

MEMORANDUM

Date: **July 20, 2026**
To: Finance and Personnel Committee
From: Owen Carter, Deputy Director of Program Operations for Health & Human Services
Re: Approval of Grant-Funded Subrecipient Agreement with Rosecrance (2003)

Health & Human Services Department/Community Services Division is seeking City Council approval to enter into a Subrecipient Agreement with Rosecrance in an amount not to exceed \$193,320 to carry out eligible activities under the City's Rosecrance 2003 award from the Department of Housing and Urban Development (HUD). The City previously accepted the grant award, and this agreement will authorize the subrecipient to carry out grant-funded activities identified in the approved grant application and work plan.

The proposed Subrecipient Agreement covers the period of June 1, 2026, through May 31, 2027.

Purpose of the Subrecipient Agreement

Eligible clients receive housing and supportive services through this sub-recipient agreement with Rosecrance. This allows clients to alleviate housing cost burdens and prevent homelessness.

The City has determined that Rosecrance is best positioned to carry out the approved program activities because of its expertise, capacity, and experience serving the target population. The City will monitor the subrecipient throughout the performance period to ensure compliance with all applicable federal, state, and grant-specific requirements.

How Grant Funds Will Be Used

The funds will pay rent costs for Rosecrance's approved clients and administrative costs. The City of Rockford would retain \$6,059 for administrative costs. The grant does NOT require the city to bear any additional costs.

Grant funds provided under this agreement will pay for rental costs and reimburse the subrecipient for eligible costs incurred in carrying out the approved grant activities, consistent with the approved grant budget and Subrecipient Agreement. No City General Fund dollars are required unless otherwise noted.

RESOLUTION
of the
CITY COUNCIL OF THE CITY OF ROCKFORD, ILLINOIS
SUBMITTED BY: FINANCE AND PERSONNEL COMMITTEE

RESOLUTION APPROVING ONE SUBRECIPIENT SERVICE AGREEMENT FOR HUD
CONTINUUM OF CARE GRANT

WHEREAS, the City of Rockford was selected by the Department of Housing and Urban Development (HUD) under the Continuum of Care to continue the Rosecrance 2003 program in the Health and Human Services Department and is granting a Subrecipient Service Agreement to Rosecrance; and

WHEREAS, the service agreement has been awarded for the purpose of defining the relationship between the City and the Rosecrance and aligning the reporting and outcomes with the HUD's requirements; and

WHEREAS, the funds will be utilized to provide eligible clients with housing and supportive services; and

WHEREAS, the City of Rockford would provide payment for services up to \$193,320 to Rosecrance and will retain \$6,059 for administrative costs.

BE IT RESOLVED, THEREFORE, by the City Council of the City of Rockford, that the aforementioned subrecipient agreement be approved.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effective immediately upon its adoption.

The above and foregoing Resolution was adopted by the City Council of the City of Rockford, Illinois, this _____ day of July 2026.

Mayor Thomas P. McNamara
City of Rockford, Illinois

ATTEST:

ANGELA HAMMER, Legal Director
Ex Officio Keeper of the Records and
Seal of the City of Rockford, Illinois

ROCKFORD, IL.

Committee Action Taken Date: July 20, 2026

RECOMMENDATION FOR RESOLUTION

TO THE CITY COUNCIL OF THE CITY OF ROCKFORD:

Council Members:

The Committee on Finance & Personnel, to whom was referred the matter of approving one subrecipient agreement for the Department of Housing and Urban Development Continuum of Care grant award, hereby begs leave to report recommending approval of said agreements.

Rosecrance \$193,320 Housing and Supportive Services

The Legal Director shall prepare the appropriate resolution.

Kevin Frost (Chair)

Chad Tuneberg (Vice chair)

Frank Beach

Dawn Granath

Jaime Salgado

Frost:	Ayes:___	Nays:___	Absent:___
Tuneberg:	Ayes:___	Nays:___	Absent:___
Beach:	Ayes:___	Nays:___	Absent:___
Granath:	Ayes:___	Nays:___	Absent:___
Salgado:	Ayes:___	Nays:___	Absent:___

**CONTINUUM OF CARE PROGRAM AGREEMENT
IL0012L5T012518**

THIS AGREEMENT is made and entered into by and between the City of Rockford, a municipal corporation, by and through its Health & Human Services Department (hereinafter referred to as “City”) and **Rosecrance, Inc** (hereinafter referred to as the “Subrecipient”); and

WHEREAS the United States Department of Housing and Urban Development (hereinafter referred to as HUD) has established the Continuum of Care (“CoC”) program to provide grants to promote the development of supportive housing and supportive services and to enable homeless persons to live as independently as possible; and

WHEREAS HUD has approved the application of the City and the Subrecipient for grant funds under the Continuum of Care program; and

WHEREAS the proposal by the Subrecipient is to provide leasing and supportive services to homeless persons with disabilities and their families, and

WHEREAS the purpose of this Agreement is to set forth the parameters for the implementation of the Continuum of Care Funds;

NOW THEREFORE, the City and the Subrecipient do mutually agree as follows:

I. INCORPORATION

The parties agree to be bound by the FY2025 Continuum of Care Grant Application of the City and Subrecipient to HUD and the Continuum of Care Grant Agreement between the City and HUD. The terms and conditions of that Application and Agreement are incorporated in and made a part of this Agreement.

II. TERMS

This Agreement shall be in effect as of 6/1/26 to 5/31/27, subject to termination procedures as described herein.

III. SCOPE OF DUTIES -- CITY

- A. The City’s total fund obligation for this project is \$201,379.
- B. The City will pay up to the amount of \$193,320 for rental costs requested by the Subrecipient.
- C. Funds in the amount of \$6,059 shall be made available to the City of Rockford Health & Human Services Department for administration.

IV. SCOPE OF DUTIES -- SUBRECIPIENT

A. This Agreement shall result in the payment to the Subrecipient of the following amounts for services:

1. Leasing not to exceed \$0.00
2. Rental Assistance not to exceed \$193,320
3. Supportive Services not to exceed \$0.00
4. Operating costs not to exceed \$0.00.
5. Administration not to exceed \$2,000.

B. EXPENDITURES, DISBURSEMENTS AND BUDGETS

The funds provided under the HUD grant shall be placed in an escrow account by the City. The City shall develop a process and draft a withdrawal form to allow for monthly draws by the Subrecipient through the City. Failure to expend funds and request reimbursement in a timely manner may result in administrative actions by the City, including withholding of payments, imposition of special conditions, reduction of award amounts, or termination of this Agreement pursuant to 2 CFR 200.339 and 200.340.

The Subrecipient is responsible for ensuring that their financial practices meet the standards established by the federal General Accounting Office, the OMB Circular "Uniformed Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" effective December 26, 2014, and the CFR 578.37 subpart D "Program Components and Eligible Costs", and any current applicable HUD governance.

C. DISBURSEMENT REQUESTS

DISBURSEMENT REQUESTS FOR EXPENDITURES ARE DUE NO LATER THAN 15 DAYS FOLLOWING THE QUARTER IN WHICH THE COSTS OCCUR. ALL REQUESTS FROM SUBRECIPIENT FOR REIMBURSEMENT WILL BE REVIEWED FOR ACCURACY. ONLY COSTS DETERMINED TO BE DOCUMENTED AS ELIGIBLE WILL BE PROCESSED FOR REIMBURSEMENT. IF A COST REQUIRES CLARIFICATION OR CORRECTION, IT WILL NOT BE REIMBURSED BUT WILL BE RETURNED TO THE SUBRECIPIENT FOR CLARIFICATION/CORRECTION. THESE COSTS, ONCE CORRECTED, CAN BE SUBMITTED IN THE FOLLOWING MONTH'S REQUEST.

All program costs and expenditures must be supported by properly executed invoices, contracts, vouchers, receipts or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, invoices, and accounting documents pertaining in whole or in part of this Agreement shall be clearly identified and readily accessible.

The drawdown of funds must be at an acceptable rate (at or about 1/12th per

month). 1/12th of administrative costs must be documented monthly and drawn down quarterly, at a minimum. No more than 8% of each request may be drawn down in administrative funds per month.

D. INDIRECT COST RATE

Subrecipient may not charge an indirect cost rate to the grant.

E. MATCH

The Subrecipient must provide documentation of the match required by HUD when submitting disbursement requests. The Subrecipient shall provide the balance of the funds as requested. The match must meet the following standards:

- CoC grants are awarded competitively. Match is a factor assessed by HUD in scoring a project application.
- Match must be spent in the grant on eligible activities.
- Match funds must be treated the same as grant funds in terms of eligible activities/budgeted activities.
- Match documentation must be submitted monthly with requests for reimbursement; the documentation submitted for match must clearly show the source of funds and how it was applied to eligible activities in the project.
- Match may come from Federal, State, Local or private sources. It is critical that funds from Federal sources must permit their use as match funds. CoC funds can never match another CoC grant.

F. BUDGET CHANGES

No changes to the Subrecipient budget, including the match budget, will be permitted without prior approval by the City. Any Subrecipient seeking changes to their budget must submit in writing to the City the nature of their request including all supporting documentation that justifies the budget change.

ABSOLUTELY NO BUDGET CHANGES MAY BE MADE IN THE FINAL QUARTER (3 MONTHS) OF THE GRANT TERM. Budget requests must be received by the City of Rockford no later than 90 days prior to the end of the grant term.

G. SIGNIFICANT BUDGET CHANGES

1. Significant changes substantially affect project implementation and represent a departure from the initial application. Subrecipients may not make any significant changes to projects without prior HUD approval as evidenced by grant amendments signed by HUD and the City. Changes included in the amendment become permanent changes to the project and are not effective retroactively. 24 CFR 578.105 (b) of the CoC Program interim rule states, for Continuums having more than one recipient, that a

shift of more than 10 percent from one approved eligible activity to another requires an amendment.

2. Some examples of significant changes include:

- Change of recipient(s);
- Change of project site (except in scattered-site leasing or rental assistance units);
- Addition or elimination of approved budget line item (i.e. Supportive Services; Leasing; HMIS; etc.);
- Shift of more than 10 percent of grant funds from or to approved budget line item (i.e. decreasing Operating by more than 10% to move to Services; or increasing Operating by more than 10% by moving funds from Supportive Services);
- Permanent change in subpopulation served by the grant;
- Permanent reduction in the total number of units funded under the grant;
- Permanent additions of unit(s) in Leasing projects;
- Others as determined by HUD.

6. Approval Criteria

- HUD reserves the right to disapprove amendments submitted after the closing date of the Continuum of Care Notice of Funding Availability (NOFA) or within the last month of a project's operating year. HUD will not approve amendments in the last **30 days of a project's operating year intended to spend-down grant funds. Amendments are due to the City no later than 45 days prior to end of project.**
- HUD will approve a shift in funds or change in subpopulations only if such changes are necessary to better serve eligible persons within the CoC's geographic area and if the change supports priorities established under the CoC Program NOFA in which the grant was originally awarded or the most recent CoC Program NOFA.

7. Requesting a Significant Change

To initiate a significant change, subrecipient must submit a written request to the City that details the request and explains how the change is necessary to better serve eligible participants and support the priorities of the most recent CoC NOFA application. This request must be on agency letterhead and may be submitted via email or U.S. Mail.

The City will review the request to see whether it meets the above stated criteria and forward it to HUD for review and approval, and forward that decision to the subrecipient.

Where the change in funds results in an increase in match, the City will verify that the recipient has the increased match amount (cash or in-kind).

H. MINOR BUDGET CHANGES

1. Minor changes from the approved grant do not substantially affect grant implementation. An example of a minor change is a shift of less than 10 percent of CoC Program funds from one approved activity to another over the term of the grant.
 - a. Minor changes do not require HUD approval. However, the Subrecipient must submit a written request to the City for approval. The City and subrecipients must fully document minor changes to an approved grant or project in their records.
 - b. Subrecipients must also be aware of the impact minor changes can have on match. For example, a project that moved funds from Leasing to Supportive Services would increase its match requirement.
 - c. Minor budget changes must be requested at least 45 days prior to the end of the grant term. The City may adjust budgets for eligible costs already incurred.
 - d. The subrecipient may make more than one budget shift during a grant term, however, at the point when the budget shifts equal more than 10 percent from one approved budget line item to another, the recipient must request a grant agreement amendment and it must be approved before the shift can be made.
2. Requesting a Minor Change:
 - a. To initiate a minor budget change, submit a written request detailing the budget changes to the City. The City will inform the subrecipient of its approval. **Minor budget changes must be requested at least 45 days prior to the end of the grant term.**
 - b. If a subrecipient fails to request a needed modification, the City may choose to modify a subrecipient budget by less than 10% without HUD's approval, or over 10% with HUD's approval, if spending does not occur across all budget categories as appropriate by month. This

does not prohibit a subrecipient from requesting a budget modification if needed.

- c. Multiple modifications indicate a failure to plan correctly on the part of the subrecipient. The City will not accept more than two modifications in a program year, without sufficient cause.

I. **DEFAULT OF GRANT FUNDS**

A DEFAULT SHALL CONSIST OF ANY USE OF GRANT FUNDS FOR A PURPOSE OTHER THAN AUTHORIZED BY THIS GRANT AGREEMENT. DEFAULT SHALL REQUIRE AT A MINIMUM REPAYMENT OF FUNDS DETERMINED TO HAVE BEEN USED FOR OTHER THAN THE PURPOSES DEFINED IN THIS GRANT AGREEMENT AND MAY INCLUDE ADDITIONAL PENALTIES UP TO AND INCLUDING THE TERMINATION OF THE GRANT.

J. **Inspection for Compliance**

1. The Subrecipient agrees to have available to the City, upon request, all its books, documents, papers and records for inspection, audit and copying during normal business hours, by the administrator of this Agreement for the City named below, HUD, and the Comptroller General of the United States, or their duly authorized representatives concerning charges, fees, expenses and costs under this Agreement. Subrecipient also agrees to have available documentation of source and use of all other funds utilized in providing and supporting the services defined by this grant agreement.
2. If any of the bodies identified above find that funds have been expended that are not supported with sufficient and appropriate documentation, the subrecipient is responsible for re-payment of funds to the grantee and/or HUD.

K. **General Operation**

1. **Federal, State and Local Requirements**

The Subrecipient must provide services that are in compliance with all applicable Federal, State, and local licensing requirements and other requirements regarding the condition of the structure and operation of the services.

2. **Participation of Homeless Persons**

- a. The Subrecipient must provide for the consultation and participation of not less than one homeless person or formerly homeless person on the board of directors or an equivalent policy making entity of the Subrecipient, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or assistance provided under this part. This requirement is waived if an applicant is unable to meet it and presents a plan, for HUD approval, to otherwise consult with homeless or formerly homeless persons in considering and making such policies and decisions.

(CFR 578.75g) Participation of such a person on boards or policy making entities who is also a participant in the program does not constitute a conflict of interest under 24 CFR (Code of Federal Regulations) Sect. 583.330(e).

- b. The Subrecipient, to the maximum extent practicable, shall involve homeless individuals and families, through employment, volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating the project and in providing supportive services for the project. Subrecipient may be required to submit a Section 3 report documenting this activity.
- c. **Housing First**
The subrecipient must operate its program(s) as low barrier by not refusing housing to persons referred by the Single Point of Entry unless that person does not meet core requirements as defined in the subrecipient's HUD application. Persons must not be denied entry into a program due to delay of eligibility paperwork. HUD allows 45 days after entry for eligibility determination.
- d. **Termination of Assistance to Participants and Appeal Procedures**
The Subrecipient certifies that they have and will provide to the City a written procedure for termination of assistance and appeal procedure in accordance with 24 CFR 583.300(i) at the time of grant award. This procedure must be in compliance with HEARTH Act standards as implemented by the CoC.
- e. **Displacement, Relocation, Discharge**
 - 1. The Subrecipient shall minimize the displacement of program participants and provide relocation assistance in accordance with 24 CFR 583.310.
 - 2. The subrecipient will not discharge a client into homelessness. Any discharges where the outcome is less than permanent housing must be referred to the single point of entry.
 - 3. The subrecipient will not discharge a client from the program without significant cause such as the participant is a danger to others in the program. All efforts must be made to retain PSH clients using case management to resolve the issue.
 - 4. Agencies with stable participants who have met all goals and only need PSH due to financial reasons should be strongly encouraged to utilize other affordable housing options so that PSH slots become available as soon as reasonably possible.
- f. **Records and Reports**

1. The Subrecipient must keep any records and make any reports (including those pertaining to race, ethnicity, gender, and disability status data) that HUD may require within the time frame required. The Subrecipient must register on the Federal Funding Accountability and Transparency Act (FFATA) subaward reporting system within 30 days of this agreement signature date and provide documentation of completion to City.
 2. The Subrecipient agrees to provide information for the Annual Housing Assessment Report (AHAR), Housing Inventory Count (HIC), and Point in Time (PIT) Count.
 3. The Subrecipient shall complete the Annual Progress Report, which must be submitted in SAGE to the City within 60 days after the end of each operating year. Projects receiving grant funds only for acquisition, rehabilitation of new construction must submit APRs for 15 years from the date of initial service provision, unless HUD provides an exception.
 4. All leveraged funds must be documented.
 5. The Subrecipient must document on a case-by-case basis that clients meet the project specific HUD definition of homeless and that graduates of SHP transitional housing will not receive SHP-funded supportive services for more than six months after leaving the program (total term of housing plus services cannot be greater than 24 months).
 6. The Subrecipient shall maintain all records relating to this grant for no less than five (5) years after the expenditure of all funds from the grant under which participants were served. Where Continuum of Care funds are used for the acquisition, new construction or rehabilitation of a project site, records must be retained until fifteen (15) years after the date that the project site is first occupied, or used, by program participants.
- g. **Annual Assurances**
The Subrecipient must provide an annual assurance for each year assistance is received that the project will be operated for the purpose specified in the application. Please note: for all SHP, the Subrecipient may not be the owner of the site leased for transitional or permanent housing units.
- h. **Applicability of OMB (Office of Management and Budget) Circulars** The policies, guidelines, and requirements of the OMB Circular “Uniformed Administrative Requirements, Cost Principles, and A-122 (Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit

Institutions) apply except where inconsistent with the provisions of the McKinney Act, other Federal statutes, or this part,

i. **Audit**

The financial management systems used by the Subrecipient under this program must provide for audits in accordance with 24 CFR (Code of Federal Regulations) part 45. If a single audit is required, the audit must be submitted to the City within ninety days of the end of the Subrecipient's fiscal year. If a Single Audit is not required, an audited financial statement must be submitted.

j. **Monitoring**

- The City reserves the right to conduct periodic site visits to monitor the project's progress and ensure compliance.
 - For this award, a minimum of one desk review during the grant term.
 - A 30-day notice will be provided to the Subrecipient prior to the visit.
- The Subrecipient shall cooperate fully with the City's monitoring efforts, including providing access to project sites, records, and personnel.
- The Subrecipient shall implement corrective action plans as needed to address any deficiencies or non-compliance identified during site visits.
- Failure to comply with monitoring requests, or failure to correct deficiencies identified through monitoring, may result in withholding of funds, disallowance of costs, suspension or termination of this agreement, or any other remedies as allowed under 2 CFR §200.339.

k. **Site Location and Change**

The Subrecipient must utilize the site location(s) specified in their application.

In the event that the Subrecipient wishes to change the project site(s), retention of this grant is subject to the new site(s) meeting all requirements by the City and HUD and requires written approval by the City. Per HUD guidelines, all address changes must be communicated to the City who will determine the level of environmental review needed.

l. **Site inspections and Environmental Reviews**

1. Site inspections will be performed per HUD guidelines. All address changes must be communicated to the City who will determine the level of environmental review needed.
2. Occupancy cannot occur until the unit satisfies the appropriate standards. For those units failing to meet the HQS, the owner shall have 30 days from the date of the lease agreement to correct the deficiencies.

3. Leasing projects

Subrecipient's with leasing projects shall inspect each permanent housing unit to assure that each unit meets the applicable Housing Quality Standards (HQS) under 24 CFR Part 982. The Subrecipient shall inspect all units at least annually and before any change in occupant during the grant period to ensure that the units continue to meet the HQS. The Subrecipient will provide copies of all inspections to the City.

4. Tenant-based Rental Programs

Tenant-based rental programs will submit inspection requests to the City.

m. **Centralized or Coordinated Assessment**

The Subrecipient is required to participate in the Centralized or Coordinated Assessment process and policies as established by HUD and the local Continuum of Care. Failure to participate in this process or adhere to its policies may result in loss of project funding.

- n. **HMIS** Subrecipient is required to participate in the homeless management information system (HMIS). Such participation will include, but is not limited to, entry and update of client data for all persons served under this project. This also includes utilizing HMIS to generate and submit timely and accurate reports. Subrecipient must participate in HMIS user and/or HMIS governance committees. Subrecipient further agrees to noncompliance terms of HMIS participation including loss of HUD funding. Subrecipients providing legal services or services to victims of domestic violence must use an HMIS comparable system and provide de-identified data quarterly to the City.

o. **Chronic Homelessness Priorities**

The subrecipient must abide by the CoC

Policy on Chronic Homelessness which follows the HUD Notice CPD 14-012 regarding prioritization of persons experiencing homelessness in Continuum of Care funded Permanent Supportive Housing:

First Priority – Chronically homeless individuals and families with the longest history of homelessness and with the most severe needs.

Second Priority – Chronically homeless individuals and families with the longest history of homelessness.

Third Priority – Chronically homeless individuals and families with the most severe service needs.

Fourth Priority – All other chronically homeless individuals and families.

p. **Eligibility**

1. Participant Eligibility Under Rapid-Rehousing

As of FY 2018, all RRH projects funded in the FY 2018 CoC Program Competition may serve individuals and families who meet the following criteria:

- a) residing in a place not meant for human habitation;
- b) residing in an emergency shelter or coming directly from the streets;
- c) persons meeting the criteria of paragraph (4) of the definition of homeless, including persons fleeing or attempting to flee domestic violence situations;
- d) residing in a transitional housing project that was eliminated;
- e) residing in transitional housing funded by a Joint TH and PH-RRH component project; or
- f) receiving services from a VA-funded homeless assistance program and met one of the above criteria at initial intake to the VA's homeless assistance system.

2. Beds Dedicated for Chronically Homeless Individuals and Families

A project – new or renewal – that indicated it had beds dedicated to persons experiencing chronic homelessness is expected to fill those beds with individuals or families who meet the definition of chronically homeless at 24 CFR 578.3 (or as indicated in Notice CPD-16-11: Prioritizing Persons Experiencing Chronic Homelessness in Permanent Supportive Housing if there are not any chronically homeless individuals or families in the geographic area when a bed becomes vacant). Where the project applicant has indicated that 100 percent of the beds will be dedicated to individuals and families experiencing chronic homelessness, the entire project will be expected to serve this population.

3. New Project Type – Joint TH and PH-RRH Component

In the FY 2017 and 2018 CoC Program Competition, CoCs could create new PSH and RRH projects, in addition to a new project type – the Joint TH and PH-RRH component. This type of project combines the activities of a TH project with those of a RRH project in a single project to serve individuals and families experiencing homelessness. Program participants served by Joint TH-PH projects should be housed quickly and provided with financial assistance and wrap around supportive services determined by program participants to help them move to permanent housing as quickly as possible. Stays in the transitional housing should be brief. When a program participant is enrolled in a Joint TH and PH-RRH

component project, the recipient or subrecipient must be able to provide both components, including the units supported by the transitional housing component and the tenant-based rental assistance and services provided through the PH-RRH component, to all participants. A program participant may choose to receive only the transitional housing unit, or the assistance provided through the PH-RRH component, but the recipient or subrecipient must make both types of assistance available.

4. Involuntary Separation of Families

The subrecipient must abide by the CoC Policy on Involuntary Separation of Families which is as follows:

The CoC recognizes that a family unit is self-defined by the family at time of entrance into coordinated intake, emergency/transitional shelter or permanent housing. This family unit may not be discriminated against based upon any protected class status or marital status per HUD guidance.

Entities that engage in involuntary separation of families are not eligible to apply for HUD funding through the Continuum of Care.

Families who are involuntary separated in a facility funded through the Continuum of Care may call the Homeless Hotline at 844-710-6919 to file a complaint.

The Continuum of Care Collaborative Applicant will provide training to members on this policy annually.

V. COMPLIANCE WITH LAW

In all matters pertaining to the execution of this Agreement, the Subrecipient shall conform strictly to all federal, state and municipal laws, applicable rules and regulations, and any and all amendments thereto, and to the methods and procedures of all governmental boards, bureaus, offices, commissions and other agencies. The Subrecipient agrees to comply with all requirements promulgated by HUD and enforce compliance with the following laws and regulations as are applicable to the provisions of services under this Agreement, incorporated herein by reference, and to inform any entities with which it associates itself for purposes of effectuation of this Agreement, of the parameters of the following federal laws with which all parties must comply as well as all entities associated with this project:

- A. Subtitle C of Title IV of the Stewart B. McKinney Homeless Assistance Act 42 USC 11381 et seq., the HEARTH ACT, all applicable requirements under 24 CFR 578 interim rule, and the HUD Codified Supportive Housing Program rule at 24 CFR 583.

- B. Section 3 of the Housing and Urban Development Act of 1968: The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 as amended (12 USC 1701 u). Section 3 requires that to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of this project shall be given to lower income persons residing within the City of Rockford or Metropolitan Area and contracts 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 City of Rockford or the Metropolitan Area. Any agreements that include construction are required to file a Section 3 report with the City of Rockford annually.
- C. The Drug-Free Workplace Act of 1988 and HUD's implementing regulations at 24 CFR Part 24 subpart F.: Recipients are required to administer in good faith, a policy designed to ensure that homeless facilities are free from the illegal use, possession, or distribution of drugs or alcohol by participants. Recipients must also certify that they will provide a drug-free workplace.
- D. Title VI of the Civil Rights Act of 1964: This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 83-352) and HUD regulations with respect thereto, including the regulations under- 24 CFR Part 1. In the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, 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 upon the basis of race, color, religion, sex, or national origin, in the sale, lease or rental or in the use or occupancy of such land or any improvements entered or to be erected thereon, and providing that the Subrecipient and the United States are beneficiaries of and entitled to enforce such covenant. The Subrecipient, in undertaking its obligations in carrying out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.
- E. Equal Employment Opportunity: In carrying out this Agreement, the Subrecipient shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, mental disability or physical handicap. The Subrecipient shall take affirmative action to insure that applicants for employment are hired, managed and supervised without regard to their race, color, religion, age, sex, national origin, mental disability or physical handicap. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subrecipient shall post

in conspicuous places, available to employees and applicants for employment, notices to be provided by the federal government setting forth the provisions of this nondiscrimination clause. The Subrecipient shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, age, sex, national origin, mental disability or physical handicap. The Subrecipient shall incorporate the foregoing requirements of this paragraph in all of its contracts for program work, and will require its contractors, if any, for such work to incorporate such requirements in all subcontracts for program work.

- F. Hatch Act (Title USCS Chapter 15): Neither the Human Services Department Program, nor funds provided thereof, nor the personnel employed in the administration of the program shall be in any way or to any extent engaged in the conduct of political activities in violation of this Act.
- G. Section 504 of the Rehabilitation Act of 1973: The Subrecipient agrees to comply with the appropriate provisions of Section 504 of the Rehabilitation Act of 1973: HUD regulations (24 CDR Part 8) and 24 CFR part 8.11 through part 8.14), and shall not discriminate against otherwise qualified applicants for employment on the basis of handicap or as defined in said Act, nor shall the Subrecipient discriminate in employment upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection training, including apprenticeship based upon a handicapping condition.
- H. Procurement: The Subrecipient shall develop procedures for fair and competitive procurement of goods and services in compliance with federal standards.
- I. Equipment
The Subrecipient must maintain detailed and accurate inventory records of equipment purchased with HUD funds and follow control, disposition and other requirements as outlined in Part 84.34 of the Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations. Under specific circumstances under equipment disposition, HUD may reserve the right to transfer the title of equipment to the Federal government or to a third party named by the Federal government.
- J. Administrative Assistance: At the request of the Subrecipient, the appropriate departments of the City shall provide appropriate technical assistance to the Subrecipient in complying with these laws and regulations as part of the City monitoring process.
- K. Conflict of Interest: The City and the Subrecipient hereby covenant and agree:

1. No member of the City Council nor any other public official who exercises any functions or responsibilities with respect to this program during the individual's terms or for one year thereafter, shall have any personal or financial interest, direct or indirect, other than the employee's salary, in any matter to be performed in connection with the program assisted under this Agreement.
 2. The provisions of subparagraph 1 shall also apply to employees of the Subrecipient.
 3. The provisions of subparagraph 1 shall also apply to the unpaid members of the board of directors of the Subrecipient and the Community Action Agency.
- L. Lead Based Paint
The Subrecipient shall comply with the requirements of the Lead Based Paint Poisoning Prevention Act and the EPA Renovation, Repair and Painting Rule.
- M. HUD Approval A Subrecipient may not make any significant changes to their program without the approval of the City and HUD. Significant changes include, but are not limited to, a change in the project site, changes in the types of activities, any budget change, and a change in the category of participant to be served.
- N. Faith based activities Faith-based Subrecipients may not engage in explicitly religious activities (activities that involve overt religious content such as worship, religious instruction or proselytization) as part of the programs or services directly funded under a HUD program activity. Faith-based subrecipients also must provide written notice to beneficiaries and prospective beneficiaries describing certain religious liberty protections available to them.
- O. Domestic Violence Provisions Tenant Based Rental Assistance. The recent amendment to the continuum of Care Interim Rule allows persons to choose housing outside of the CoC's geographic area. • They can move and retain their assistance as long as the recipient continues to meet certain requirements. • Persons at risk of further domestic violence can use their housing assistance outside of the CoC's geographic area.

VI. PROGRAM AND AGENCY DOCUMENTS

The Subrecipient shall provide to the City copies of the following documents along with this executed agreement (only submit check marked documents; others are not applicable);

- X The forms and procedure utilized to document evidence of homelessness
- X The form utilized to provide an assessment of needs/services of participants
- X Procedure for providing case management services, including frequency
- X Procedure for documenting income/need including the forms used
- X Policy that states how the Subrecipient maintains the confidentiality of records and locations in accordance with 24 CFR 578.103
- X Policy that states the subrecipient will ensure the confidentiality of records pertaining to any individual or family that was provided family violence prevention or treatment services through the project (24 CFR 578.23 b.4.i.)
- X Policy that states the address or location of any family violence project assisted with grant funds will not be made public, except with written authorization of the person responsible for the operation of such project (if applicable) (24 CFR 578.23 b.4.ii.)
- X Policy addressing record retention (24 CFR Part 578.103)
- X Conflict of interest policy (24 CFR Part 578.95)
- X A list of the current board of directors. Also, provide documentation of participation of a homeless or formerly homeless on your board or equivalent decision making body. Provide minutes documenting their participation. (24 CFR 578.75g)
- X Policy addressing compliance with faith-based activities in accordance with 24 CFR 578.87(b.), including that Subrecipient does not discriminate against a program participant or prospective program participant on the basis of religion or religious beliefs when providing program assistance. Also, a policy that confirms that a faith-based Subrecipient will not engage in explicitly religious activities (activities that involve overt religious content such as worship, religious instruction or proselytization)

as part of the programs or services directly funded under a HUD program activity. Faith-based Subrecipients also must provide a copy of a written notice to beneficiaries and prospective beneficiaries describing certain liberty protections available to them.

- X Policy that states that to the maximum extent practical, individuals and families experiencing homelessness are involved, through employment, provision of volunteer services or otherwise in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project in accordance with 24 CFR 578.75g2
- X Non-discrimination/fair housing affirmation policy (24 CFR Part 578.93)
- X A list of properties in the program and dates of last Housing Quality Standards inspection for permanent housing units (24 CFR 578.75)
- X In the case of a project that provides housing or services to families, a policy that states that subrecipient will ensure any children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under Subtitle B of Title VII of the McKinney-Vento Act – including the name or position of the staff person that will ensure this compliance. (24 CFR 578.23 b.4.iv.)
- X Policy that states the Subrecipient will take the educational needs of children in account when families are placed in housing and will, to the maximum extent practical, place families with children as close to their school of origin so as not to disrupt such children’s education.
- X Confirmation that the subrecipient, its officers, and employees are not debarred or suspended from doing business with the Federal Government (24 CFR 578.23 b.4.v.)
- X Outreach plan to reach out to the chronically and most at risk of homelessness
- X Discharge/termination policy and appeals process (24 CFR 578.91)

- X Most recent agency audit
- X Proof of FFTA registration
- X 501c3 or other non-profit status
- X Proof of CCR/SAMS registration
- X DUNS #

VII. LIAISON

The Director of the Human Services Department shall designate one member of the City staff as liaison with the Subrecipient. The Subrecipient must utilize the liaison for any requests regarding the Continuum of Care Grant. The liaison will consult with HUD as deemed necessary.

VIII. DEFAULT

- A. If, through any cause, the Subrecipient shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Subrecipient shall violate any of the covenants, agreements or stipulations of this contract, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Subrecipient of such termination and specifying the effective date of such termination, at least sixty (60) days before the effective date of such termination. In the event that the Subrecipient corrects or cures said default to the satisfaction of the City prior to said date, this Agreement shall not be terminated for cause by the City.
- B. Notwithstanding the above, the Subrecipient shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement.
- C. Should review of Subrecipient performance show nonconformity with the Scope of Services, or any other terms or conditions herein, the Subrecipient shall be in breach of this Agreement, and the City may take appropriate actions as it deems necessary, including but not limited to temporary withholding or reduction of payment, suspension of program operations, or any remedy prescribed by the Rules and Regulations of the Office of Management and Budget of the United States Government and the United States Department of Housing and Urban Development.

IX. ADMINISTRATION

The terms and provisions of this Agreement shall be administered on behalf of the City of Rockford. Unless law otherwise requires, all necessary notices, submissions and approvals shall be given to or by the Mayor.

X. NOTICES

All notices, approvals, demands, requests or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by United States mail, postage prepaid, to the following addresses.

AS TO THE CITY:

Anunette Parham, Executive Director
City of Rockford Human Services
425 East State Street
Rockford, IL 61107

AS TO THE SUBRECIPIENT:

David Gomel, President & CEO
Rosecrance, Inc
2704 N. Main St
Rockford, IL 61103

XI. AMENDMENTS

This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives. The City or the Subrecipient may request changes in the Scope of Services to be performed hereunder. Such changes, including any increase or decrease in the amount of compensation for the Subrecipient which are mutually agreed upon by and between the City and the Subrecipient shall be incorporated in written amendments to this Agreement.

XII. SEVERABILITY

If any term or provision of this Agreement of the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.

XIII. HOLD HARMLESS

The Subrecipient shall hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter in this

Subrecipient Agreement.

XIV. TERMINATION

- A. Termination for Convenience: This Subrecipient Agreement may be terminated for convenience by the City upon written notification setting forth the reasons for such termination and specifying the effective date of such termination, at least thirty (30) days before the effective date of such termination.
- B. Termination for Lack of Funding or Federal Program Withdrawal: In the event that the federal government terminates, withdraws, or otherwise discontinues the program or funding that supports this Agreement, the City may terminate this Agreement immediately upon written notice to the Subrecipient. Payment shall be limited to allowable costs properly incurred prior to the effective date of termination, subject to the availability of funds.

XV. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and the Ordinances of the City of Rockford.

XVI. ADDENDUM

Please see the attached addendum for process and responsible party regarding this agreement.

IN WITNESS WHEREOF, the City and the Subrecipient have executed this Agreement on the date above first written.

CITY OF ROCKFORD, a municipal corporation.

BY: _____
Thomas McNamara, Mayor
City of Rockford

ROSECRANCE

BY: _____
Dave Gomel, President/CEO
Rosecrance