**SUBRECIPIENT CONTRACT FOR**
**COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING**
**ENTITLEMENT FUNDS CFDA# 14.218**

## SECTION I.
## RECITALS

THIS SUBRECIPIENT CONTRACT FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING ENTITLEMENT FUNDS CFDA# 14.218, effective once both Parties' signatures are affixed to this Subrecipient Contract, by and between the **City of Rapid City** ("City/Grantee,") and **Youth and Family Services, Inc.,** ("Subrecipient,") witnesseth:

WHEREAS, the City/Grantee has entered into a Funding Approval/Agreement dated **April 1, 2020** attached hereto and incorporated herein, with the U.S. Department of Housing & Urban Development (HUD) providing for financial aid to the City under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, for Community Development Block Grant (CDBG) entitlement funds CFDA# 14.218; and

WHEREAS, pursuant to such Funding Approval/ Agreement, the City/Grantee is undertaking certain activities necessary for the execution of a project situated in the project area described in the Scope of Service; and

WHEREAS, the Common Council finds it in the City/Grantee's best interest to disburse funds to the Subrecipient to execute certain projects in conjunction with such undertaking of the City/Grantee.

NOW, THEREFORE, in consideration of the mutual covenants, conditions contained herein, the City/Grantee and the Subrecipient hereby agree as follows:

## SECTION II.
## RESPONSIBILITY OF THE CITY/GRANTEE

City/Grantee shall designate representatives of the City/Grantee who will be authorized to make all necessary decisions required of the City/Grantee on behalf of the City/Grantee in connection with the execution of this Subrecipient Contract and disbursing funds in connection with the program. Disbursements require prior City/Grantee Common Council approval.

## SECTION III.
## SCOPE OF SERVICE

### A. Activities

The Subrecipient will be responsible for administering a **CDBG-CV3**
☐ Housing ☐ Rehabilitation ☐ Public Facility
☐ Public Improvement ☒ Public Service or ☐ Economic Development
program in a manner satisfactory to the City/Grantee and consistent with any standards required as a condition of providing these funds, and consistent with all provisions of this Subrecipient Contract. Subrecipient warrants and represents it has the requisite authority and City/Grantee capacity to perform all terms and conditions on Subrecipient's part to be performed hereunder. **Subrecipient hereby agrees to use all real and personal property, acquired or improved, in whole or in part, with CDBG-CV3 funds, as set forth in this Scope of Service.**

**Program Delivery**
**Youth and Family Services, Inc.** submitted a CDBG-CV3 application for funding on **December 2, 2020**.

**Youth and Family Services, Inc.** may use a maximum of **Thirty-Nine Thousand Dollars and 00/100 ($39,000.00)** of CDBG-CV3 funds for the above-referenced activity.

**General Administration**
Toward the goal of **operating the School-Age Program to include childcare, e-learning, and other support that may arise as a result of the Coronavirus pandemic.** The major tasks that the Subrecipient will perform include, but are not necessarily limited to the following:

1. **Accept applications and perform eligibility determinations for individuals and households with incomes that do not exceed the low- and moderate-income limits of the CDBG program.**
2. **Offer services to approved eligible individuals/households.**
3. **Maintain program and financial records documenting the eligibility and provisions of services.**

**B. National Objective and Compliance**
All activities funded with CDBG-CV3 funds must meet one of the HUD CDBG Program National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Subrecipient certifies that the activity(ies) carried out under this Subrecipient Contract will meet the following HUD National Objective:

☒ Benefit low- and moderate-income persons;
☐ Aid in the prevention or elimination of slums or blight;
☐ Meet community development needs of particular urgency, as defined in 24 CFR 570.208

Failure by the Subrecipient to fulfill the national objective may result in grant funds being

disallowed and required to be returned to the City/Grantee. Subrecipient must fulfill the national objective for the "Compliance Period," which is as follows: Real and personal property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Subrecipient Contract in excess of Fifteen Thousand dollars ($15,000) shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until thirty (30) years from the end of the CDBG program fiscal year in which funded activities were completed. Real and personal property acquired or improved, in whole or in part, with funds under this Subrecipient Contract between Seven Thousand and One Dollars ($7,001) and Fifteen Thousand dollars ($15,000) shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years from the end of the CDBG program fiscal year in which funded activities were completed. The Compliance Period for any building that is part of the project shall terminate on the date the project is acquired by foreclosure or transferred by a deed or other instrument in lieu of foreclosure unless the Secretary of the Treasury determines that such acquisition is part of an arrangement with Subrecipient a purpose of which is to terminate such Compliance Period.

The Subrecipient certifies that the activity(ies) carried out under this Subrecipient Contract will prevent, prepare for, or respond to the Coronavirus pandemic. Use of CDBG-CV3 funds for any other purpose is unallowable.

**C. Level(s) of Performance & Accomplishment - Goals and Performance Measures**

In addition to the normal administrative services required as part of this Subrecipient Contract, the Subrecipient agrees to provide monthly reports on achievements and program impact, for a period no less than from the beginning of the contract to the end of the program year in which activities were completed. Additional reporting may be required at the request of the City. The report must include the following information:.

**Definition(s) of Units of Service include:**

| Activity | # This Month | Total # To Date |
|---|---|---|
| # of children receiving daycare | | |
| # of children receiving e-learning support | | |
| # of children transported | | |
| **Impact Results** | **# This Month** | **Total # To Date** |
| # of households assisted | | |
| # of individuals provided services | | |
| TOTAL | | |

**Narratives**

Narrative section may be used to explain goals, accomplishments, activities, issues or any other information pertinent to your agency's activities in meeting your program objectives.

**D. Personnel Assigned to Scope of Work**

**Personnel Assigned to Scope of Work**

| Staff Member | Job Title | General Program Duties | Est. Time Allocation Per Week |
|---|---|---|---|
| David Miller | Child Program Officer | Management/Oversight | 1 hour |
| Amanda Moriarty | YFS CDC Director | Staff Supervision/Purchasing | 5 hours |

Any changes to the program goals, scope of services, schedule or budget, unless otherwise noted, may only be made through a written amendment to this Subrecipient Contract, executed by the Subrecipient and the City/Grantee. Changes to key Personnel assigned or their general responsibilities under this project are subject to notification and approval from the City/Grantee.

**E. Performance Monitoring**

The City/Grantee reserves the right to monitor and evaluate the progress and performance of the Subrecipient to assure the terms of this Subrecipient Contract are being satisfactorily met in accordance with HUD, City/Grantee and other applicable monitoring and evaluating criteria and standards. Subrecipient shall cooperate with the City/Grantee relating to such monitoring and evaluation.

The City/Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by the City/Grantee will constitute noncompliance with this Subrecipient Contract. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City/Grantee, Subrecipient Contract suspension or termination procedures will be initiated.

CDBG–CV funds are subject to additional measures designed to prevent fraud, waste, and abuse. HUD will conduct regular oversight and monitoring activities to determine that use of CDBG–CV funds is consistent with grant requirements and limited to the necessary and reasonable costs of activities to prevent, prepare for, and respond to Coronavirus. Measures to increase transparency and accountability include:

1. **Regular reporting on the use of CDBG–CV funds, including reporting that may be required by the CARES Act to conduct audits and reviews of programs, operations, and expenditures relating to funds under the CARES Act and the Coronavirus response; and**
2. **A requirement that the Subrecipient prevent the Duplication of Benefits that is caused when a person, household, business, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance is more than the total need.**

**F. Project Schedule/Milestones**

The Subrecipient is required to provide the City/Grantee with a written project schedule as Exhibit C of this Subrecipient Contract. The project schedule is an estimate of project

completion and the start date is contingent upon prompt return of signed contracts from the Subrecipient. The Subrecipient agrees to expend all funds by **December 31, 2023**.

**G. Time of Performance**

**Youth and Family Services, Inc.** shall perform the services set out above, and shall expend the CDBG-CV3 funding provided for above between **October 1, 2020 and December 31, 2023.** Subrecipients shall not be reimbursed for costs incurred before **October 1, 2020**.

The term of this Subrecipient Contract and the provisions herein will continue and be in effect until all obligations herein are fulfilled by Subrecipient.

**H. Budget**

**Youth and Family Services, Inc.** shall use **Thirty-Nine Thousand Dollars and 00/100 ($39,000.00)** of CDBG-CV3 funds provided for above as follows:

| | |
|---|---|
| Salaries and Fringe Benefits | $39,000.00 |
| Stipends | $0.00 |
| Equipment | $0.00 |
| Supplies | $0.00 |
| Mileage | $0.00 |
| **Total Grant** | **$39,000.00** |

Any Indirect costs charged must be consistent with the conditions of this Subrecipient Contract. See Subsection IX.C.2. In addition, the City/Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the City/Grantee.

Any amendments to this budget must be approved in writing by the City/Grantee and Subrecipient.

**I. Compensation and Method of Payment**

If Subrecipient is not in default hereunder, and subject to City/Grantee's receipt of the U.S. Department of Housing & Urban Development CDBG-CV3 funds, and provided the Subrecipient Contract and Scope of Service are eligible expenditures of CDBG-CV3 funds, the City/Grantee agrees to pay the Subrecipient an amount not to exceed **Thirty-Nine Thousand Dollars and 00/100 ($39,000.00).** Of that amount, eligible program delivery costs will not exceed **Thirty-Nine Thousand Dollars and 00/100 ($39,000.00).** Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR 200 as now in effect and as may be amended from time to time.

Draw-downs for the payment of eligible expenses shall be made against the line item budgets specified in Subsection III.H herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Subsection III.H and in accordance with performance.

1. **Draw-down requests may be submitted to the CDBG Program Division on a monthly basis.** Draw-down requests must be in writing and accompanied by acceptable documentation supporting the draw-down amount, per the Payment Procedures outlined in Subsection IX.C.3.

   **Documentation should include, at a minimum, the following information:**
   **a) Invoice itemizing amounts requested;**
   **b) Supporting documentation of payment made for each item;**
   **c) Payroll slips or time cards; and**
   **d) Documentation CDBG-CV3 funds were used to prevent, prepare for, and respond to the Coronavirus pandemic; and**
   **e) Duplication of Benefits calculation as described in the City of Rapid City CDBG-CV3 Duplication of Benefits Policies and Procedures (Exhibit D).**

   Additional documentation may be requested as needed for clarification.
   Payment requests require City/Grantee Common Council approval prior to disbursal.

2. **Special Conditions for Release of Funds**
   Funding in the amount stipulated in Section III of this Subrecipient Contract will not be released to the Subrecipient by the City/Grantee until the following special conditions for release of funds are met, and the City/Grantee reserves the right to terminate this Subrecipient Contract if these special conditions are not met within ninety (90) days of the Subrecipient Contract execution date:
   a) Environmental Review
      **An Environmental Review must be completed prior to the Subrecipient committing or expending any CDBG-CV3 funds.** The City/Grantee will conduct the Environmental Review and provide documentation of the findings to the Subrecipient upon its completion. **The Subrecipient may not proceed with any services until receipt of written notification of the Environmental Review findings by the City/Grantee.** Housing projects will require environmental reviews to be conducted on each property as it is identified. If the Environmental Review requires mitigation, no funds may be expended until mitigation has been accomplished and certified as completed and meeting HUD minimum standards by a source acceptable to the City/Grantee. Documentation evidencing the Subrecipient's completion of its responsibilities and compliance with the National Environmental Policy Act of 1969 (NEPA), and other provisions of Federal law as specified in 24 C.F.R. Part 58 which furthers the purposes of the NEPA.
   b) Procurement Standards and Code of Conduct

Documentation evidencing adoption of Procurement Standards and Code of Conduct equivalent to those established in 2 CFR 200, as now in effect and as may be amended from time to time and 24 CFR Part 570.

c) Fair Housing
Documentation that the Subrecipient has specifically provided a description of the actions they will take during the course of the grant to fulfill the requirements to affirmatively further fair housing. (Applicable to housing projects)

d) Implementation Schedule
CDBG Subrecipient must complete and submit to the City/Grantee the Implementation Schedule form.

e) Sources and Uses of Funds
Listing of funding sources being utilized for the funded project must be provided.

f) Other Special Conditions
None.

**J. Notices**

Notices required by this Subrecipient Contract shall be in writing and delivered via United States Postal Service mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Subrecipient Contract shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this Subrecipient Contract shall be directed to the following Subrecipient Contract representatives:

**City/Grantee:**
City of Rapid City
CDBG Program Division
Attn: Michelle Schuelke
300 Sixth Street
Rapid City, SD 57701
michelle.schuelke@rcgov.org
Tel. Number (605) 394-4181

**Subrecipient:**
Youth and Family Services, Inc.
Attn: John Julius
1920 North Plaza Blvd
Rapid City, SD 57702
jjulius@youthandfamilyservices.org
Tel. Number (605) 342-4195

**K. Duplication of Benefits**

The CARES Act requires HUD to ensure that there are adequate procedures in place to prevent any Duplication of Benefits as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 42 U.S.C. 5121 et seq.). Duplication of Benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available

assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

Subrecipient must demonstrate that no other financial assistance has been received, is available, or will be available to pay costs charged to a CDBG–CV grant. Subrecipient must require any applicant for CDBG-CV3 funds to demonstrate that no other financial assistance has been received by the applicant, is available to the applicant, or will be available to pay costs charged to a CDBG–CV grant. Warning: *Any person who knowingly makes a false claim or statement; makes or uses any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation; and/or has possession, custody, or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729 including but limited to fines less than $5,000 and not more than $10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104–410 ), plus 3 times the amount of damages which the Government sustains because of the act of that person; and/or imprisonment.*

**Subrecipient must maintain compliance with the City of Rapid City CDBG-CV3 Duplication of Benefits Policies and Procedures and develop its own procedures that prevent a Duplication of Benefits that address (individually or collectively) each activity or program as outlined in the City of Rapid City CDBG-CV3 Duplication of Benefits Policies and Procedures (Exhibit D).**

## SECTION IV.
## GENERAL CONDITIONS

### A. General Compliance

The Subrecipient hereby agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants including Subpart K of these regulations), except that (1) the Subrecipient does not assume the City/Grantee's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the City/Grantee's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this Subrecipient Contract.

**The Subrecipient further agrees to utilize funds available under this Subrecipient Contract to supplement rather than supplant funds otherwise available.**

### B. Independent Contractor

Nothing contained in this Subrecipient Contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with

respect to services to be performed under this Subrecipient Contract. The City/Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Worker's Compensation Insurance, as the Subrecipient is an independent contractor. Subrecipient shall be solely and entirely responsible for its acts and the acts of its agents, employees and subcontractors.

**C. Hold Harmless**
Subrecipient further agrees to indemnify, defend and hold harmless the City/Grantee, its officers, agents and employees, from and against any and all claims, liabilities, costs, expenses, penalties or attorney fees, arising from such injuries to persons, or damages to property, or based upon or arising out of the performance or non-performance of this Subrecipient Contract by Subrecipient, or out of any violation of Subrecipient of any local, state, or federal statute, ordinance, rule or regulation.

**D. Worker's Compensation**
The Subrecipient shall provide Workers' Compensation Insurance coverage in an amount required by law, for all of its employees involved in the performance of this Subrecipient Contract.

**E. Insurance and Bonding**
The Subrecipient shall carry sufficient insurance coverage to protect Subrecipient Contract assets from loss due to theft, fraud and/or undue physical damage, and at a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City/Grantee. The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR 200, as now in effect and as may be amended from time to time.

**F. City/Grantee Recognition**
The Subrecipient shall ensure recognition of the role of the City/Grantee in providing services through this Subrecipient Contract. All activities, facilities and items utilized pursuant to this Subrecipient Contract shall be prominently labeled as to the funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications.

**G. Amendments**
The City/Grantee or Subrecipient may amend this Subrecipient Contract at any time provided that such amendments make specific reference to this Subrecipient Contract, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City/Grantee's governing body. Such amendments shall not invalidate this Subrecipient Contract, nor relieve or release the City/Grantee or Subrecipient from its obligations under this Subrecipient Contract.

The City/Grantee may, in its discretion, amend this Subrecipient Contract to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this

Subrecipient Contract, such modifications will be incorporated only by written amendment signed by both City/Grantee and Subrecipient.

## SECTION V.
## LIABILITY

Subrecipient agrees to assume the risk of all personal injuries, including death resulting therefrom, to persons, and damage to and destruction of property, including loss of use therefrom, caused by or sustained, in whole or in part, in connection with or arising out of the performance or non-performance of this Subrecipient Contract by Subrecipient, or by the conditions created thereby.

## SECTION VI.
## SUSPENSION OR TERMINATION FOR CAUSE

In accordance with 2 CFR 200, as now in effect and as may be amended from time to time, the City/Grantee may suspend or terminate this Subrecipient Contract if the Subrecipient materially fails to comply with any terms of this Subrecipient Contract, which include but are not limited to, the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Subrecipient Contract;

3. Ineffective or improper use of funds provided under this Subrecipient Contract;

4. Submission by the Subrecipient to the City/Grantee of reports that are incorrect or incomplete in any material respect; or

5. Financial instability of the Subrecipient organization that will affect the abilities of the organization to carry out or complete the stated activities and scope of work.

In the event Subrecipient fails to comply, the City/Grantee may take the following actions:

**A. Suspension for Cause**
After notice to the Subrecipient, the City/Grantee may suspend the Subrecipient Contract and withhold any further payment or prohibit the Subrecipient from incurring additional obligations of grant funds, pending corrective action by the Subrecipient.

**B. Termination for Cause**
This Subrecipient Contract may be terminated, in accordance with 2 CFR 200, as now in effect and as may be amended from time to time, if the Subrecipient materially fails to comply with any term of the Subrecipient Contract or applicable federal regulations.

The City/Grantee may terminate the Subrecipient Contract upon ten (10) days written notice, together with documentation of the reasons therefore, and after an opportunity for a hearing is afforded. The determination of the City/Grantee as to the cause of termination and the appropriateness thereof shall be final and binding upon both City/Grantee and Subrecipient. In the event projects are delayed, the Subrecipient shall notify the City/Grantee in writing, informing the City/Grantee of the issues surrounding the delay of the project. In cases where the project is not moving forward, the City/Grantee shall notify the Subrecipient of termination of the funding, as per Section VIII.

In the event of termination, all finished or unfinished documents, data, studies and reports prepared by the Subrecipient under this Subrecipient Contract shall, at the option of the City/Grantee, become its property and the Subrecipient shall be entitled to receive just and equitable compensation for satisfactory work completed on such materials for which compensation has not previously been paid.

## SECTION VII.
## TERMINATION FOR CONVENIENCE

This Subrecipient Contract may be terminated for convenience in accordance with 2 CFR 200, as now in effect and as may be amended from time to time, by either the City/Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City/Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City/Grantee may terminate the award in its entirety.

## SECTION VIII.
## TERMINATION OF CITY/GRANTEE'S OBLIGATIONS

The City/Grantee's obligations under this Subrecipient Contract will terminate in the event of suspension, non-receipt or reduced receipt of CDBG-CV3 funds from HUD.

## SECTION IX.
## ADMINISTRATIVE REQUIREMENTS

### A. Financial Management

Records of the Subrecipient and reimbursable expenses pertaining to the Scope of Services and records of accounts between the City/Grantee and the Subrecipient shall be kept on a generally recognized accounting basis.

1. **Accounting Standards**
   The Subrecipient agrees to comply with 2 CFR 200, as now in effect and as may be amended from time to time, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. **Cost Principles**

The Subrecipient shall administer its program in conformance with 2 CFR 200, as now in effect and as may be amended from time to time. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

**B. Documentation & Record Keeping**

**1. Records to be Maintained**

The Subrecipient 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 Subrecipient Contract. Such records shall include but are not limited to:

a) Record(s) providing a full description of each activity undertaken;
b) Record(s) demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
c) Record(s) required to determine the eligibility of activities;
d) Record(s) required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
e) Record(s) documenting compliance with the fair housing and equal opportunity components of the CDBG program;
f) Financial record(s) as required by 24 CFR Part 570.502 and 2 CFR 200, as now in effect and as may be amended from time to time;
g) Other record(s) as necessary to document compliance with Subpart K of 24 CFR 570; and
h) Real property inventory record(s) which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the "changes in use" restrictions specified in 24 CFR 570.505, as applicable.
i) Record(s) demonstrating that each activity undertaken was to prevent, prepare for, or respond to the Coronavirus pandemic.
j) Records(s) demonstrating a duplicate of benefits was not or will not be provided.

**2. Retention**

The Subrecipient shall retain all records pertinent to expenditures incurred under this Subrecipient Contract for a period of four (4) years. The retention period begins on the date of submission of the City/Grantee's Consolidated Annual Performance and Evaluation Report (CAPER) to HUD in which the activities assisted under the Subrecipient Contract are reported on for the final time. Records for non-expendable property acquired with funds under this Subrecipient Contract shall be retained for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. **Client Data**
The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such information shall be made available to City/Grantee monitors or their designees for review upon request. Such data shall include, but not be limited to:
    a) Client name;
    b) Client address;
    c) Client/Household income level or other basis for determining eligibility;
    d) Description of services provided;
    e) Dates services provided;
    f) Beneficiary information (ethnicity, income, sex, female head of household, elderly, disabled, children under 18 in household, etc.); and
    g) Household/Family size.

    Such information shall be made available to City/Grantee monitors or their designees for review upon request.

4. **Disclosure**
The Subrecipient understands that client information collected under this Subrecipient Contract is private and the use or disclosure of such information, when not directly connected with the administration of the City/Grantee's or Subrecipient's responsibilities with respect to services provided under this Subrecipient Contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/ guardian.

5. **Close-outs**
The Subrecipient's obligation to the City/Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: 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 City/Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Subrecipient Contract shall remain in effect during any period that the Subrecipient has control over CDBG-CV3 funds, including program income. All financial records pertaining to this Subrecipient Contract upon completion shall remain the property of the City/Grantee.

6. **Audits & Inspections**
All Subrecipient records with respect to any matters covered by this Subrecipient Contract shall be made available to the City/Grantee, grantor agency, and the Comptroller General of the United States or any of authorized representatives thereof, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the

Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Subrecipient Contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current City/Grantee policy concerning Subrecipient audits and 2 CFR 200, as now in effect and as may be amended from time to time.

Upon completion of the aforementioned required annual financial audit, Subrecipient shall notify City/Grantee in writing of any audit findings within five (5) business days of Subrecipient receiving notification of such findings. Further, as soon thereafter as is practicable, Subrecipient shall notify City/Grantee in writing of all steps taken or to be taken to resolve such audit findings, and the final resolution of such findings.

## C. Reporting and Payment Procedures

### 1. Program Income

The Subrecipient shall immediately report to the City/Grantee all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG-CV3 funds made available under this Subrecipient Contract. Program income generally means gross income received by the Subrecipient, directly generated from the use of CDBG funds, with some exceptions which are detailed in 24 CFR 570.500.

Program income includes, but is not limited to:

a) Payments of principal and interest on loans made using CDBG funds;
b) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
c) Proceeds from the disposition of equipment purchased with CDBG funds;
d) Interest earned on program income pending its disposition; and
e) Interest earned on CDBG funds held in a revolving loan fund's cash balance interest bearing account.

The use of program income by the Subrecipient must be approved by the City/Grantee prior to such use and must comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may retain and use program income funds only for the activity(ies) approved under this Subrecipient Contract. Program income funds should be held in a non-interest bearing account. **If program income funds are held in an interest bearing account, any interest earned on the program income funds must be returned to the City/Grantee on a monthly basis.** Receipt and expenditures of program income funds shall be reported, in writing, at the time of receipt and expenditure, along with supporting documentation. Program income must be expended prior to drawing any remaining grant funds. In the event the Subrecipient desires to use the program income for some other activity, it must request and receive permission from the City/Grantee before undertaking such a use. The City/Grantee will determine

whether the proposed use meets the eligibility criteria of the regulations established by the CDBG-CV3 funds, and notify the Subrecipient of either approval or disapproval. At conclusion or termination of the Subrecipient Contract, or in the case of disapproval, all program income will be returned to the City/Grantee.

2. **Indirect Costs**
   If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the City/Grantee for approval, in a form specified by the City/Grantee. In addition, the City/Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the City/Grantee.

3. **Payment Procedures**
   Draw-downs for the payment of eligible expenses and general administration items shall be made against the line item budgets specified in Subsection III.H, and in accordance with performance. Payments shall be made upon presentation of invoices that Subrecipient certifies are true and correct copies of payments due on behalf of the Subrecipient for an activity covered by this Subrecipient Contract and made in accordance and compliance with the Scope of Service. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the City/Grantee in accordance with advance fund and program income balances available in the Subrecipient account. In addition, the City/Grantee reserves the right to liquidate funds available under this Subrecipient Contract for costs incurred by the City/Grantee on behalf of the Subrecipient. Subrecipient reports shall be submitted, as stated in Subsection XI.C.4. Payment may be suspended by the City/Grantee in the event of nonperformance by the Subrecipient.

   Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR 200, as now in effect and as may be amended from time to time.

4. **Progress Reports**
   **The Subrecipient shall submit monthly progress reports to the City/Grantee in the form and content as required by the City/Grantee. Monthly progress reports are due by the 5th of each month.**

   Progress reports should include, but are not limited to: progress on goals to be achieved by program; total number of people assisted for the month; total number of people assisted year-to-date; and demographic information of people assisted by the program. A brief narrative should also be included to cover any

additional information about your program, progress, issues and accomplishments not addressed on the progress report form.

*Reporting Form attached hereto as Exhibit B (Program Goals and Accomplishments and Monthly Reports) and incorporated herein. Reporting forms submitted must be complete or they will be returned for completion and draws suspended until receipt of a complete report.*

Additional documentation may be requested as needed for clarification.

**D. Procurement**

**1. Compliance**

The Subrecipient shall comply with current City/Grantee policies concerning the purchase of equipment and shall maintain inventory records of all non-expendable property as defined by such policies as may be procured with funds provided herein. All program assets (unexplained program income, property, equipment, etc.) shall revert to the City/Grantee upon termination of this Subrecipient Contract.

**2. OMB Standards**

The Subrecipient shall procure all materials, property, or services, and then shall subsequently follow all Property Standards as set out in and in accordance with the requirements of 2 CFR 200, as now in effect and as may be amended from time to time, including but not limited to the requirements covering utilization and disposal of property.

**3. Travel expenses**

Travel and related expenses for travel outside the city limits of the City of Rapid City, South Dakota shall not be paid with funds provided under this Subrecipient Contract without prior written approval from the City/Grantee.

**E. Use & Reversion of Assets**

In the event Subrecipient ceases to use real or personal property acquired or improved with CDBG-CV3 funds, one of the following options must occur in accordance with the requirements of 2 CFR 200, as now in effect and as may be amended from time to time, and 24 CFR 570.502, 570.503, and 570.504, unless the City/Grantee approves otherwise in writing:

1. The Subrecipient shall transfer to the City/Grantee all CDBG-CV3 funds used for the acquisition or improvement of any real or personal property;

2. The Subrecipient shall pay to the City/Grantee a sum equal to the property's fair market value (at the time that the property ceases to be used in accordance with the Scope of Service), less any portion of the value attributable to expenditures of non-CDBG-CV3 funds for the acquisition of or improvement to the property; or

3. The Subrecipient shall return the real or personal property to the City/Grantee.

In the event that some real and/or personal property ceases to be used in accordance with the Scope of Service, while other real and/or personal property continues to be used in accordance with the Scope of Service, Subsection IX.E. only applies to property that ceases to be used in accordance with the Scope of Service.

## SECTION X.
## RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with:

1. **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);

2. The requirements of 24 CFR 570.606(c) governing the **Residential Anti-displacement and Relocation Assistance Plan** under (42 USC 5304(d)); and

3. **The requirements in 24 CFR 570.606(d) governing optional relocation policies.** The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City/Grantee ordinances, resolutions, and policies concerning the displacement of persons from their residences.

## SECTION XI.
## ASSURANCES

The Subrecipient hereby agrees to use CDBG-CV3 funds for the purposes authorized by the Rapid City/Grantee Common Council. The Subrecipient further hereby agrees to comply with the assurances in Section XII, XIII, and Exhibit A attached hereto and incorporated herein which are required by the U.S. Department of Housing & Urban Development for all CDBG projects. These include Federal Labor Standards requirements.

## SECTION XII.
## PERSONNEL & PARTICIPANT CONDITIONS

**A. Civil Rights**

**1. Compliance**

The Subrecipient hereby agrees to comply with all applicable state, local and civil rights laws and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107, and 12086.

2. **Nondiscrimination**
   The Subrecipient hereby agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in (42 USC 5309(a)) are still applicable. Subrecipient shall comply with state and local civil rights laws proscribing housing discrimination based on sexual orientation or gender identity.

3. **Land Covenants**
   This Subrecipient Contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and 24 CFR 570.601 and 570.602. In regard to the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Subrecipient Contract, the Subrecipient 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/Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, 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.

4. **Section 504**
   The Subrecipient agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against individuals with disabilities or handicaps in any federally assisted program. The City/Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Subrecipient Contract.

**B. Affirmative Action**

1. **Approved Plan**
   The Subrecipient hereby agrees that it shall be committed to carry out pursuant to the City/Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in Executive Order 11246 of September 24, 1966. The City/Grantee shall provide Affirmative Action guidelines to the Subrecipient to

assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. **Women-and Minority-Owners Businesses (W/MBE)**
   The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Subrecipient Contract. As used in this Subrecipient Contract, the terms, "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51%) percent owned and controlled by minority group members or women. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. **Access to Records**
   The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the City/Grantee, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. **Notifications**
   The Subrecipient shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. **Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement**
   The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. **Subcontract Provisions**
   The Subrecipient will include the provisions of Subsections XII. A. (titled Civil Rights) and XII. B. (titled Affirmative Action) in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

**C. Employment Restrictions**

1. **Prohibited Activity**
   The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

2. **Labor Standards**

The Subrecipient hereby agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon and Related Acts as amended (40 USC 3141 et seq.), the provisions of Contract Work Hours and Safety Standards Act (40 USC 3701 et seq.) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Subrecipient Contract. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the City/Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000,000 for construction, renovation or repair work financed in whole or in part with assistance provided under this Subrecipient Contract, shall comply with federal requirements adopted by the City/Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1,3,5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this subsection.

3. **"Section 3" Clause**

a) Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended (12 USC 1701u), and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Subrecipient Contract, shall be a condition of the federal financial assistance provided under this Subrecipient Contract and binding upon the City/Grantee, the Subrecipient and any of the Subrecipient's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Subrecipient Contract through which federal assistance is provided. The Subrecipient certifies and hereby agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Subrecipient Contract:

"The work to be performed under this Subrecipient Contract is 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 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG funded project is located; where feasible, priority should be given to low-and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low-and very low-income persons residing within the metropolitan area in which the CDBG funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located and to low-and very low-income participants in other HUD programs. The Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b) Notifications
The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c) Subcontracts
The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has

notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

**D. Conduct**

**1. Assignability**

This Subrecipient Contract shall not be assigned or transferred by the Subrecipient without the prior written consent of the City/Grantee; provided however, that claims for money due or to become due to the Subrecipient from the City/Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be promptly furnished in writing to the City/Grantee.

**2. Subcontracts**

a) Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Subrecipient Contract without the prior written consent of the City/Grantee prior to the execution of the subcontract.

b) Monitoring

The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c) Content

The Subrecipient shall cause all of the provisions of this Subrecipient Contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Subrecipient Contract.

d) Selection Process

The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Subrecipient Contract shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the City/Grantee along with documentation concerning the selection process.

**3. Hatch Act**

The Subrecipient hereby agrees that no funds provided, nor personnel employed under this Subrecipient Contract, shall in any way or to any extent engage in the conduct of political activities in violation of 5 USC 7323.

**4. Conflict of Interest**

The Subrecipient hereby agrees to abide by the provisions of 2 CFR 200, as now in effect and as may be amended from time to time and 24 CFR 570.611, which include (but are not limited to) the following:

a) The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds;

b) No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved;

c) No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes but is not limited to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City/Grantee, the Subrecipient, or any designated public agency; and

d) The Subrecipient covenants that neither it nor any member of its Board of Directors, officers, or employees presently have any interest in any project to be financed under the Scope of Service, and shall not acquire any interest therein which would conflict with the performance of the Scope of Service required under this Subrecipient Contract or applicable statute, rule or regulation. Such a conflict would arise when: the employee, officer or agent; any member of their immediate family; their partner; or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm/household selected for award. The Subrecipients officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements during office tenure or for one year after the closeout of the grant. This stipulation must be included in all other contracts and subcontracts to this grant.

**5. Lobbying**

The Subrecipient certifies, to the best of its knowledge and belief, that:

a) No federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, to any person for influencing or attempting to

influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c) The Subrecipient shall require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

d) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

**6. Copyright**

If this Subrecipient Contract results in any copyrightable material or inventions, the City/Grantee reserves the right to a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

**7. Religious Activities**

The Subrecipient hereby agrees that funds provided under this Subrecipient Contract will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

## SECTION XIII.
## ENVIRONMENTAL CONDITIONS

**A. Air and Water**

The Subrecipient hereby agrees to comply with the following requirements insofar as they apply to the performance of this Subrecipient Contract:

1. **Clean Air Act, 42 U.S.C., 7401, *et seq.*;**
2. **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 308, and all regulations and guidelines issued thereunder; and
3. **Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.**

**B. Flood Disaster Protection**

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for the activities located in an area identified by the Federal Emergency Management Agency (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).

**C. Lead-Based Paint**

The Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Subrecipient Contract shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35.100 et seq. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

The Subrecipient agrees in cases where evaluation or hazard reduction, including paint stabilization, is undertaken, each grantee or participating jurisdiction shall provide a notice to residents in accordance with Sec. 35.125. A visual assessment is not considered an evaluation as described in 24 CFR 35.100 (subpart K).

The requirements of subpart K of this part do not apply if the assistance being provided is emergency rental assistance or foreclosure prevention assistance, provided that this exemption shall expire for a dwelling unit no later than 100 days after the initial payment or assistance in accordance with 24 CFR 35.115.

The Subrecipient shall provide the lead hazard information pamphlet in accordance with 24 CFR 35.130.

**D. Historic Preservation**

The Subrecipient 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 Subrecipient Contract.

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

## SECTION XIV.
## SEVERABILITY

If any provision of this Subrecipient Contract is held invalid, the remainder of the Subrecipient Contract shall not be affected thereby and all other parts of this Subrecipient Contract shall nevertheless be in full force and effect.

## SECTION XV.
## SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Subrecipient Contract are included for convenience only and shall not limit or otherwise affect the terms of this Subrecipient Contract.

## SECTION XVI.
## WAIVER

The City/Grantee's failure to act with respect to a breach by the Subrecipient shall not result in a waiver of its right to act with respect to subsequent or similar breaches. The failure of the City/Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

## SECTION XVII.
## REMEDIES

The City/Grantee may undertake any legal or equitable action available to enforce the provisions of this Subrecipient Contract. Subrecipient hereby agrees the City/Grantee may recover from it the City/Grantee's reasonable expenses, including attorney's fees incurred in respect to such actions.

## SECTION XVIII.
## CHOICE OF LAW AND VENUE

The parties hereby agree that the terms of this Subrecipient Contract shall be governed

by the laws of the State of South Dakota. In the event of any conflict of law, the law of the State of South Dakota shall be controlling. Any legal action arising out of or relating to this Subrecipient Contract shall be brought only in the Circuit Court of the State of South Dakota, Seventh Judicial Circuit, located in the City of Rapid City, Pennington County, South Dakota.

## SECTION XIX.
## ENTIRE SUBRECIPIENT CONTRACT

The provisions set forth in Items I-XIX, and all attachments of this Subrecipient Contract constitute, the entire Subrecipient Contract between the parties hereto and no statement, promise, conditions, understanding, inducement or representation, oral or written, express or implied, which is not contained herein shall be binding or valid.

Dated this ____ day of _____, 2021.

CITY OF RAPID CITY

_____
Steve Allender, Mayor

ATTEST:

_____
Pauline Sumption, Finance Officer
Federal I.D. #: 46-6000380

STATE OF SOUTH DAKOTA )
: SS
COUNTY OF PENNINGTON )

On this the _____ day of _____, **2021**, before me, the undersigned officers, personally appeared **Steve Allender and Pauline Sumption**, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation, and that they as such Mayor and Finance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public, South Dakota

My Commission Expires:

(SEAL)

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY**

_____
By:
Its: City Attorney or Assistant City Attorney

Dated this 11 day of February, 2021.

YOUTH AND FAMILY SERVICES, INC.

John Julius
Chief Executive Officer, Youth and Family Services, Inc.

ATTEST:

By: Kristen Schmanski
Its: Human Resource Coordinator
Federal I.D. # 46-6017085

STATE OF SOUTH DAKOTA )
: SS
COUNTY OF PENNINGTON )

On this the 11th day of February, **2021**, before me, the undersigned officer, personally appeared **John Julius** who acknowledged himself to be the **Chief Executive Officer** of **Youth and Family Services, Inc.**, a **non-profit corporation**, and that he, as such **Chief Executive Officer** being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

KRISTEN SCHMANSKI
NOTARY PUBLIC SEAL
STATE OF SOUTH DAKOTA
(SEAL)

Notary Public, South Dakota

My Commission Expires: 1/22/2026

**AFFIRMATIVE ACTION APPROVAL**

Contract Compliance Supervisor

EXHIBIT A

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**EXHIBIT B**
**MONTHLY REPORTS FOR CDBG GRANT BASED ON HOUSEHOLDS**
**FY20 CDBG-CV3**

**AGENCY:** YFS **CONTACT:** John Julius **PHONE #:** (605) 342-4195

| | # for Oct, 2021 | | # for Nov, 2021 | | # for Dec, 2021 | | | YTD Totals | |
|---|---|---|---|---|---|---|---|---|---|
| Males | | | | | | | | 0 | |
| Females | | | | | | | | 0 | |
| **TOTAL PEOPLE ASSISTED** | 0 | | 0 | | 0 | | | 0 | |
| Female Head of Household | | | | | | | | 0 | |
| Male Head of Household | | | | | | | | 0 | |
| Families with Children <18 | | | | | | | | 0 | |
| Elderly (over 65) | | | | | | | | 0 | |
| Disabled | | | | | | | | 0 | |

| | RACE | # of Each Race | # Hispanic/ Latino of each race | # of Each Race | # Hispanic/ Latino of each race | # of Each Race | # Hispanic/ Latino of each race | | # of Each Race | # Hispanic/ Latino of each race |
|---|---|---|---|---|---|---|---|---|---|---|
| 1) | White | | | | | | | | 0 | 0 |
| 2) | Black or African American | | | | | | | | 0 | 0 |
| 3) | Asian | | | | | | | | 0 | 0 |
| 4) | American Indian or Alaskan Native | | | | | | | | 0 | 0 |
| 5) | Native Hawaiian or Other Pacific Islander | | | | | | | | 0 | 0 |
| 6) | American Indian/Alaskan Native & White | | | | | | | | 0 | 0 |
| 7) | Asian & White | | | | | | | | 0 | 0 |
| 8) | Black/African American & White | | | | | | | | 0 | 0 |
| 9) | Amer Indian/Alaskan Native & Black/African Amer | | | | | | | | 0 | 0 |
| 10) | Other multi-racial | | | | | | | | 0 | 0 |
| | **TOTAL BENEFITING FROM ACTIVITY** | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 |

| **Beneficiaries by Income (% of HUD Median Income for *Household Size*)** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Extremely Low Income | (≤ 30%) | | | | | | 0 | |
| Low Income | (≤ 50%) | | | | | | 0 | |
| Moderate Income | (≤ 80%) | | | | | | 0 | |
| Non-Low/Moderate Income | (greater than 80%) | | | | | | 0 | |
| **TOTAL ALL INCOMES** | | 0 | 0 | | 0 | | 0 | |

**HUD INCOME LIMITS EFFECTIVE - July 1, 2020**

| HOUSEHOLD SIZE | 30 % MEDIAN | | 50% MEDIAN | | 80% MEDIAN | |
|---|---|---|---|---|---|---|
| 1 | 16,000 | | 26,600 | | 42,600 | |
| 2 | 18,250 | | 30,400 | | 48,650 | |
| 3 | 20,550 | | 34,200 | | 54,750 | |
| 4 | 22,800 | | 38,000 | | 60,800 | |
| 5 | 24,650 | | 41,050 | | 65,700 | |
| 6 | 26,450 | | 44,100 | | 70,550 | |
| 7 | 28,300 | | 47,150 | | 75,400 | |
| 8 | 30,100 | | 50,200 | | 80,300 | |

***NOTE:*** ***Orange*** *shaded box totals must match*

***NOTE:*** *Yellow shaded box totals must match*

**EXHIBIT B**
**PROGRAM GOALS AND ACCOMPLISHMENTS – FY20 CDBG-CV3**

**Agency YFS** **Date: (month/year)**

| Activity | # This Month | Total # To Date |
|---|---|---|
| # of children receiving daycare | | |
| # of children receiving e-learning support | | |
| # of children transported | | |
| **Impact Results** | **# This Month** | **Total # To Date** |
| # of households assisted | | |
| # of individuals provided services | | |
| TOTAL | | |

**Narrative:**

Please give brief explanation of any special circumstances affecting results, reasons for delays, achievements of program(s), other organizational results, etc.

_____

# EXHIBIT C

The Subrecipient is required to provide the City/Grantee with a written project schedule as Exhibit C of this Subrecipient Contract. The project schedule is an estimate of project completion and the start date is contingent upon prompt return of signed contracts from the Subrecipient. The Subrecipient agrees to expend all funds by **December 31, 2023.**

# EXHIBIT D

## City of Rapid City CDBG-CV Duplication of Benefits Policies and Procedures

BACKGROUND

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was enacted on March 27, 2020, as Public Law 116-136 makes available $5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to the Coronavirus. The City of Rapid City will receive CDBG CARES Act funds (CDBG-CV) from the Department of Housing and Urban Development (HUD). The City of Rapid City will utilize the CDBG-CV funds to "prevent, prepare for, and respond to the Coronavirus." Activities may be carried out in partnership with Partner Agencies, Subgrantees, or Subrecipients.

Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C. § 5155) requires all Federal agencies to prevent recipients of disaster assistance from receiving such assistance for losses "to which [the recipient] has received financial assistance under any other program or from insurance or any other source." In short, Section 312 prohibits the use of Federal disaster assistance to pay a person or entity twice for the same loss and requires that people or entities in receipt of Federal disaster recovery dollars are not compensated for the same damages through multiple sources. HUD provided specific guidance for CDBG-CV funding through the "Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs," FR–6218–N–01 (20 August 2020), pp 51473.

*"The CARES Act requires HUD to ensure that there are adequate procedures in place to prevent any duplication of benefits as required by section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 42 U.S.C. 5121 et seq.)."*

This policy and procedure document reinforces those requirements and establishes applicability and responsibility in the implementation of the City of Rapid City's CDBG-CV grant.

SCOPE OF POLICY

This policy applies to the City of Rapid City and all its Partner Agencies, Subgrantees, and Subrecipients responsible for the implementation of programs and projects funded, in whole or in part, with the City of Rapid City's CDBG-CV grant.

POLICY

*"Duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs."*

All CDBG-CV-funded programs and activities are required to ensure appropriate procedures are in place to prevent Duplication of Benefits (DOB). The City of Rapid City, Partner Agencies, Subgrantees, and Subrecipients must ensure that DOB prevention is specifically addressed in its policies and procedures. Funding will be not released to Partner Agencies, Subgrantees, or Subrecipients until satisfactory policies and procedures are submitted to and approved by the City of Rapid City. Partner Agencies, Subgrantees, and Subrecipients must pass that responsibility down through the lowest-tiered agreements and/or contracts and lower-tiered entities must have in place adequate and acceptable DOB policies and procedures. Partner Agencies, Subrecipients, and Subgrantees providing direct benefits to beneficiaries must utilize written DOB procedures and prepare a DOB worksheet and certification for each beneficiary. Each beneficiary must sign a certification form regarding other assistance received. Both documents must be on file in accordance with FR-6218-N-01. Programs have the liberty to design forms that combine calculation and certification requirements. Every attempt to obtain benefit verification(s) should be undertaken. When verification(s) is not obtainable, a self-declaration can be used as a last resort but should be the exception. Partner Agencies, Subrecipients, and Subgrantees should implement due diligence in assisting beneficiaries in obtaining required documentation. This does not obligate Partner Agencies, Subrecipients, or Subgrantees to obtain such documentation on behalf of beneficiaries.

PROCEDURES

The procedures provided below outline the City of Rapid City's procedures for preventing DOB. Procedures are as follows:

1. Before assistance is provided
    a. Identify total beneficiary need
        i. Describe the specific purpose for the CDBG-CV reimbursement request.
        ii. Document total need. Example A: Household needs emergency income payments for one month of past-due rent and one month of current rent. The rent payment is $1,000/month; the total need is $2,000. The total need must be supported by documentation (i.e. rental agreement, receipts).
        iii. All costs included in total need must be reasonable and necessary. To show that a request is necessary, there must be an identifiable relationship, or nexus, between the request and the need. Reasonable costs must be appropriately priced and cannot be overly cumbersome.
    b. Identify all sources of funding received and reasonably anticipated
        i. For families and individuals as well as entities, the application for assistance will require documentation for all sources of funding received or reasonably anticipated, and certification that all assistance is reported. For Example A, a church committed to providing $500 for ½ of past due rent. The household must disclose this funding and certify no other funding has been or is expected to be received above the $500 from the church.

ii. Collect 3rd party verification of all sources of assistance when possible. (Ex. FEMA, SBA, private insurance, non-profits agencies, etc.) When 3rd party verification is not available, documentation of the reason it was not obtainable must be maintained in each beneficiary file.

c. Create a DOB calculation worksheet, format to be created by Partner Agencies, Subgrantees, or Subrecipients, to determine which funding sources to include or exclude from the unmet need calculation based upon guidance in FR–6218–N–01 and deduct assistance determined to be duplicative.

d. Apply program cap, if applicable.

e. Arrive at maximum beneficiary assistance award amount. For Example A, the total need is $2,000 and other funds to be received are $500. The maximum assistance allowed is $1,500.

f. Execute agreement with each beneficiary, including provisions that all additional funds received must be reported to the Partner Agency, Subgrantee, or Subrecipient program administrator within 15 calendar days of the receipt of the additional funds and if the additional funds are determined to be duplicative, the award will be reduced and/or the beneficiary will be required to repay to Partner Agency, Subgrantee, or Subrecipient any disbursed duplicative benefit within 30 days of notice given to beneficiary.

2. After Assistance is Provided
    a. Partner Agencies, Subgrantees, and Subrecipients must conduct an internal closeout audit to determine whether additional funds were received, the amount, and when the funds were received by beneficiaries. The audit should take place no sooner than 30 days after assistance was provided but no less than one year after the closeout of the activity. If additional funds were received and are determined to be duplicative, repayment is required within 30 days of notice given to beneficiary.
    b. In the event a DOB is identified, Partner Agencies, Subgrantees, and Subrecipients must notify the City of Rapid City within 15 days of determining such duplication. If the activity is open, Partner Agencies, Subgrantees, and Subrecipients may redistribute the funds to another beneficiary. If the activity is closed, funds must be returned to the City of Rapid City within 30 days of determining such duplication.

DOCUMENTATION

Each beneficiary file must contain the following for DOB purposes:

Note: Additional beneficiary data must be maintained according to CDBG regulations as outlined in the Subrecipient Contract for Community Development Block Grant Funding.

1. Duplication of Benefits calculation worksheet form to include:
    a. Beneficiary identification such as personal or business name
    b. Identification of unmet need

c. Identification of all sources of assistance provided to applicant from all sources
d. Identification of those sources that are duplicative (with comments as needed)
e. Final award calculation

2. 3rd party verifications of assistance and/or certifications as follows:
    a. Certification that no additional benefits have been received. This can be a signed affidavit from the beneficiary or other form as created by the program.
    b. A signed subrogation agreement from the beneficiary

Note: Items (a) and (b) can be in the same form.

Additionally, at the program level each implementing agency must have the following:

1. A description/definition of Duplication of Benefits and likely sources within their program guidelines or in their application, and
2. Recapture policies and procedures

RECAPTURE

In the event a Duplication of Benefits is identified, Partner Agencies, Subgrantees, and Subrecipients must notify the City of Rapid City within 15 days of determining such duplication. If the activity is open, Partner Agencies, Subgrantees, and Subrecipients may redistribute the funds to another beneficiary. If the activity is closed, funds must be returned to the City of Rapid City within 30 days of determining such duplication. Funds recaptured by the City of Rapid City must be returned to HUD or reprogrammed, if allowed. To ensure recapture, a subrogation agreement or similar agreement must be signed by every Partner Agency, Subrecipient, Subgrantee, and program applicant before the receipt of assistance. Agreements must include the following statement:

> *"Warning: Any person who knowingly makes a false claim or statement; makes or uses any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation; and/or has possession, custody, or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729 including but limited to fines less than $5,000 and not more than $10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. 2461 note; Public Law 104–410 [1]), plus 3 times the amount of damages which the Government sustains because of the act of that person; and/or imprisonment."*

REQUIREMENTS FOR DOB REVIEW

When reviewing CDBG-CV activities for DOB, HUD will review the following documentation (at a minimum):

— Description of Duplication of Benefits (Must be included in application)
— Identification of Applicant's Unmet Need
— Identification of Sources of Assistance Provided to Applicant

— Verification of Other Award Proceeds (e.g., FEMA award letter, insurance letter, non-profit commitment statement)
— Declined Awards
— Documentation of Rejection of Other Applications for Assistance
— CDBG-CV Assistance Calculation
— Signed Subrogation Agreement with Recapture Procedures

ADMINISTRATION AND RESPONSIBILITY

The City of Rapid City's CDBG Program Division Manager or his/her designee is responsible for ensuring that duplication policies and procedures are available for all CDBG-CV funded programs and that Partner Agencies, Subgrantees, and Subrecipients are monitored for compliance with this policy.

City of Rapid City Partner Agencies, Subrecipients, and Subgrantees are responsible for developing and implementing DOB policies and procedures for programs under their purview. Partner Agencies, Subgrantees, and Subrecipients directly serving beneficiaries are responsible for ensuring that DOB procedures are followed and DOB calculations and certifications are available on file for all beneficiaries. All Partner Agencies, Subgrantees, and Subrecipients must have recapture procedures in place and in writing within all grant agreements in accordance with 31 U.S.C. Chapter 37 for the return of any identified Duplication of Benefits.

The City of Rapid City's CDBG Program Division Manager is responsible for the administration, revision, interpretation, and application of this policy. This policy will be revised as needed to address State and Federal requirements.