Address	Business URL	Phone	Chamber Member	Business License	# of Employees	National/Regional/Local - is it a chain?
Fairview	Metropolitan Fairview Theatre	225 N Fairview Ave	metrotheatres.com	(805) 683-3800				
	Zodo's - Bowling & Beyond	5925 Calle Real	zodos.com	(805) 967-0128				
Marketplace	Metropolitan Camino Real Cinemas	7040 Market Pl Dr	metrotheatres.com	(805) 968-4140				

Attachment 4

Santa Barbara Foundation COVID-19 Relief Program Agreement and Program Description

City of Goleta CDBG-CV Program

**SUB-RECIPIENT AGREEMENT BETWEEN
THE CITY OF GOLETA
AND
SANTA BARBARA FOUNDATION**

This Community Development Block Grant (CDBG) Sub-Recipient Agreement is made and entered into between the CITY OF GOLETA, a California general law city and municipal corporation ("CITY") and SANTA BARBARA FOUNDATION, a non-profit corporation ("Sub-Recipient"), and is effective as of May XX, 2020.

RECITALS

A. The City of Goleta has entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) to execute the City's Community Development Block Grant (CDBG) Program under the Housing and Community Development Act of 1974, as amended ("ACT"); and

B. The City is able to provide funding assistance for public service activities for new or increased levels of service to the public under 24 Code of Federal Regulations ("CFR") 570.201(e); and

C. Sub-Recipient desires to participate in the City's CDBG Program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide services.

NOW, THEREFORE, the parties agree as follows:

1. AGREEMENT. This agreement consists of this document and the following Exhibits which are incorporated by reference:

Exhibit A: Program Description and Budget

Exhibit B: Quarterly Report Template

Exhibit C: Year End Report Template

Exhibit D: CDBG Sub-Recipient Reimbursement Requirements

2. STATEMENT OF WORK. Sub-Recipient shall perform all services set forth in Exhibit A.

3. TIME OF PERFORMANCE. Sub-Recipient's services under this agreement shall begin on or about May XX, 2020 and must be completed no later than June 30, 2021.

4. AGREEMENT ADMINISTRATION. The City Manager, or designee, has full authority to act for the City in the administration of this Agreement consistent with the provisions contained herein.

5. COMPENSATION AND METHOD OF PAYMENT. City will pay Sub-Recipient an amount not to exceed **\$90,000** for the term of this agreement, payable at rate not to exceed grant awards allocated to selected nonprofits as approved by the City. Supporting documentation providing evidence of reimbursable expenditures shall be submitted with any request for payment in compliance with the requirements of HUD.

6. FINANCIAL MANAGEMENT. Sub-Recipient agrees to:

(a) Accounting Standards. Establish and maintain on a current basis, an adequate accounting system in accordance with generally accepted accounting principles and standards in compliance with CFR 84.21-28, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred; and

(b) Cost Principles. Administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

7. DOCUMENTATION, RECORD KEEPING AND AUDITS. The Sub-Recipient agrees to the following:

(a) Records to be Maintained. The Sub-Recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Project/case files providing a full description of each activity undertaken and specific beneficiaries of those activities;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Client data demonstrating client eligibility for services provided, including client name, address, and income level or other basis for determining eligibility;
- iv. Records required to determine the eligibility of activities;
- v. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;

- vi. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vii. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- viii. Administrative records that apply to the overall administration of the Sub-Recipients CDBG activities, including:
 - a. Personnel files, including time and activity reports;
 - b. Property management files;
 - c. General program files, including those relating to the Sub-Recipient's application to the City, the Sub-Recipient agreement with the City, program policies and guidelines, correspondence with the City and related files; and
 - d. Legal files, including articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.
- ix. Records necessary to satisfy the reimbursement requirements set forth in Exhibit D; and
- x. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

(b) **Retention of Records.** The Sub-Recipient shall retain, and provide the City's representatives access to, all financial records, any books, supporting documents, statistical data, papers and any other records required to be maintained by the Sub-Recipient for audit or examination for a period of four (4) years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under this agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited above and that have started before the expiration of the four-year period, then such records shall be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

(c) **Reporting Requirements.** Unless otherwise approved in writing by the City, Sub-Recipients shall submit to the City, a completed Quarterly Report detailing service activities or services provided with CDBG funds. The required reporting format is provided in Exhibit B.

(d) **Disclosure.** City and Sub-Recipient understand that client information collected under this contract is private and that the confidentiality of any client information obtained shall be maintained. Unless written consent is obtained from such person receiving services, such information may only be divulged as necessary for the purposes related to the performance of evaluation of the services or work to

be provided pursuant to this agreement, and then only to persons having responsibilities under this agreement.

8. GRANT CLOSE-OUT PROCEDURES. The Sub-Recipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to, submittal of Exhibit C, the final complete quarterly year end report to the City, making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this agreement shall remain in effect during any period that the Sub-Recipient has control over CDBG funds, including program income.

9. DISPUTES AND REMEDIES. Claims, disputes and other matters in question between the parties arising out of or relating to this Agreement or the breach thereof, must be resolved by the following procedure:

(a) City and Sub-Recipient will exercise their best efforts to resolve disputes through the development of a consensus. A meeting may be requested by City or Sub-Recipient at any time for the purpose of resolving a dispute. A determination by the City Manager will be made within two (2) weeks after meeting to resolve the dispute;

(b) Following the City Manager's determination, the Parties may submit any unresolved matters to non-binding mediation. The Parties may be, but are not required to be, represented by counsel in mediation;

(c) If the parties do not agree to mediation, or if mediation does not resolve the Parties' dispute, the matter may be pursued in Santa Barbara County Superior Court.

The Parties' rights and remedies under this Agreement are in addition to any other rights and remedies not provided by law.

10. INDEPENDENT CONTRACTOR. City and Sub-Recipient agree that Sub-Recipient will act as an independent contractor and will have control of all work and the manner in which it performed except as specifically provided in the Agreement. Sub-Recipient will be free to contract for similar services to be performed for other persons or entities while under contract with City. Sub-Recipient is not an agent or employee of City and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits City provides for its employees. Any provision in this Agreement that may appear to give City the right to direct Sub-Recipient as to the details of doing the work or to exercise a measure of control over the work means that Sub-Recipient will follow direction of the City as to end results of the work only.

11. NON-ASSIGNABILITY. The services to be rendered to the public pursuant to this Agreement by the Sub-Recipient are considered to be unique, personal services, and Sub-Recipient may not assign, delegate, subcontract, transfer, or otherwise substitute its interest or obligations in this Agreement without prior written consent of City. Any attempt by Sub-Recipient may not assign any performance of the terms of this Agreement is null and void and shall constitute a material breach of this Agreement.

12. JOINT FUNDING. City will not pay for any services provided by Sub-Recipient which are funded by other sources. All restrictions and/or requirements provided in this Agreement relative to accounting, budgeting, and reporting apply to the total program described in Exhibit A, regardless of funding sources.

13. INDEMNIFICATION. Sub-Recipient agrees to the following:

(a) Indemnification for Professional Services. Sub-Recipient will hold harmless and indemnify and at City's request reimburse defense costs for City and all its officers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by Sub-Recipient or any of Sub-Recipient's officers, agents, employees, or representatives, in the performance of this Agreement.

(b) Indemnification for other Damages. Sub-Recipient indemnifies and holds City harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising out of this Agreement, or its performance. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Sub-Recipient will defend City (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

(c) For purposes of this section "City" includes City's officers, officials, employees, agents, and representatives.

(d) It is expressly understood and agreed that the forgoing provisions will survive termination of this Agreement.

(e) The requirements as to the types and limits of insurance coverage to be maintained by Sub-Recipient as required by Section 12, and any approval of said insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Sub-Recipient pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

14. INSURANCE. Before commencing performance under this Agreement, and at all other times this Agreement is effective, Sub-Recipient will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance	Limits (combined single)
Commercial general liability:	\$1,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	\$1,000,000

(a) Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name City, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by City will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 85 and CG 20 37. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to City.

(b) Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

(c) Professional liability coverage will be on an “occurrence basis” if such coverage is available, or on a “claims made” basis if not available. When coverage is provided on a “claims made basis,” Sub-Recipient will continue to maintain the insurance in effect for a period of three (3) years after this Agreement expires or is terminated (“extended insurance”). Such extended insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover Sub-Recipient for all claims made by City arising out of any errors or omissions of Sub-Recipient, or its officers, employees or agents during the time this Agreement was in effect.

(d) Sub-Recipient will furnish to City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by City from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of “A:VII.”

(e) Should Sub-Recipient, for any reason, fail to obtain and maintain the insurance required by this Agreement, City may obtain such coverage at Sub-Recipient's expense and deduct the cost of such insurance from payments due to Sub-Recipient under this Agreement or terminate this Agreement pursuant to Section 35.

15. UNIFORM ADMINISTRATIVE REQUIREMENTS. All parties will adhere to applicable Federal, State and local laws, ordinances, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Act; 24 CFR, Part 570, including without limitation, uniform administrative requirements described in 24 CFR Section 570.502, and program income requirements set forth in Section 570.504 (c), Chapter V; 24 CFR Part 85; U.S. OMB Circular A-102 and A-110, as applicable, as they relate to the acceptance and use of Federal funds under this part and Auditor-Controller Contract Accounting and Administrations Handbook.

16. ASSURANCES. Sub-Recipient assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, and that it will comply with all applicable Federal, State and City laws and regulations as they relate to acceptance and use of Federal funds for this Federally assisted program. Furthermore, Sub-Recipient gives assurances and certifies that it will comply with the provisions of 41 Code of Federal Regulations 60-1.4, 24 Code of Federal Regulations 570.502 and 24 Code of Federal Regulations 135.20 each of which are incorporated herein by this reference. Sub-Recipient further assures and certifies that it will comply with any future amendments or changes to these required assurances and that during the term of this Agreement will maintain current copies of said assurances at the address specified below in Section 34.

17. EXPENDITURES. Expenditures made by Sub-Recipient in the operation of this Agreement must be in strict compliance and conformity with the budget set forth in Exhibit A. Sub-Recipient shall further comply with regulations set out in OMB Circulars A-21, A-87, A-21 and A-122, as applicable, unless prior written approval for an exception is obtained from City. Separate financial and program records shall be kept for each funding source.

18. AUDITS. Sub-Recipient agrees to maintain records as set forth in OMB Circulars A-133, as applicable. Sub-Recipient's program may be audited in accordance with the City's policy and funding source guidelines. Audits may also be conducted by Federal, or State funding source guidelines. The City or its authorized representatives must have access at all times for the purpose of audit or inspection to any and all books, documents, papers, records, property, and premises of Sub-Recipient. Sub-Recipient's staff will cooperate fully with authorized auditors when they conduct audits and examinations of program. If indications of misappropriation or misapplication of the funds of this Agreement cause the City to require a special audit, the cost of the audit will be encumbered and be paid for by Sub-Recipient. Any deficiencies noted in audit reports must be fully cleared by the Sub-Recipient within 30 days after receipt by the Sub-Recipient. Sub-Recipient shall also provide City a copy of its annual financial report or balance statement at the end of its fiscal year.

Failure of the Sub-Recipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments.

19. TAXPAYER IDENTIFICATION NUMBER. Sub-Recipient will provide City with a Taxpayer Identification Number.

20. CHANGES. The City may, from time to time, request changes in the Program Description set forth in Exhibit A. Such changes, including any increase or decrease in the amount of Sub-Recipient's compensation, which are agreed upon by and between the City and Sub-Recipient will be incorporated into this Agreement by written amendments.

21. CHANGES IN GRANT ALLOCATION. The City reserves the right to reduce the grant allocation. Changes in the grant allocation done after original approval will be incorporated into this Agreement by written amendment.

22. TIME OF PERFORMANCE MODIFICATIONS. The City may grant time of performance modifications to this Agreement (see Section 3) when such modifications:

- (a) In aggregate, do not exceed twelve (12) calendar months and;
- (b) Are specifically requested by Sub-Recipient in writing.

23. NOTICE OF BREACH AND OPPORTUNITY TO CURE. Neither party will be deemed to be in breach of this Agreement based on a breach that is capable of being cured until it has received written notice of the breach from the other party. The party charged with breach will have fifteen (15) days from the date of receiving such notice in which to cure the breach or otherwise respond. If the circumstances leading to the charge that the Agreement was breached have not been cured or explained to the satisfaction of the other party within fifteen (15) days from the date on which the party received notice of breach, the non-breaching party may terminate this Agreement.

24. PROGRAM INCOME. The Subrecipient shall report quarterly, all program income (as defined at 24 CFR 570.500(a) and 570.504 (c)) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract and shall reduce requests for an additional fund by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee within thirty (30) days after:

- (a) Disposition or sale of real or personal property; or,
- (b) Cumulative program income reaches one thousand dollars (\$1,000) or more; or
- (c) At the end of each fiscal year

Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

25. CDBG REQUIREMENTS. During the performance of this Agreement, Sub-Recipient agrees to comply with the following federal provisions:

(a) Executive Order 11246 requires that during the performance of this Agreement, Sub-Recipient agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, color or national origin. Sub-Recipient will comply with all provisions of Executive Order 11246 of September 24, 1965 and of the rules, regulations, and relevant orders of Secretary of Labor. Sub-Recipient will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the City, HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(b) Title VI of the Civil Rights Act of 1964 provides that no person will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program activity receiving federal financial assistance.

(c) Section 109, Title 1 of the Housing and Community Development Act of 1974 provides that no person in the United States will, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(d) Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of age or with respect to an otherwise qualified handicapped individual, as provided in Section 504 of the Rehabilitation Act of 1973, will also apply to any such program or activity.

(e) Sub-Recipient must also comply with all regulations of the Americans with Disabilities Act (ADA) of 1990 (42 USC §§ 12101 et. seq.).

(f) Section 3 of the Housing and Community Development Act of 1968, as amended, 12 USC §§ 1701 et. seq., Compliance in the Provision of Training, Employment and Business Opportunities requires that the work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC § 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contract for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project. The parties will comply with the provisions of Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR § 135, and all applicable rules and orders of HUD issued thereunder before executing this Agreement. The parties certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.

(g) Lobbying Certification. Sub-Recipient must include the language of this certification in all subcontracts; all subcontractors must certify and disclose accordingly.

(h) Sub-Recipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under Section 104(d) of the HCD Act; and (c) the requirements in 570.606(d) governing optional relocation policies. (The City may preempt the optional policies.) The Grantee shall provide relocation assistance to persons (families, individuals, businesses, nonprofit organizations and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Grantee also agrees to comply with applicable City ordinances, resolutions and policies concerning the displacement of persons from their residences.

(i) This agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Sub-Recipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the City and the United States are beneficiaries of and entitled to enforce such covenants. The Sub-Recipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

(j) The Sub-Recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- i. Clean Air Act, 42 U.S.C., 7401, et seq.
- ii. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- iii. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

(k) In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Grantee shall assure that, for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

(l) The Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35 and will comply with all applicable requirements.

(m) The Grantee agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty (50) years old or older or that are included on a Federal, state, or local historic property list.

26. PROGRAM EVALUATION AND REVIEW. The Sub-Recipient shall make available for inspection its performance, financial and all other records pertaining to performance of this Agreement to authorized HUD personnel, and allow the City to inspect, evaluate and monitor its facilities and have access to program operation and activities including the interviewing of Sub-Recipient and program participants as required by the City. Facilities include all files, records, and other documents related to the performance of this Agreement. Activities include attendance at staff, board of directors, advisory committee, and advisory board meetings, and observation of ongoing program functions. Sub-Recipient will ensure the cooperation of its staff and board members in such efforts.

The City will conduct periodic program progress reviews. These reviews will focus on the extent to which the planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program. Sub-Recipient agrees to submit all data that are necessary to complete the Annual Grantee Performance Report evaluation (CAPER) and monitor program accountability and progress in accordance with applicable HUD requirements and City performance goals as stated in Section 2.

27. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES. Sub-Recipient agrees that in the event the program established hereunder is subject to audit exceptions by appropriate State and Federal audit agencies, it shall be responsible for complying with such exceptions and paying HUD the full amount of City's liability to the funding agency resulting from such audit exceptions.

28. CONFLICT OF INTEREST. Sub-Recipient, its agents and employees must comply with all applicable Federal provisions, City, County and State laws prohibiting conflict of interest activities in accordance with 24 CFR 85.36 (b)(3) of Community Development Block Grant regulations. Sub-Recipient must make available to its agents and employees copies of these laws governing conflict of interest.

29. REVERSION OF ASSETS. Upon expiration of this Agreement, Sub-Recipient must transfer to the City any CDBG funds on hand at the time of expiration and any account receivable attributable to the use of CDBG funds.

30. FINANCIAL PHASE OUT PERIOD. Sub-Recipient agrees to complete all necessary financial phase out procedures required by the City within a period of not more than thirty (30) calendar days from the expiration date of this Agreement. This time period will be referred to as the financial phase-out period. City is not liable to provide reimbursement for any expenses or costs associated with this Agreement after the expiration of the financial phase-out period, those funds not paid to Sub-Recipient under this Agreement, if any, may be immediately reprogrammed by City into other eligible activities in the City. A final financial audit will be conducted in accordance with 24 CFR 85.26 for activities performed under this Agreement at the expiration of the final phase-out period.

31. NEPOTISM. Sub-Recipient may not hire nor permit the hiring of any person to fill a position funded through this Agreement if a member of that person's immediate family is employed in an administrative capacity by Sub-Recipient. For the purposes of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, step-parent, and step-child. The term "Administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Sub-Recipient.

32. RELIGIOUS AND POLITICAL ACTIVITIES. Sub-Recipient agrees that funds under this Agreement, will be used exclusively for performance of the work required under this Agreement, and that no funds made available under this Agreement may be used to promote religious or political activities in connection with the performance of this Agreement.

33. FISCAL LIMITATION. The United States of America through HUD may in the future place programmatic fiscal limitation(s) on CDBG funds not presently anticipated. Accordingly, the City reserves the right to revise this Agreement in order to take into account actions affecting HUD program funding. In the event of funding reduction, the City may reduce the budget of this Agreement as a whole or as a cost category, may limit the rate of Sub-Recipient's authority to commit or spend funds, or may restrict Sub-Recipient's use of both its uncommitted and its unspent funds. Where HUD has directed or requested the City to implement a reduction in funding, in whole or as to cost category, with respect to funding for this Agreement, the City Manager or designee may act for the City in implementing and effecting such a reduction and in revising the Agreement for such purpose. Where the City has reasonable grounds to question the fiscal accountability, financial soundness, or Sub-Recipient's compliance with this Agreement, the City may suspend the operation of this Agreement for up to thirty (30) days upon three (3) days written notice to Sub-Recipient of his or her intention to so act, pending an audit or other resolution of such questions. In no event, however, will any revision made by the City affect expenditures and legally binding commitments made by Sub-Recipient before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable and that such commitments are consistent with HUD cash withdrawal guidelines.

34. USE OF FUNDS FOR ENTERTAINMENT, MEAL OR GIFTS. Sub-Recipient certifies and agrees that it will not use funds provided through this Agreement to pay for entertainment, meals or gifts.

35. STAFF TRAVEL. Any expenditures incurred by Sub-Recipients for travel outside of Santa Barbara County, without prior written approval of City, shall not be reimbursed with funds under this agreement.

36. VACATION TIME, SICK LEAVE OR OTHER PAID TIME OFF. As specified in Exhibit D, Sub-Recipient certifies and agrees that it will not use funds provided through this Agreement for payroll expenses consisting of employee vacation time, sick leave, holiday pay, paid leave or other paid time off.

37. NOTICES. All notices must be served in writing. Notices to Sub-Recipient will be sent to the following address:

Jackie Carrera
Santa Barbara Foundation
1111 Chapala Street, Suite 200
Santa Barbara, CA 93101

Notices, reports and statements to the City shall be delivered or sent to:

Michelle Greene, City Manager
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

38. SUSPENSION AND TERMINATION. This Agreement may be terminated at any time by either party upon giving thirty (30) days written notice. City may immediately terminate this Agreement by verbally (followed by written confirmation) or in writing with or without cause. In such event, Sub-Recipient will be compensated for all services rendered and all necessarily incurred costs performed in good faith in accordance with the terms of this Agreement that have not been previously reimbursed, to the date of said termination to the extent CDBG funds are available. In accordance with 24 CFR 85.43, suspension or termination may occur if the Sub-Recipient materially fails to comply with any term of the award and the award may be terminated for convenience in accordance with 24 CFR 85.44.

39. ENTIRE AGREEMENT. This Agreement, with attachments, constitutes the entire Agreement between City and Sub-Recipient. There are no oral agreements or amendments between parties. This Agreement may not be amended, except in writing, executed by both parties to this Agreement.

40. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

- (a) Exhibit A: Program Description and Budget
- (b) Exhibit B: Quarterly Report
- (c) Exhibit C: Final Year End Report
- (d) Exhibit D: CDBG Sub-Recipient Reimbursement Requirements

41. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES. This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first written above.

CITY OF GOLETA:

SANTA BARBARA FOUNDATION:

Date:_____

Date:_____

By:_____

Michelle Greene
City Manager

By:_____

Jackie Carrera
President & CEO

ATTEST:

ATTEST:

Date:_____

Date:_____

By:_____

Deborah Lopez
City Clerk

By:_____

Pamela Gann
Chair of the Board

APPROVED AS TO FORM:

Date:_____

By:_____

Winnie Cai
Deputy City Attorney

Exhibit A

COVID-19 JOINT RESPONSE EFFORT FOR SANTA BARBARA COUNTY

Description of Fund

The Santa Barbara Foundation (SBF), United Way of Santa Barbara County (UWSBC), and the Hutton Parker Foundation are leading a countywide funders' collaborative with members of the Foundation Roundtable ("COVID-19 Joint Response Effort"). This COVID-19 Joint Response Effort for Santa Barbara County will provide over \$1 million in assistance to individuals and families as well as organizations actively assisting members of the community affected by the COVID-19 pandemic. Together, we will provide financial support to address the needs of individuals and families in Santa Barbara County as well as the nonprofits who serve them.

Organizations

The SBF will oversee grant review and award on behalf of the City of Goleta in order to support nonprofit organizations serving low-income city of Goleta residents. The effect of the COVID-19 pandemic has greatly impacted our community and the nonprofit sector in Santa Barbara County. The rapid response grant program is a part of the COVID-19 Joint Response Effort. Organizations that are awarded grants are prioritized in the following order:

1. Organizations that are actively engaging in COVID-19 assistance efforts,
2. Organizations that are adapting to continue to provide essential services, and
3. Organizations that have reduced services due to COVID-19 and need general operating support stay-at-home orders have been lifted.

In this initial stage, we have prioritized meeting emergency needs but have encouraged applications from all three priorities to be submitted. With approval from applicant organizations, SBF will share funding requests with City administration team to ensure eligibility for CDBG-CV reimbursement.

Eligibility for Organizations

- Santa Barbara Foundation and Hutton Parker Foundation will provide grants up to \$25,000 to nonprofit organizations serving all regions of Santa Barbara County.
- Organizations must be certified as tax exempt under Section 501(c)(3) of the Internal Revenue Code or use a fiscal sponsor with 501(c)(3) tax status. Applications that do not contain a valid EIN (tax ID) number will not be considered.
- An agency acting as the fiscal sponsor on behalf of a community collaborative may be eligible to submit proposals on behalf of its own agency needs as well as the needs of the collaborative.

Application Process for Organizations

- Organizations create an organization profile and submit an application at grantsportal.sbfoundation.org
- Grant applications contain the following elements:
 - Organization's mission statement
 - Contact information
 - Applied to CARES and whether it was received
 - Project description
 - Amount of project budget
 - Amount requested
 - Project budget
- Grants are processed on a rolling basis with the intent of them being processed within 10 business days.
- Grants must be used as proposed in the grant application. Any changes to the use of the funds must be submitted in writing to the funding organization. If an agency recipient identifies an alternate funding source for projects identified in the proposal once the funds have been allocated, it is incumbent upon the recipient agency to notify the funder in writing in order to negotiate a reallocation of those funds to a project within the parameters of the fund.
- A report from agencies on the use of COVID-19 Community Disaster Relief Fund will be due within 13 months of the grant award and can be delivered 30 days following the project completion to confirm that needs have been met. City of Goleta staff will work directly with City of Goleta CDBG-CV fund recipients to obtain the number of Goleta residents served by City of Goleta CDBG-CV funds.
- City of Goleta staff will review proposed Goleta-serving grant applications to confirm CDBG eligibility prior to awarding grants from the City of Goleta CDBG-CV funds.
- The award amount from City of Goleta CDBG-CV would be for a minimum of \$10,000.

Attachment 5

United Way of Santa Barbara County COVID-19 Relief Program Agreement and Program Description

City of Goleta CDBG-CV Program

**SUB-RECIPIENT AGREEMENT BETWEEN
THE CITY OF GOLETA
AND
UNITED WAY OF SANTA BARBARA COUNTY**

This Community Development Block Grant (CDBG) Sub-Recipient Agreement is made and entered into between the CITY OF GOLETA, a California general law city and municipal corporation ("CITY") and UNITED WAY OF SANTA BARBARA COUNTY, a non-profit corporation ("Sub-Recipient"), and is effective as of May XX, 2020.

RECITALS

A. The City of Goleta has entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) to execute the City's Community Development Block Grant (CDBG) Program under the Housing and Community Development Act of 1974, as amended ("ACT"); and

B. The City is able to provide funding assistance for public service activities for new or increased levels of service to the public under 24 Code of Federal Regulations ("CFR") 570.201(e); and

C. Sub-Recipient desires to participate in the City's CDBG Program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide services.

NOW, THEREFORE, the parties agree as follows:

1. AGREEMENT. This agreement consists of this document and the following Exhibits which are incorporated by reference:

Exhibit A: Program Description and Budget
Exhibit B: Quarterly Report Template
Exhibit C: Year End Report Template
Exhibit D: CDBG Sub-Recipient Reimbursement Requirements

2. STATEMENT OF WORK. Sub-Recipient shall perform all services set forth in Exhibit A.

3. TIME OF PERFORMANCE. Sub-Recipient's services under this agreement shall begin on or about May XX, 2020 and must be completed no later than June 30, 2021.

4. AGREEMENT ADMINISTRATION. The City Manager, or designee, has full authority to act for the City in the administration of this Agreement consistent with the provisions contained herein.

5. COMPENSATION AND METHOD OF PAYMENT. City will pay Sub-Recipient an amount not to exceed **\$42,696** for the term of this agreement, payable at rate not to exceed grant awards allocated to selected individuals, as approved by the City. Supporting documentation providing evidence of reimbursable expenditures shall be submitted with any request for payment in compliance with the requirements of HUD.

6. FINANCIAL MANAGEMENT. Sub-Recipient agrees to:

(a) Accounting Standards. Establish and maintain on a current basis, an adequate accounting system in accordance with generally accepted accounting principles and standards in compliance with CFR 84.21-28, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred; and

(b) Cost Principles. Administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

7. DOCUMENTATION, RECORD KEEPING AND AUDITS. The Sub-Recipient agrees to the following:

(a) Records to be Maintained. The Sub-Recipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Project/case files providing a full description of each activity undertaken and specific beneficiaries of those activities;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Client data demonstrating client eligibility for services provided, including client name, address, and income level or other basis for determining eligibility;
- iv. Records required to determine the eligibility of activities;
- v. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;

- vi. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vii. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- viii. Administrative records that apply to the overall administration of the Sub-Recipients CDBG activities, including:
 - a. Personnel files, including time and activity reports;
 - b. Property management files;
 - c. General program files, including those relating to the Sub-Recipient's application to the City, the Sub-Recipient agreement with the City, program policies and guidelines, correspondence with the City and related files; and
 - d. Legal files, including articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.
- ix. Records necessary to satisfy the reimbursement requirements set forth in Exhibit D; and
- x. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

(b) **Retention of Records.** The Sub-Recipient shall retain, and provide the City's representatives access to, all financial records, any books, supporting documents, statistical data, papers and any other records required to be maintained by the Sub-Recipient for audit or examination for a period of four (4) years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under this agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited above and that have started before the expiration of the four-year period, then such records shall be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

(c) **Reporting Requirements.** Unless otherwise approved in writing by the City, Sub-Recipients shall submit to the City, a completed Quarterly Report detailing service activities or services provided with CDBG funds. The required reporting format is provided in Exhibit B.

(d) **Disclosure.** City and Sub-Recipient understand that client information collected under this contract is private and that the confidentiality of any client information obtained shall be maintained. Unless written consent is obtained from such person receiving services, such information may only be divulged as necessary for the purposes related to the performance of evaluation of the services or work to

be provided pursuant to this agreement, and then only to persons having responsibilities under this agreement.

8. GRANT CLOSE-OUT PROCEDURES. The Sub-Recipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to, submittal of Exhibit C, the final complete quarterly year end report to the City, making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this agreement shall remain in effect during any period that the Sub-Recipient has control over CDBG funds, including program income.

9. DISPUTES AND REMEDIES. Claims, disputes and other matters in question between the parties arising out of or relating to this Agreement or the breach thereof, must be resolved by the following procedure:

(a) City and Sub-Recipient will exercise their best efforts to resolve disputes through the development of a consensus. A meeting may be requested by City or Sub-Recipient at any time for the purpose of resolving a dispute. A determination by the City Manager will be made within two (2) weeks after meeting to resolve the dispute;

(b) Following the City Manager's determination, the Parties may submit any unresolved matters to non-binding mediation. The Parties may be, but are not required to be, represented by counsel in mediation;

(c) If the parties do not agree to mediation, or if mediation does not resolve the Parties' dispute, the matter may be pursued in Santa Barbara County Superior Court.

The Parties' rights and remedies under this Agreement are in addition to any other rights and remedies not provided by law.

10. INDEPENDENT CONTRACTOR. City and Sub-Recipient agree that Sub-Recipient will act as an independent contractor and will have control of all work and the manner in which it performed except as specifically provided in the Agreement. Sub-Recipient will be free to contract for similar services to be performed for other persons or entities while under contract with City. Sub-Recipient is not an agent or employee of City and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits City provides for its employees. Any provision in this Agreement that may appear to give City the right to direct Sub-Recipient as to the details of doing the work or to exercise a measure of control over the work means that Sub-Recipient will follow direction of the City as to end results of the work only.

11. NON-ASSIGNABILITY. The services to be rendered to the public pursuant to this Agreement by the Sub-Recipient are considered to be unique, personal services, and Sub-Recipient may not assign, delegate, subcontract, transfer, or otherwise substitute its interest or obligations in this Agreement without prior written consent of City. Any attempt by Sub-Recipient may not assign any performance of the terms of this Agreement is null and void and shall constitute a material breach of this Agreement.

12. JOINT FUNDING. City will not pay for any services provided by Sub-Recipient which are funded by other sources. All restrictions and/or requirements provided in this Agreement relative to accounting, budgeting, and reporting apply to the total program described in Exhibit A, regardless of funding sources.

13. INDEMNIFICATION. Sub-Recipient agrees to the following:

(a) Indemnification for Professional Services. Sub-Recipient will hold harmless and indemnify and at City's request reimburse defense costs for City and all its officers, employees and representatives from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising from any negligent or wrongful act, error or omission by Sub-Recipient or any of Sub-Recipient's officers, agents, employees, or representatives, in the performance of this Agreement.

(b) Indemnification for other Damages. Sub-Recipient indemnifies and holds City harmless from and against any claim, action, damages, costs (including, without limitation, attorney fees), injuries, or liability, arising out of this Agreement, or its performance. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Sub-Recipient will defend City (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

(c) For purposes of this section "City" includes City's officers, officials, employees, agents, and representatives.

(d) It is expressly understood and agreed that the forgoing provisions will survive termination of this Agreement.

(e) The requirements as to the types and limits of insurance coverage to be maintained by Sub-Recipient as required by Section 12, and any approval of said insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Sub-Recipient pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

14. INSURANCE. Before commencing performance under this Agreement, and at all other times this Agreement is effective, Sub-Recipient will procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance	Limits (combined single)
Commercial general liability:	\$1,000,000
Professional Liability	\$1,000,000
Business automobile liability	\$1,000,000
Workers compensation	\$1,000,000

(a) Commercial general liability insurance will meet or exceed the requirements of ISO-CGL Form No. CG 00 01. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name City, its officials, and employees as “additional insureds” under said insurance coverage and to state that such insurance will be deemed “primary” such that any other insurance that may be carried by City will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 85 and CG 20 37. Such insurance will be on an “occurrence,” not a “claims made,” basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to City.

(b) Automobile coverage will be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

(c) Professional liability coverage will be on an “occurrence basis” if such coverage is available, or on a “claims made” basis if not available. When coverage is provided on a “claims made basis,” Sub-Recipient will continue to maintain the insurance in effect for a period of three (3) years after this Agreement expires or is terminated (“extended insurance”). Such extended insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover Sub-Recipient for all claims made by City arising out of any errors or omissions of Sub-Recipient, or its officers, employees or agents during the time this Agreement was in effect.

(d) Sub-Recipient will furnish to City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement and such other evidence of insurance or copies of policies as may be reasonably required by City from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of “A:VII.”

(e) Should Sub-Recipient, for any reason, fail to obtain and maintain the insurance required by this Agreement, City may obtain such coverage at Sub-Recipient's expense and deduct the cost of such insurance from payments due to Sub-Recipient under this Agreement or terminate this Agreement pursuant to Section 35.

15. UNIFORM ADMINISTRATIVE REQUIREMENTS. All parties will adhere to applicable Federal, State and local laws, ordinances, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Act; 24 CFR, Part 570, including without limitation, uniform administrative requirements described in 24 CFR Section 570.502, and program income requirements set forth in Section 570.504 (c), Chapter V; 24 CFR Part 85; U.S. OMB Circular A-102 and A-110, as applicable, as they relate to the acceptance and use of Federal funds under this part and Auditor-Controller Contract Accounting and Administrations Handbook.

16. ASSURANCES. Sub-Recipient assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, and that it will comply with all applicable Federal, State and City laws and regulations as they relate to acceptance and use of Federal funds for this Federally assisted program. Furthermore, Sub-Recipient gives assurances and certifies that it will comply with the provisions of 41 Code of Federal Regulations 60-1.4, 24 Code of Federal Regulations 570.502 and 24 Code of Federal Regulations 135.20 each of which are incorporated herein by this reference. Sub-Recipient further assures and certifies that it will comply with any future amendments or changes to these required assurances and that during the term of this Agreement will maintain current copies of said assurances at the address specified below in Section 34.

17. EXPENDITURES. Expenditures made by Sub-Recipient in the operation of this Agreement must be in strict compliance and conformity with the budget set forth in Exhibit A. Sub-Recipient shall further comply with regulations set out in OMB Circulars A-21, A-87, A-21 and A-122, as applicable, unless prior written approval for an exception is obtained from City. Separate financial and program records shall be kept for each funding source.

18. AUDITS. Sub-Recipient agrees to maintain records as set forth in OMB Circulars A-133, as applicable. Sub-Recipient's program may be audited in accordance with the City's policy and funding source guidelines. Audits may also be conducted by Federal, or State funding source guidelines. The City or its authorized representatives must have access at all times for the purpose of audit or inspection to any and all books, documents, papers, records, property, and premises of Sub-Recipient. Sub-Recipient's staff will cooperate fully with authorized auditors when they conduct audits and examinations of program. If indications of misappropriation or misapplication of the funds of this Agreement cause the City to require a special audit, the cost of the audit will be encumbered and be paid for by Sub-Recipient. Any deficiencies noted in audit reports must be fully cleared by the Sub-Recipient within 30 days after receipt by the Sub-Recipient. Sub-Recipient shall also provide City a copy of its annual financial report or balance statement at the end of its fiscal year.

Failure of the Sub-Recipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments.

19. TAXPAYER IDENTIFICATION NUMBER. Sub-Recipient will provide City with a Taxpayer Identification Number.

20. CHANGES. The City may, from time to time, request changes in the Program Description set forth in Exhibit A. Such changes, including any increase or decrease in the amount of Sub-Recipient's compensation, which are agreed upon by and between the City and Sub-Recipient will be incorporated into this Agreement by written amendments.

21. CHANGES IN GRANT ALLOCATION. The City reserves the right to reduce the grant allocation. Changes in the grant allocation done after original approval will be incorporated into this Agreement by written amendment.

22. TIME OF PERFORMANCE MODIFICATIONS. The City may grant time of performance modifications to this Agreement (see Section 3) when such modifications:

- (a) In aggregate, do not exceed twelve (12) calendar months and;
- (b) Are specifically requested by Sub-Recipient in writing.

23. NOTICE OF BREACH AND OPPORTUNITY TO CURE. Neither party will be deemed to be in breach of this Agreement based on a breach that is capable of being cured until it has received written notice of the breach from the other party. The party charged with breach will have fifteen (15) days from the date of receiving such notice in which to cure the breach or otherwise respond. If the circumstances leading to the charge that the Agreement was breached have not been cured or explained to the satisfaction of the other party within fifteen (15) days from the date on which the party received notice of breach, the non-breaching party may terminate this Agreement.

24. PROGRAM INCOME. The Subrecipient shall report quarterly, all program income (as defined at 24 CFR 570.500(a) and 570.504 (c)) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the contract period for activities permitted under this contract and shall reduce requests for an additional fund by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee within thirty (30) days after:

- (a) Disposition or sale of real or personal property; or,
- (b) Cumulative program income reaches one thousand dollars (\$1,000) or more; or
- (c) At the end of each fiscal year

Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

25. CDBG REQUIREMENTS. During the performance of this Agreement, Sub-Recipient agrees to comply with the following federal provisions:

(a) Executive Order 11246 requires that during the performance of this Agreement, Sub-Recipient agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, color or national origin. Sub-Recipient will comply with all provisions of Executive Order 11246 of September 24, 1965 and of the rules, regulations, and relevant orders of Secretary of Labor. Sub-Recipient will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the City, HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(b) Title VI of the Civil Rights Act of 1964 provides that no person will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program activity receiving federal financial assistance.

(c) Section 109, Title 1 of the Housing and Community Development Act of 1974 provides that no person in the United States will, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(d) Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973 prohibits discrimination on the basis of age or with respect to an otherwise qualified handicapped individual, as provided in Section 504 of the Rehabilitation Act of 1973, will also apply to any such program or activity.

(e) Sub-Recipient must also comply with all regulations of the Americans with Disabilities Act (ADA) of 1990 (42 USC §§ 12101 et. seq.).

(f) Section 3 of the Housing and Community Development Act of 1968, as amended, 12 USC §§ 1701 et. seq., Compliance in the Provision of Training, Employment and Business Opportunities requires that the work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC § 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contract for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project. The parties will comply with the provisions of Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR § 135, and all applicable rules and orders of HUD issued thereunder before executing this Agreement. The parties certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.

(g) Lobbying Certification. Sub-Recipient must include the language of this certification in all subcontracts; all subcontractors must certify and disclose accordingly.

(h) Sub-Recipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under Section 104(d) of the HCD Act; and (c) the requirements in 570.606(d) governing optional relocation policies. (The City may preempt the optional policies.) The Grantee shall provide relocation assistance to persons (families, individuals, businesses, nonprofit organizations and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Grantee also agrees to comply with applicable City ordinances, resolutions and policies concerning the displacement of persons from their residences.

(i) This agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Sub-Recipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the City and the United States are beneficiaries of and entitled to enforce such covenants. The Sub-Recipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

(j) The Sub-Recipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- i. Clean Air Act, 42 U.S.C., 7401, et seq.
- ii. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
- iii. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

(k) In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the Grantee shall assure that, for activities located in an area identified by FEMA as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

(l) The Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35 and will comply with all applicable requirements.

(m) The Grantee agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty (50) years old or older or that are included on a Federal, state, or local historic property list.

26. PROGRAM EVALUATION AND REVIEW. The Sub-Recipient shall make available for inspection its performance, financial and all other records pertaining to performance of this Agreement to authorized HUD personnel, and allow the City to inspect, evaluate and monitor its facilities and have access to program operation and activities including the interviewing of Sub-Recipient and program participants as required by the City. Facilities include all files, records, and other documents related to the performance of this Agreement. Activities include attendance at staff, board of directors, advisory committee, and advisory board meetings, and observation of ongoing program functions. Sub-Recipient will ensure the cooperation of its staff and board members in such efforts.

The City will conduct periodic program progress reviews. These reviews will focus on the extent to which the planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program. Sub-Recipient agrees to submit all data that are necessary to complete the Annual Grantee Performance Report evaluation (CAPER) and monitor program accountability and progress in accordance with applicable HUD requirements and City performance goals as stated in Section 2.

27. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES. Sub-Recipient agrees that in the event the program established hereunder is subject to audit exceptions by appropriate State and Federal audit agencies, it shall be responsible for complying with such exceptions and paying HUD the full amount of City's liability to the funding agency resulting from such audit exceptions.

28. CONFLICT OF INTEREST. Sub-Recipient, its agents and employees must comply with all applicable Federal provisions, City, County and State laws prohibiting conflict of interest activities in accordance with 24 CFR 85.36 (b)(3) of Community Development Block Grant regulations. Sub-Recipient must make available to its agents and employees copies of these laws governing conflict of interest.

29. REVERSION OF ASSETS. Upon expiration of this Agreement, Sub-Recipient must transfer to the City any CDBG funds on hand at the time of expiration and any account receivable attributable to the use of CDBG funds.

30. FINANCIAL PHASE OUT PERIOD. Sub-Recipient agrees to complete all necessary financial phase out procedures required by the City within a period of not more than thirty (30) calendar days from the expiration date of this Agreement. This time period will be referred to as the financial phase-out period. City is not liable to provide reimbursement for any expenses or costs associated with this Agreement after the expiration of the financial phase-out period, those funds not paid to Sub-Recipient under this Agreement, if any, may be immediately reprogrammed by City into other eligible activities in the City. A final financial audit will be conducted in accordance with 24 CFR 85.26 for activities performed under this Agreement at the expiration of the final phase-out period.

31. NEPOTISM. Sub-Recipient may not hire nor permit the hiring of any person to fill a position funded through this Agreement if a member of that person's immediate family is employed in an administrative capacity by Sub-Recipient. For the purposes of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, step-parent, and step-child. The term "Administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Sub-Recipient.

32. RELIGIOUS AND POLITICAL ACTIVITIES. Sub-Recipient agrees that funds under this Agreement, will be used exclusively for performance of the work required under this Agreement, and that no funds made available under this Agreement may be used to promote religious or political activities in connection with the performance of this Agreement.

33. FISCAL LIMITATION. The United States of America through HUD may in the future place programmatic fiscal limitation(s) on CDBG funds not presently anticipated. Accordingly, the City reserves the right to revise this Agreement in order to take into account actions affecting HUD program funding. In the event of funding reduction, the City may reduce the budget of this Agreement as a whole or as a cost category, may limit the rate of Sub-Recipient's authority to commit or spend funds, or may restrict Sub-Recipient's use of both its uncommitted and its unspent funds. Where HUD has directed or requested the City to implement a reduction in funding, in whole or as to cost category, with respect to funding for this Agreement, the City Manager or designee may act for the City in implementing and effecting such a reduction and in revising the Agreement for such purpose. Where the City has reasonable grounds to question the fiscal accountability, financial soundness, or Sub-Recipient's compliance with this Agreement, the City may suspend the operation of this Agreement for up to thirty (30) days upon three (3) days written notice to Sub-Recipient of his or her intention to so act, pending an audit or other resolution of such questions. In no event, however, will any revision made by the City affect expenditures and legally binding commitments made by Sub-Recipient before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable and that such commitments are consistent with HUD cash withdrawal guidelines.

34. USE OF FUNDS FOR ENTERTAINMENT, MEAL OR GIFTS. Sub-Recipient certifies and agrees that it will not use funds provided through this Agreement to pay for entertainment, meals or gifts.

35. STAFF TRAVEL. Any expenditures incurred by Sub-Recipients for travel outside of Santa Barbara County, without prior written approval of City, shall not be reimbursed with funds under this agreement.

36. VACATION TIME, SICK LEAVE OR OTHER PAID TIME OFF. As specified in Exhibit D, Sub-Recipient certifies and agrees that it will not use funds provided through this Agreement for payroll expenses consisting of employee vacation time, sick leave, holiday pay, paid leave or other paid time off.

37. NOTICES. All notices must be served in writing. Notices to Sub-Recipient will be sent to the following address:

Steve Ortiz
United Way of Santa Barbara County
320 East Gutierrez Street
Santa Barbara, CA 93101

Notices, reports and statements to the City shall be delivered or sent to:

Michelle Greene, City Manager
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

38. SUSPENSION AND TERMINATION. This Agreement may be terminated at any time by either party upon giving thirty (30) days written notice. City may immediately terminate this Agreement by verbally (followed by written confirmation) or in writing with or without cause. In such event, Sub-Recipient will be compensated for all services rendered and all necessarily incurred costs performed in good faith in accordance with the terms of this Agreement that have not been previously reimbursed, to the date of said termination to the extent CDBG funds are available. In accordance with 24 CFR 85.43, suspension or termination may occur if the Sub-Recipient materially fails to comply with any term of the award and the award may be terminated for convenience in accordance with 24 CFR 85.44.

39. ENTIRE AGREEMENT. This Agreement, with attachments, constitutes the entire Agreement between City and Sub-Recipient. There are no oral agreements or amendments between parties. This Agreement may not be amended, except in writing, executed by both parties to this Agreement.

40. CONSISTENCY. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the attached Exhibits; this Agreement supersedes any conflicting provisions. Any inconsistency between the Exhibits will be resolved in the order in which the Exhibits appear below:

- (a) Exhibit A: Program Description and Budget
- (b) Exhibit B: Quarterly Report
- (c) Exhibit C: Final Year End Report
- (d) Exhibit D: CDBG Sub-Recipient Reimbursement Requirements

41. COUNTERPARTS AND ELECTRONIC/FACSIMILE SIGNATURES. This Agreement may be executed in several counterparts, which may be facsimile or electronic copies. Each counterpart is fully effective as an original, and together constitutes one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first written above.

CITY OF GOLETA:

**UNITED WAY OF SANTA BARBARA
COUNTY:**

Date:_____

Date:_____

By:_____

Michelle Greene
City Manager

By:_____

Steve Ortiz
President & CEO

ATTEST:

ATTEST:

Date:_____

Date:_____

By:_____

Deborah Lopez
City Clerk

By:_____

Rick Scott
Board Chair

APPROVED AS TO FORM:

Date:_____

By:_____

Winnie Cai
Deputy City Attorney

Exhibit A

With the Santa Barbara County community in crisis due to the economic impacts of the COVID-19 pandemic, United Way of Santa Barbara County (UWSBC), the Santa Barbara Foundation, and the Hutton Parker Foundation are leading the joint COVID-19 Response Effort for Santa Barbara County, a countywide collaborative also including members of the Foundation Roundtable.

The COVID-19 Joint Response Effort will help individuals and families as well as organizations actively assisting members of the community affected by the COVID-19 pandemic. Through collaborative decision-making, the COVID-19 Joint Response Effort will align and coordinate efforts, collect and share information, and distribute financial resources on a rolling basis for our most vulnerable populations.

United Way of Santa Barbara County's role in this crisis is to provide financial assistance grants to Santa Barbara County individuals and families, and the organizations serving them, as they navigate the economic impacts of the COVID-19 pandemic. UWSBC is the only nonprofit organization providing individual assistance grants on a large scale and whose funding will target both immediate and long-term needs. These grants are only possible through the generous support of businesses, foundations, and community members.

In order to support the COVID-19 relief efforts of the City of Goleta, UWSBC will partner with City of Goleta staff to award individual assistance grants to low-income City of Goleta residents in need. Applicants must be City of Goleta residents and must be able to demonstrate need related to the COVID-19 crisis. Funding priorities are as follows:

1. Basic Needs for individuals/families experiencing hardship securing or maintaining basic needs (e.g. housing, utilities, food insecurity, need for medical care/equipment, medications, access to mental health services etc.) caused by:
 - a. Individuals/families experiencing loss of wages or employment due to business closures, stay-at-home orders etc.
 - b. Individuals/families who have experienced hardship due to unexpected childcare/education needs and expenses due to stay-at-home orders

To provide individual assistance grants to individuals and families in need, UWSBC is working in partnership with Family Service Agency, whose staff is conducting remote interviews with all applicants to verify information and needs and provide case management services. Funding would be used to provide emergency financial assistance grants to income-qualified Goleta residents, with special outreach to Goleta seniors. United Way would work in partnership with its approved case management agency, Family Service Agency, to collect necessary documentation to verify needs and Goleta residency per CDBG guidelines and to provide case management services that will help recipients better weather this crisis.

UWSBC and Family Service Agency are well-connected with Goleta residents through their community programs. Family Service Agency also has strong connections to Goleta seniors through its isolated seniors program to help seniors stay healthy and safe during this critical

time. Grants funded by the City of Goleta partnership will continue to be approved on a rolling basis until all funds are exhausted.

While the long-term effects of the pandemic on our community are still evolving, UWSBC and its partners are very clearly seeing the immediate economic toll of COVID-19 on our most vulnerable community members. Paying rent is the top concern of the thousands of residents who have lost employment. Many are also having to make heartbreaking choices about buying food versus paying the bills or purchasing needed medications.

UWSBC has made a promise to donors to the COVID-19 Joint Response Effort that 100% of all funds received will support affected individuals and families, as well as the organizations that serve them. To do this, UWSBC is underwriting and/or securing grants to underwrite fund administration costs.