



**CITY OF NEWPORT BEACH  
CITY COUNCIL – SPECIAL MEETING AGENDA**

**CITY COUNCIL CHAMBERS  
100 CIVIC CENTER DRIVE, NEWPORT BEACH, CA 92660**

**MONDAY, JUNE 1, 2020 – 12:00 P.M.**

***City Council Members:***

**Will O'Neill, Mayor  
Brad Avery, Mayor Pro Tem  
Joy Brenner, Council Member  
Diane B. Dixon, Council Member  
Duffy Duffield, Council Member  
Jeff Herdman, Council Member  
Kevin Muldoon, Council Member**

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**SPECIAL NOTICE REGARDING COVID-19**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which allows Council Members to attend City Council meetings telephonically. Please be advised that to minimize the spread of COVID-19, some, or all, of the Newport Beach City Council Members may attend this meeting telephonically.

Also, please be advised that on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which allows for the public to participate in any meeting of the City Council telephonically or by other electronic means. Given the health risks associated with COVID-19, the City of Newport Beach has decided to not have City Council Chambers open to the public for this meeting. As a member of the public, if you would like to participate in this meeting, you can participate via the following options:

1. You can submit your questions and comments in writing for City Council consideration by sending them to the City Clerk at [cityclerk@newportbeachca.gov](mailto:cityclerk@newportbeachca.gov). To give the City Council adequate time to review your questions and comments, please submit your written comments by **Monday, June 1, 2020, at 8:00 a.m.**
2. In addition, members of the public can participate in this meeting telephonically. Specifically, the meeting will be viewable on NBTv and live streamed on the City's website. If you are watching the meeting on NBTv or via the live stream, during the meeting, phone numbers for the public to call and to comment on specific agenda items will be posted on the screen. When you call, you will be placed on hold until it is your turn to speak. Please note that only twenty (20) people can remain on hold at a time. If you call in to speak on an item and the line is busy, please call back after a few moments.

Please know that it is important for the City to allow public participation at this meeting. If you are unable to participate in the meeting via the process set forth above, please contact the City Clerk at (949-644-3005 or [cityclerk@newportbeachca.gov](mailto:cityclerk@newportbeachca.gov)) and she will attempt to accommodate you. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City's website.

The City of Newport Beach thanks you in advance for continuing to take precautions to prevent the spread of the COVID-19 virus.

**NOTICE TO THE PUBLIC**

The agenda was prepared by the City Clerk's Office located at 100 Civic Center Drive, Bay E, 2nd Floor. If you have any questions, please contact City Clerk staff at (949) 644-3005. Agendas, minutes and staff reports are also available on the City's website: <http://www.newportbeachca.gov/agendas>.

The Newport Beach City Council is subject to the Ralph M. Brown Act. Among other things, the Brown Act requires that the City Council special meeting agenda be posted at least twenty-four (24) hours in advance of the meeting.

The City Council of Newport Beach welcomes and encourages community participation. Public comments are generally limited to three (3) minutes per person to allow everyone to speak. Written comments are encouraged as well.

The City of Newport Beach's goal is to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, we will attempt to accommodate you in every reasonable manner. Please contact Leilani Brown, City Clerk, prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible (949-644-3005 or [cityclerk@newportbeachca.gov](mailto:cityclerk@newportbeachca.gov)).

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I. **CALL THE MEETING TO ORDER**

II. **ROLL CALL**

III. **INVOCATION**

IV. **PLEDGE OF ALLEGIANCE**

V. **PUBLIC COMMENTS ON NON-AGENDA ITEMS [949-270-8165]**

Public comments are invited on non-agenda items. Speakers must limit comments to three (3) minutes per person to allow everyone to speak. Written comments are encouraged as well. The City Council has the discretion to extend or shorten the time limit on agenda and non-agenda items.

VI. **CURRENT BUSINESS**

1. **Coronavirus Relief Funds Grant Agreement and Small Business Relief Grant Program [949-270-8175]**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Authorize the City of Newport Beach to participate in the Coronavirus Aid Relief and Economic Security (CARES) Act Grant Program as a subrecipient of the County of Orange; and
- c) Authorize the City Manager to take any and all action necessary to develop and administer a Small Business Relief Grant Program, funded with the \$2,123,426.69 in Coronavirus Relief Funds, in accordance with the Grant Agreement between the City of Newport Beach and County of Orange.

VII. **ADJOURNMENT**



# NEWPORT BEACH

## City Council Staff Report

June 1, 2020  
Agenda Item No. 1

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Grace K. Leung, City Manager - 949-644-3001,  
gleung@newportbeachca.gov

**PREPARED BY:** Tara Finnigan, Deputy City Manager,  
tfinnigan@newportbeachca.gov

**PHONE:** 949-644-3035

**TITLE:** Coronavirus Relief Funds Grant Agreement and Small Business Relief Grant Program

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### **ABSTRACT:**

The County of Orange is allocating \$2,123,426.69 in Coronavirus Relief Funds for the City of Newport Beach to use for the economic support of small businesses. Staff recommends that the City Council authorize the City's participation in the program and authorize the City Manager to develop and implement a Small Business Relief Grant Program to provide grant monies to eligible Newport Beach businesses.

### **RECOMMENDATION:**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Authorize the City of Newport Beach to participate in the Coronavirus Aid Relief and Economic Security (CARES) Act Grant Program as a subrecipient of the County of Orange; and
- c) Authorize the City Manager to take any and all action necessary to develop and administer a Small Business Relief Grant Program, funded with the \$2,123,426.69 in Coronavirus Relief Funds, in accordance with the Grant Agreement between the City of Newport Beach and County of Orange.

### **FUNDING REQUIREMENTS:**

There is no direct fiscal impact related to this item. The entirety of the grant program, including the cost of retaining a contract administrator, would be funded with the \$2,123,426.69 in Coronavirus Relief Funds received through the County of Orange.

## **DISCUSSION:**

### **Funding**

The County of Orange (County) received more than \$500 million under the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

On May 26, the Orange County Board of Supervisors (Board) agreed to allocate \$75 million of the CARES Act funds received by the County to cities for economic support initiatives. Each of the five County Supervisors received \$15 million to distribute to cities within their respective supervisorial districts. Supervisor and Board Chair Michelle Steel, the Second District representative, has chosen to allocate the funds directly to the cities in her district. The City of Newport Beach (City) will receive \$2,123,426.69 of these Coronavirus Relief Funds for small business support.

Under the subrecipient grant agreement between the County and the City (Attachment), the funds must be used to pay for expenses associated with “the provision of economic support to small businesses located in the Second District in connection with the COVID-19 public health emergency, including expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures and unemployment insurance costs related to the COVID-19 public health emergency if such costs will not otherwise be reimbursed by the federal government.”

### **Proposed Grant Program**

The Council Ad Hoc to Address Commercial Re-opening and Business Advancement (Ad Hoc Committee), comprised of Mayor Will O’Neill and Council Members Diane Dixon and Kevin Muldoon, has been identifying ways to help Newport Beach’s small businesses reopen and recover safely and quickly, as the businesses receive the greenlight from the State of California to reopen. The Ad Hoc Committee has been working with local business leaders and City staff to identify business support programs, such as the City’s recently adopted Fast Track Back to Business program. Potential loan programs using CDBG and other CARES Act funding, have also been discussed. These loans can be onerous and costly for the City to manage, as well as burdensome for small businesses, already facing financial challenges, to obtain. However, if the COVID-19 pandemic continues to financially impact local businesses, the City may eventually choose to offer a loan program.

Use of the County CARES Act funding requires the City to establish a grant program specifically for small businesses impacted by the COVID-19 pandemic. The Ad Hoc Committee and staff are very supportive of this option as it will enable the City to provide working capital promptly to those businesses in most need of immediate financial assistance.

## **Program Administration**

Staff has had constructive conversations with the district director for the Orange County Small Business Development Council (OC SBDC), a nonprofit that is administering a number of the small business support loan and grant programs currently being offered by other local cities. For nearly 30 years, OC SBDC has provided small businesses with no-cost consulting services, training opportunities, and access to an extensive network of resources, including loan packaging assistance. Since it has developed CARES Act related loan and grant programs for other cities, OC SBDC already has the framework, tools and staffing in place to immediately assist the City with its grant program. Staff believes SBDC is well qualified to help the City rapidly implement a fair and equitable grant program and to help ensure all required records are maintained and reports are submitted. Therefore, staff will retain OC SBDC to administer this program, pending finalizing the program and administrative costs. As a nonprofit, and with tools already developed, we anticipate the cost to administer the program will be modest.

## **Proposed Program Parameters**

Based on its research, and through discussions with the Ad Hoc Committee, Newport Beach Chamber of Commerce president Steve Rosansky, other cities and OC SBDC, staff is proposing the program framework outlined below. Staff is seeking the Council's input on these program parameters and welcomes any additional guidance the Council suggests.

### Eligibility in accordance with federal requirements

To be eligible to apply for the Small Business Relief Grant Program, a business would need to meet certain criteria under the CARES Act and the business must demonstrate the need for financial support due to the temporary loss of revenue resulting from the impact of the COVID-19 pandemic and the Stay at Home order. An applicant would need to prove that their business has been affected by COVID-19 in one of the following ways:

- The business was deemed non-essential and was forced to shut down by the state or local government;
- Sales from the business are down more than 25 percent compared to the previous three months (Prior to February 15, 2020);
- The business has had to lay off at least one of its employees (full- or part-time employee); or
- One or more of the employees in the business have contracted COVID-19, while at work.

### Newport Beach Terms and Conditions

In addition, staff proposes that a business should be required to meet the following minimum requirements in order to be considered for grant funding:

- It must be a for-profit business and located within Newport Beach city limits;
- The business must be legal and located in a commercial or industrial space;
- The officers of the business must reside in Orange County, California;
- The business must have an active Newport Beach business license for a minimum of six (6) months;
- The business must have 20 or less full-time, or an equivalent combination of full and part time employees, including the owner;
- The business must be in good standing with the City, meaning it must be current on its business license fees or business improvement district assessment (or in good standing on its payment plan for either of these fees) and it must not have any existing municipal code violations.
- The business must disclose whether they have received capital from the Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL). If a business received PPP or EIDL funds, it is still eligible to receive City grant funds. However, priority will be given to applicants that have not received funding through these programs.
- The business must follow the State's re-opening guidance for their industry.
- The business must submit the application and all required supporting documentation.

### Grant Amounts

Applicants would be eligible to receive a grant of up to \$10,000 according to the following:

- Businesses with less than 5 employees are eligible for a grant of \$5,000.
- Businesses with 6-10 employees are eligible for a grant of \$7,500.
- Businesses with 11-20 employees are eligible for a grant of \$10,000.

### Funding Priority

The program would be open to any small business that meets the eligibility criteria, terms and conditions, and staff anticipates that the number of qualifying applicants will exceed the number of grants available. In an effort to provide assistance to businesses in the City's commercial and industrial areas that have been severely impacted by COVID-19, staff recommends that retail, restaurant and personal service establishments (specifically, hair salons and barber shops, nail salons, small gyms / health clubs), that provide services onsite, be given precedence. Qualified applications from these types of businesses would be given priority during the grant allocation process.

## **Next Steps**

Staff recommends the City Council authorize the City Manager to develop the grant program, based on input received from the City Council and in consultation with OC SBDC, and advertise the program as soon as it is feasible to do so. Staff understands the importance of getting the grant monies distributed to help local businesses as soon as possible as they work to reopen their businesses. In addition, the CARES Act states that funds must be used for costs incurred between March 1, 2020 and December 30, 2020.

The grant application and award process is anticipated as follows:

1. Program is advertised and OC SBDC offers webinars offering guidance to help small business owners better understand the program and complete their applications.
2. The application period is opened for a set amount of days. Applications can be submitted electronically or in hard copy. Applicants must self-certify that the funds will only be used for expenses permitted under the program.
3. OC SBDC vets the applications. If the number of qualifying applications received exceeds the amount of grant monies available, OC SBDC will use a lottery system for ranking the applications. Funding priority would still be given to retail, restaurants and personal services establishments (hair salons and barber shops, nail salons, small gyms/ health clubs).
4. OCBC consultants work with the applicants, in the order they are ranked, to collect required documentation.
5. Once the initial documentation is received, the City releases 50 percent of the payment to the grant recipient.
6. The grant recipient is given a set amount of time to produce documentation that the grant monies are being used to fund eligible expenses. Once the documentation is received, the City releases the remaining 50 percent of the grant to the recipient.

## **ENVIRONMENTAL REVIEW:**

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

**NOTICING:**

The agenda item has been noticed according to the Brown Act (24 hours in advance of the special meeting at which the City Council considers the item).

**ATTACHMENT:**

Attachment A – Subrecipient Agreement

## ATTACHMENT A

### **SUBRECIPIENT AGREEMENT BETWEEN THE COUNTY OF ORANGE AND THE CITY OF NEWPORT BEACH FOR CORONAVIRUS RELIEF FUNDS FOR ECONOMIC SUPPORT PROVIDED BY THE CITY**

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

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

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

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

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

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by the President of the United States on March 27th, 2020; and

WHEREAS, the CARES Act established the Coronavirus Relief Fund and the County received an allocation of funds from the Coronavirus Relief Fund under section 601(a) of the Social Security Act, as added by section 5001 of the CARES Act; and

WHEREAS, the CARES Act provides that payments from the Coronavirus Relief Fund may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to the COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the

date of enactment of the CARES Act) for the State or local government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, the Department of Treasury has issued guidance that the County may transfer funds to a unit of government within its borders provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act; and

WHEREAS, the Department of Treasury has issued guidance that eligible expenses include costs associated with the provision of economic support in connection with the COVID-19 public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures; and

WHEREAS, the Orange County Board of Supervisors has authorized the distribution of \$15 million in funds it received from the Coronavirus Relief Fund to Orange County cities located in the Second District of the Orange County Board of Supervisors (the "Second District") based on the 2010 population figures provided by the United States Census Bureau for the economic support of small businesses located in Subrecipient in the Second District; and

WHEREAS, in order to provide funds for the Subrecipient to pay necessary expenditures it has or will incur providing economic support to small businesses in the Second District due to the COVID-19 public health emergency, the Parties have agreed that the County shall transfer the grant amount described herein to Subrecipient.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM OF AGREEMENT.** The term of this Agreement begins on the date when fully executed by the Parties, and terminates on June 30, 2021, or when all of the Parties' obligations under this Agreement are fully satisfied, whichever occurs earlier.

2. **USE OF GRANT AMOUNT.**

a. Subrecipient shall use the grant amount provided under this Agreement to pay for Eligible Expenses that: (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2)

were not accounted for in the budget most recently approved by Subrecipient as of March 27, 2020; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

b. The term “Eligible Expenses,” as used in this Agreement, shall mean expenses incurred and paid for by Subrecipient for the provision of economic support to Small Businesses located in the Second District in connection with the COVID-19 public health emergency, including expenditures related to the provision of grants to Small Businesses to reimburse the costs of business interruption caused by required closures and unemployment insurance costs related to the COVID-19 public health emergency if such costs will not otherwise be reimbursed by the federal government.

c. The term “Small Business,” as used in this Agreement, shall mean an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located within the jurisdictional boundaries of Subrecipient, the officers of which are domiciled in Orange County, California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of fifteen million dollars (\$15,000,000) or less over the previous three years, or is a manufacturer with 100 or fewer employees.

d. The following is a nonexclusive list of expenditures that shall not constitute Eligible Expenses payable from the grant amount:

- (1) Damages covered by insurance.
- (2) Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- (3) Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
- (4) Reimbursement to donors for donated items or services.
- (5) Workforce bonuses other than hazard pay or overtime.
- (6) Severance pay.

(7) Legal settlements.

e. Subrecipient must utilize the grant amount in accordance with all Federal and State laws, including but not limited to 42 U.S.C. § 801, subsection (d), and all applicable regulations and guidelines, including guidance issued by the Department of Treasury regarding costs that are payable from Coronavirus Relief Funds, which includes but is not limited to Guidance for State, Territorial, Local, and Tribal Governments dated April 22, 2020 (Exhibit A) and Coronavirus Relief Fund Frequently Asked Questions Updated as of May 4, 2020 (Exhibit B).

3. PAYMENT OF GRANT AMOUNT

a. The County shall pay Subrecipient a grant amount of \$2,123,426.69 within 10 business days of the full execution of this Agreement. All of Subrecipient's expenditures of the grant amount must be for costs as described in Paragraph 2 of this Agreement. The grant amount represents the amount allocated to Subrecipient based on population pursuant to the authority delegated by the Board of Supervisors to the County Executive Officer on May 26, 2020.

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

c. If Subrecipient has not spent any portion of the grant amount it has received under this Agreement to cover Eligible Expenses by December 30, 2020, Subrecipient shall return to the County by February 1, 2021 the amount remaining unspent as of December 30, 2020.

4. STATUTES AND REGULATIONS APPLICABLE TO GRANT.

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

a. Office of Management and Budget (OMB) Circulars.  
Subrecipient must comply with OMB Circulars, as applicable: OMB Circular

A-21 (Cost Principles for Educational Institutions); OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments); OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments); Common Rule, Subpart C for public agencies or OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations); OMB Circular A-122 (Cost Principles for Non-Profit Organizations); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).

b. Single Audit Act. Since Federal funds are used in the performance of this Agreement, Subrecipient must, as applicable, adhere to the rules and regulations of the Single Audit Act (31 USC Sec. 7501 et seq.), OMB Circular A-133 and any administrative regulation or field memoranda implementing the Act.

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

5. **COMPLIANCE WITH GRANT REQUIREMENTS.** To obtain the grant funds, the Department of the Treasury required an authorized representative of the County to agree to certain promises regarding the way the grant funds would be spent. This certification is attached hereto as Exhibit C. By signing this certification, the County made material representations to the Department of Treasury in order to receive payments from the Department of Treasury pursuant to section 601(b) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020). In accordance with Paragraph 11, Subrecipient agrees to indemnify, defend, and hold harmless the County of Orange for any sums the State or Federal government contends or determines Subrecipient used in violation of the certification. Subrecipient shall immediately return to the County any funds the County or any responsible State or Federal agency, including the Department of Treasury, determines the Subrecipient has used in a manner that is inconsistent with Paragraph 2 of this Agreement. The provisions of this paragraph shall survive termination of this Agreement.

6. REPORTS.

a. Progress Report. On October 1, 2020, Subrecipient shall provide a report to the County that shall: (1) identify the Eligible Expenses paid from the grant amount; (2) identify the name and location of each Small Business receiving economic support funded by the grant amount and the amounts paid to each Small Business; (3) demonstrate how Subrecipient used the grant amount consistent with the use requirements of Paragraph 2; and (4) identify the balance of the grant amount that Subrecipient has not spent.

b. Final Report. Upon the earlier of Subrecipient's expenditure of the balance of the grant amount or January 15, 2021, Subrecipient shall provide a report to the County that shall: (1) identify the Eligible Expenses paid from the grant amount; (2) identify the name and location of each Small Business receiving economic support funded by the grant amount and the amounts paid to each Small Business; (3) demonstrate how Subrecipient used the grant amount consistent with the use requirements of Paragraph 2; and (4) identify the balance of the grant amount that Subrecipient has not spent, if any.

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

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

7. RECORDS MAINTENANCE. Records, in their original form, must be maintained in accordance with requirements prescribed by the County with respect to all matters specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records must be retained for a period four (4) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. Records, in their original form pertaining to matters covered by this Agreement, must at all times be retained within the County of Orange unless authorization to remove them is granted in writing by the County.

8. **RECORDS INSPECTION.** At any time during normal business hours and as often as either the County, Inspector General acting pursuant to the Inspector General Act of 1978, or the Auditor General of the State of California may deem necessary, Subrecipient must make available for examination all of its records with respect to all matters covered by this Agreement. The County, Inspector General, and the Auditor General of the State of California each have the authority to audit, examine and make excerpts or transcripts from records, including all Subrecipient's invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. Subrecipient agrees to provide any reports requested by the County regarding performance of this Agreement. With respect to inspection of Subrecipient's records, the County may require that Subrecipient provide supporting documentation to substantiate Subrecipient's expenses with respect to the Subrecipient's use or expenditure of the grant amount.

9. **INDEPENDENT CONTRACTOR.** The Subrecipient shall be considered an independent contractor and neither the Subrecipient, its employees, nor anyone working under the Subrecipient shall be considered an agent or an employee of County. Neither the Subrecipient, its employees nor anyone working under the Subrecipient shall qualify for workers' compensation or other fringe benefits of any kind through County.

10. **PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS.** Subrecipient shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Agreement. Subrecipient shall be responsible for observing and complying with any applicable Federal, State, or local laws, or rules or regulations affecting any such work. Subrecipient shall provide copies of permits and approvals to the County upon request.

11. **INDEMNITY.** The Subrecipient agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees and agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the Subrecipient's receipt of the grant amount under this Agreement, including any claims that the grant amount paid by the County under this Agreement were not used consistent with the restrictions on the use of Coronavirus Relief Funds (42 U.S.C. § 801) and the regulations and guidance issued by the Department of Treasury regarding the use of such funds. The provisions of this paragraph shall survive the termination of this Agreement.

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

Subrecipient:

Grace K. Leung, City Manager  
City of Newport Beach  
100 Civic Center Drive  
Newport Beach, CA 92660

County:

Arie Dana, Chief of Staff  
Office of Supervisor Michelle Steel  
Orange County Board of Supervisors  
10 Civic Center Plaza  
Santa Ana, CA 92701

13. **DEFAULTS.** Should either Party fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the non-breaching Party reserves the right to terminate the Agreement, reserving all rights under State and Federal law.

14. **ATTORNEY FEES.** In any action or proceeding to enforce or interpret any provision of this Agreement, each Party shall bear its own attorney's fees, costs, and expenses.

15. **ENTIRE CONTRACT:** This Agreement contains the entire contract between the Parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on the parties unless authorized by the Parties in writing.

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

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

CITY OF NEWPORT BEACH  
A California municipal corporation

COUNTY OF ORANGE  
A political subdivision of the State of California

By: [Signature]  
Grace K. Leung, City Manager

By: \_\_\_\_\_  
Michelle Steel, Chairwoman

Date: 5/29/20

Date: \_\_\_\_\_

ATTEST:

ATTEST:

By: [Signature]  
Leilani I. Brown  
City Clerk

By: \_\_\_\_\_  
Robin Stieler  
Clerk of the Board of Supervisor  
County of Orange, California

Date: 5.29.2020

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: [Signature]  
Aaron C. Harp  
City Attorney

By: \_\_\_\_\_  
Deputy County Counsel

Date: 5/29/20

Date: \_\_\_\_\_

