

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

ADOPT RESOLUTION AUTHORIZING APPLICATION) SUBMITTAL TO CALIFORNIA STATE DEPARTMENT) OF HOUSING AND COMMUNITY DEVELOPMENT) FOR FUNDING UNDER THE COMMUNITY) DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)) THE EXECUTION OF A STANDARD AGREEMENT) IF SELECTED FOR SUCH FUNDING AND ANY) AMENDMENTS THERETO AND RELATED) DOCUMENTS NECESSARY TO PARTICIPATE) IN THE STATE 2020 CDBG CORONAVIRUS) RESPONSE (CDBG-CV) AND/OR THE 2020-2021) FUNDING YEAR OF THE STATE CDBG PROGRAM)	RESOLUTION NO. <u>2021-075</u>
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WHEREAS, the California Department of Housing and Community Development (“Department” or “HCD”) has issued a Notice of Funding Availability (“NOFA”) for the Community Development Block Grant Program (“CDBG”), made available from the U.S. Department of Housing and Urban Development (“HUD”), pursuant to the 2020 CDBG Program-Coronavirus Response (CDBG-CV) and/or the 2021 funding year of the State CDBG Program.

WHEREAS, Resolution authorizing submittal of application, as required by the California State Department of Housing and Community Development for funding under the Community Development Block Grant Program (CDBG), pursuant to the 2020 Community Development Block Grant Program-Coronavirus Response (CDBG-CV) and/or the 2020-2021 funding year of the State CDBG Program; and

WHEREAS, the County of Yuba, a political subdivision of the State of California, wishes to submit to the State of California of one or more application(s) in the aggregate amount not to exceed, \$8,000,000.00, as described in APPENDIX D attached hereto and made a part of herein, for the following CDBG activities pursuant to the 2020 Community Development Block Grant Program-Coronavirus Response (CDBG-CV) and/or the 2021 funding year of the State CDBG Program; and

Housing – The County of Yuba Affordable Housing Project, up to \$8,000,000.00

WHEREAS, the County will use Program Income in an amount not to exceed \$ zero dollars for the CDBG activities described in Section 3; and

WHEREAS, the County acknowledges compliance with all state and federal public participation requirement in the development of its application(s); and

WHEREAS, the County hereby authorizes and directs the Director of Community Development and Services Agency, or designee, to execute and deliver all applications and act on the County's behalf in all matters pertaining to all such applications; and

WHEREAS, that if an application is approved, the Director of Community Development and Services Agency, or designee, is authorized to enter into, execute and deliver the grant agreement (i.e., Standard Agreement) and any and all subsequent amendments thereto with the State of California for the purposes of the grant; and

WHEREAS, that if an application is approved, the Director of Community Development and Services Agency, or designee, is authorized to sign and submit Funds Request and all required reporting forms and other documentation without limitation, including any covenant or regulatory agreement as may be required by the State of California from time to time in connection with the Agreement for purposes of the Grant; and

NOW, THEREFORE, BE IT RESOLVED, the Yuba County Board of Supervisors hereby declare:

Section 1. That the above recitals are all true and correct.

Section 2. That the County Board of Supervisors hereby adopts a resolution authorizing the submission of an application, to the California State Department of Housing and Community Development for funding under the Community Development Block Grant Program (CDBG), pursuant to the 2020 Community Development Block Grant Program-Coronavirus Response (CDBG-CV) and/or the 2020-2021 funding year of the State CDBG Program; and; and

Section 3. That the County Board of Supervisors has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount, not to exceed, \$8,000,000.00 for the following CDBG activities, pursuant to the 2020 Community Development Block Grant Program-Coronavirus Response (CDBG-CV) and/or the 2020-2021 funding year of the State CDBG Program; and

Housing – Affordable Housing Project-The County of Yuba, up to \$8,000,000.00

Section 4. That the County Board of Supervisors hereby approves the use of Program Income in an amount not to exceed \$ Zero Dollars for the CDBG activities described in Section 3; and

Section 5. That the County Board of Supervisors acknowledges compliance with all state and federal public participation requirements in the development of its application(s); and

Section 6. The County Board of Supervisors hereby authorizes and directs the Director of Community Development and Services Agency, or designee, to execute and deliver all applications and act on the County's behalf in all matters pertaining to all such applications; and

Section 7. That if an application is approved, the Director of Community Development and Services Agency, or designee, is authorized to enter into, execute and deliver the grant agreement (i.e., Standard Agreement) and any and all subsequent amendments thereto with the State of California for the purposes of the grant; and

Section 8. That if an application is approved, the Director of Community Development and Services Agency, or designee, is authorized to sign and submit Funds Request and all required reporting forms and other documentation without limitation, including any covenant or regulatory agreement as may be required by the State of California from time to time in connection with the Agreement for purposes of the Grant; and

Section 9. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a regular meeting of the County Board of Supervisors of the County of Yuba, State of California held on the 8th day of June, 2021 by the following vote:


AYES: Supervisors Vasquez, Blaser, Fuhrer, Bradford, Fletcher

NOES: None

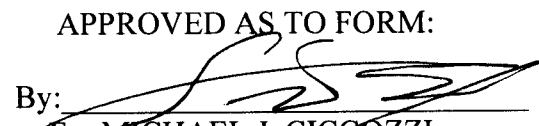
ABSENT: None

ABSTAIN: None

ATTEST:


Chairman


RACHEL FERRIS
CLERK OF THE BOARD OF SUPERVISORS

APPROVED AS TO FORM:
By: 
For MICHAEL J. CICEOZZI
YUBA COUNTY COUNCIL

Appendix D: Resolution of the Governing Body

RESOLUTION NO. 2021-075

**A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS
THERE TO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK
GRANT PROGRAM – CORONAVIRUS RESPONSE (CDBG-CV) AND/OR
THE 2020-2021 FUNDING YEAR OF THE STATE CDBG PROGRAM**

BE IT RESOLVED by the County Board of Supervisors of the
County of Yuba as follows:

SECTION 1:

The County of Yuba has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount of, not to exceed, \$8,000,000.00 for (i) the following CDBG-CV activities, pursuant to the CDBG Method of Distribution as described in the State of California 2019-2020 Annual Action Plan August 2020 Second Substantial Amendment, and/or (ii) the following CDBG activities, pursuant to the CDBG Method of Distribution as described in the State of California 2020-2021 Annual Action Plan January 2021 Substantial Amendment:

List activities and amounts

Housing - Affordable Housing Project - The County of Yuba, up to
\$ 8,000,000.00

SECTION 2:

The County hereby approves the use of Program Income in an amount not to exceed \$ zero dollars for the CDBG-CV activities and/or CDBG activities described in Section 1.

SECTION 3:

The County acknowledges compliance with all state and federal public participation requirements in the development of its application(s).

SECTION 4:

The County hereby authorizes and directs the Director of Community Development and Services Agency, or designee*, to execute and deliver all applications and act on the County's behalf in all matters pertaining to all such applications.

SECTION 5:

If an application is approved, the Director of Community Development and Services Agency, or designee*, is authorized to enter into, execute and deliver the grant agreement (*i.e.*, Standard Agreement) and any and all subsequent amendments thereto with the State of California for the purposes of the grant.

SECTION 6:

If an application is approved, the Director of Community Development and Services Agency, or designee*, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation, without limitation, including any covenant or regulatory agreement as may be required by the State of California from time to time in connection with the grant.

PASSED AND ADOPTED at a regular meeting of the County Board of Supervisors of the County of Yuba held on June 8, 2021 by the following vote:

AYES: Supervisors Vasquez, Blaser
Fuhrer, Bradford, Fletcher

ABSENT: None

NOES: None

ABSTAIN: None



Enter Name and Title.

County Board of Supervisors

STATE OF CALIFORNIA

County of Yuba

I, Rachel Ferris, County Clerk of the County of Yuba, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council/Board of Supervisors on this 8th day of June, 2021.

Rachel Ferris, Clerk of the
County of Yuba, State of California

By:





APPENDIX K

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Appendix K: Draft Sample Standard Agreement

The following draft sample Standard Agreement is included for your review and to understand the requirements and conditions of operating a CDBG funded activity. The final standard agreement will include:

Exhibit A – Authority, Purpose and Scope of Work

Exhibit B – Budget Detail and Payment Provisions

Exhibit C – Default State Contract Terms (included as a link on the STD 213 – not included in this draft sample)

Exhibit D – CDBG Terms and Conditions

Exhibit E – CDBG Program Application (not included in this draft sample – Exhibit E will be derived from the application completed through the eCivis application process)

EXHIBIT A**AUTHORITY, PURPOSE AND SCOPE OF WORK****1. Authority & Purpose**

This Standard Agreement (hereinafter "Agreement") will provide official notification of the conditional reservation of funds under the State of California's administration of the Federal Community Development Block Grant Program for non-entitlement jurisdictions (hereinafter, "CDBG" or the "Program") by the Department of Housing and Community Development (hereinafter the "Department") pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, California Health and Safety Code Section 50825, et seq., and the California State CDBG Program Guidelines in effect as of October 15, 2019 and as amended from time to time. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG - Community Development Block Grant Program. In accepting this conditional reservation of funds by executing this Agreement, the Grantee agrees to comply with the terms and conditions of this Agreement, the Notice of Funding Availability (NOFA) under which the CDBG Grantee applied, as identified in this document header, the representations contained in the CDBG Grantee's application (the "Application") for this funding allocation, which is incorporated herein, as set forth, by reference, and the requirements of the authorities cited above. Any changes made to the submitted and awarded Application after this Agreement is executed must receive prior written approval from the Department. For purposes of this Agreement, use of the term "Grantee" shall be a reference to "Contractor".

2. Scope of Work

- A. The Grantee shall perform the funded activities described in the Scope of Work (Work), including applicable National Objectives as represented in Exhibit E Sections I through IV, and the Application which is on file with the Department of Housing and Community Development, Division of Financial Assistance, 2020 West El Camino Avenue, Sacramento, California, 95833 and which is incorporated herein by reference. All written materials or alterations submitted as addenda to the original Application and which are approved in writing by the Department are hereby incorporated as part of the Application. The Department reserves the right to require the Grantee to modify any or all parts of the Application in order to comply with CDBG requirements. The Department reserves the right to monitor all Work to be performed by the Grantee, its contractors, and subgrantees in relation to this Agreement. Any proposed revision to the Scope of Work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.

EXHIBIT A

- B. For the purposes of performing the Scope of Work, the Department agrees to provide the amount(s) identified in Exhibit B Budget as detailed in Exhibit E Section VI Budget Worksheet. Unless amended, the Department shall not be liable for any costs in excess of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs.
- C. Except for General Program Administration, grant activity(ies) shall meet one of the three CDBG National Objectives: 1) Benefit to Low/Moderate Income Persons or Households 2) Urgent Need, or 3) Elimination of Slums or Blight as defined in 24 CFR 570.483.

3. Effective Date and Commencement of Work

- A. This agreement is effective upon approval by the Department. This approval date is indicated by the date on page one of the Agreement STD 213.
- B. The CDBG Grantee agrees that no Work toward the implementation of the project activity or program activity, as identified in Exhibit E Section I through IV shall commence without prior written authorization from the Department prior to the execution of this Agreement by the Department.

4. Term of Agreement Performance Milestones

- A, Term of Agreement: With the exception of the Grant Closing Requirements set forth in Exhibit B, Section 6, the Grantee shall complete the grant activity and/or activities on or before the expenditure deadline identified on the STD 213 of this Standard Agreement. The Department may administratively, at the request of the Grantee, add up to 60 days to the expenditure deadline identified on the STD 213 without triggering a contract amendment. Extensions requiring more than 60 days will require a contract amendment.

1. Reporting Deadlines:

- a. All activities except activities in support of new housing construction and activities in support of economic development must report final beneficiaries within 30 days of the expenditure deadline identified on the STD 213. Extensions for final reporting must be approved in writing by the Department.
- b. For activities in support of new housing construction and economic development where housing units or jobs are dependent on off-site infrastructure development, the activity shall have an extended reporting term of two-years (24 months) from the expenditure deadline to complete reporting

EXHIBIT A

of units constructed and occupied or jobs created or retained. Activities that do not meet the reporting deadline will be deemed ineligible and the Grantee will be required to repay all grant funds expended on the activity.

B. Milestones: Grantee shall adhere to project milestones as established in Exhibit E Section V.

1. Failure to Meet Milestones:

- a. Failure to meet the first milestone identified in Exhibit E Section V will result in a for-cause termination of this agreement. All funds reimbursed for this activity prior to the termination shall be returned to the Department no less than 30 days from the written notification of termination.
 - b. Failure to meet any given subsequent milestones identified in Exhibit E Section V will result in loss of program eligibility and will restrict the Grantee from applying for additional CDBG Funding until the activity is corrected and put back on schedule, or the activity is completed, or the activity is canceled.
2. Any milestone or deadline except the first milestone, the final activity report milestone, and the expenditure deadline may be revised administratively with the approval of the Department without incurring penalty, provided the revision request is received in advance of the original milestone due date.

5. Scope of Work Revisions and Amendments

- A. Contract Revisions: Adjustments to the Scope of Work that do not require an increase or reduction of activity scope, a change in National Objective, or a change in the type of beneficiaries assisted may be completed as a Contract Revision. Contract Revisions must be approved by the Department prior to implementation. Approval shall be provided either through the online grant management system, or in writing, as appropriate. Contract Revisions shall include but not be limited to:**
1. Adjustments that itemize the scope of work, revise milestone deadlines, change the scope of work in a manner that does not change the overall budget, National Objective, and type and count of estimated beneficiaries.
 2. Adjustments that increase the estimated number of beneficiaries without increasing or decreasing the scope of work and without changing the overall budget.
- B. Contract Amendments: Adjustments to the Scope of Work that require an increase or a reduced scope of work, that change the National Objective, or that change the**

EXHIBIT A

type of beneficiaries assisted shall require a Contract Amendment. Contract Amendments must be fully executed by both the Grantee and the Department prior to implementation. Adjustments may not be implemented prior to execution unless the Department has provided written notice authorizing the Grantee to proceed. Contract Amendments shall include but not be limited to:

1. Adjustment that either add scope beyond what was included in the original application, or that reduce scope such that the activity is materially different from the original application.
 2. Adjustments that change the scope in a manner that requires a change to awarded activity budget, including adding funds from other State CDBG funded activities, adding Program Income, and reducing funds from either State CDBG awarded funds or Program Income.
- C. HUD Matrix Codes: If HUD changes an activity matrix code(s) or if there is an error in recording the activity code, the Grantee shall be notified in writing and the correction shall not require an amendment to this Agreement.

6. State CDBG Program Contract Management

- A. Department Contract Manager: The State Contract Manager for this Agreement for the Department is the Program Manager of the State CDBG Program in the Division of Financial Assistance, or the Program Manager's designee. Written communication regarding this Agreement shall be directed to the State CDBG Program Contract Manager at the following address:

State CDBG Program Manager
Division of Financial Assistance
Department of Housing and Community Development
P.O. Box 952054
Sacramento, California 94252-2054
Ph: (916) 263-5766 Email: CDBG@hcd.ca.gov

- B. Contract Management: Day-to-day administration of this Agreement shall take place through the online grant management system, including but not limited to:
1. Financial Reports (Funds Requests)
 2. Activity Reports
 3. Semi-Annual Reports
 4. Annual Reports
 5. Submittal of any and all requested supporting documentation

EXHIBIT A

- 6. Standard Agreement Revisions (non-material contract changes)
- 7. Standard Agreement Amendments (material contract changes)

C. Grantee Contract Administrator: The Grantee's Contract Administrator (must be a Grantee employee) is identified in Exhibit E, Profile. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be directed to the Grantee's Contract Administrator at the contact information identified in Exhibit E, Profile. Written communication shall be directed to the Authorized Representative as identified in the Grantee Profile as referenced in Exhibit E.

EXHIBIT B**BUDGET DETAIL AND PAYMENT PROVISIONS****1. Budget**

- A. Budget Detail: The activity shall follow the budget as detailed in Exhibit E Section VI.
- B. Program Income: Program Income is State CDBG funding and is subject to the same federal requirements for financial administration as open grant awards. Program Income, if identified as a funding source for any given activity, must be included in the activity budget and must be substantially expended prior to drawing grant award funds. Program Income receipts must be reported no less than quarterly.
- C. Other Non-State CDBG Funding Sources - The CDBG Grantee shall report on the value of other contributions included as leverage for each activity via the Financial Reports required for this activity. The Financial Reports shall be accessed through the online grant management system and are the reports which convey the information needed to complete financial transactions in HUD's Integrated Disbursement and Information System (IDIS).

2. Availability of Funds

- A. Department's provision of funding to Grantee pursuant to this Agreement is contingent on the continued availability of CDBG funds and continued federal authorization for CDBG activities.
- B. The Department's provision of funding is subject to amendment or termination due to lack of funds or authorization. This Agreement is subject to written modification or termination as necessary by the Department in accordance with requirements contained in any future State or Federal legislation and/or State or Federal regulations. All other modifications must be in written form and approved by both parties.
- C. The Department shall be relieved of any obligation for payments if funds allocated to the State by HUD cease to be available for any cause other than malfeasance of the Department itself.

3. Eligible Costs

- A. No activity costs may be incurred, or funds reimbursed until the Grantee has documented compliance with the National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321 et seq.
- B. Allowable Costs: Allowable costs shall mean those necessary and proper costs under 2 CFR 200.400 through 475, and as identified in the Grantee's application and as detailed in

EXHIBIT B

Exhibit E Section VI, and as approved by the Department unless any or all such costs are disallowed by the State of California or the United States Department of Housing and Urban Development. Allowable costs include necessary and proper activity and administration costs incurred prior to the execution of this agreement. All costs incurred prior to the execution of this agreement must be eligible to be considered allowable and suitable for reimbursement. Eligible costs must, at a minimum, be costs incurred according to the procurement requirements of 2 CFR 200.317 et seq. and be costs required for the activity in this Agreement to meet a National Objective. Allowable costs may include both activity delivery and general program administration.

- C. **Priority of Funds:** The Grantee agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available. To the extent available, the Grantee must disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments. Such payments or reimbursements shall constitute full and complete payment by the Department under this Agreement.
- D. **Withholding Funds:** The Department reserves the right to withhold payments pending timely delivery of program reports or documents as may be required under this Agreement. Payments may also be contingent upon the Grantee's financial management system meeting the requirements of 2 CFR Part 200. Payment may be suspended by the Department in the event of a default by Grantee.
- E. **Disencumbering Funds:** The Grantee agrees that funds determined by the Department to be surplus upon completion of the activity will be subject to dis-encumbrance by the Department.
- F. **Indirect Costs:** If indirect costs are charged, the Grantee will develop an indirect cost allocation plan for determining the appropriate CDBG share of indirect costs and shall submit such plan to the Department for approval prior to submission of requests for any payments for the indirect cost expenditures.
- G. **Pre-Agreement Costs:** Pre-Agreement Costs are eligible costs incurred prior to the award of funds as defined in Exhibit D Section 1. Eligible pre-agreement costs as identified in Exhibit E, Section VI Project Budget may only be reimbursed upon the full execution of this agreement and verification that the costs meet all eligibility criteria.
 - 1. The Grantee agrees that any pre-agreement costs not previously identified in Exhibit E, Section VI Project Budget will not be paid with CDBG funds.

4. Method of Payment

EXHIBIT B

The Department shall not authorize payments unless it has determined the costs incurred comply with the terms of this Agreement. Funds requested through the Financial Reports must be for a minimum of \$1,000, except the final funds request, which must be marked "Final"

A. Reimbursements

The Department shall reimburse the Grantee its allowable costs for the services identified in this Agreement in Exhibit E Section VI upon presentation of invoices which Grantee certified are true and correct copies of payments due on behalf of the Grantee, for the activity covered by this Contract and made in accordance and compliance with Exhibit A Scope of Work. The Grantee may not request reimbursements under this Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

1. To receive reimbursement for grant activities, including reimbursement for pre-agreement costs, the Grantee shall submit all Department required forms. Reimbursement funds requests shall include the level of documentation specified by the Department, including proof of expenditure, and proof of cost eligibility. Grantees shall submit documentation supporting cost amounts and cost eligibility with each funds request as part of the Financial Report.
2. Grantees shall submit Financial Reports (funds requests) no less than quarterly. If no funds have been expended, the Grantee shall provide a description of work completed and an explanation of why no funds have been expended.

B. Advances

1. The Grantee must receive prior written approval from the Department before submitting an advance request.

C. Final Payment Requests

1. Grantees on the Reimbursement Payment System: All requests for final reimbursement must be submitted before the expenditure deadline of this Agreement.
2. Grantees on the Advance Payment System: The last advance payment must be submitted to the Department no later than 60 days prior to the expenditure deadline of this Agreement.
 - a. Return of Unexpended Funds: All funds received by the Grantee but not expended by the expenditure deadline of this Agreement must be accounted for and returned within 30 days of the expenditure deadline. Funds shall be returned in accordance

EXHIBIT B

with the current State CDBG Grants Management Manual. All returned funds will be disencumbered.

3. All Funds Not Previously Requested: If the final funds disbursement request for costs expended during the term of this Agreement has not been received by the Department before the expenditure deadline, the Department may disencumber any funds remaining and grant funds will no longer be available for the Grantee.

5. Budget Revisions and Amendments

Line item adjustments may be made in accordance with the following:

- A. **Budget Revisions**: Adjustments to the Budget that do not require an increase or reduction of total activity budget, a change in National Objective, or a change in the type of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions must be approved by the Department prior to implementation. Approval shall be provided either through the online grant management system, or in writing, as appropriate. Budget Revisions shall include but not be limited to:
 1. Adjustments that reallocate funds between budget line items, including between general administration funding, activity funding, and program income resources, including both program income cash on hand, and program income projected receipts, but that otherwise does not change the overall budget total, the scope of work, the National Objective, and type and count of estimated beneficiaries.
 2. Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items, without increasing or decreasing the scope of work and without changing the overall budget.
- B. **Budget Amendments**: Adjustments to the Budget that result in an increased or a reduced total activity budget shall require a Contract Amendment. Contract Amendments must be fully executed by both the Grantee and the Department prior to implementation. Adjustments may not be implemented prior to execution unless the Department has provided written notice authorizing the Grantee to proceed.

6. Grant Closing Requirements**A. Expenditure Deadline**

1. All Program funds shall be expended no later than three (3) years from the final execution date of this agreement as identified on the STD 213. All requests for funds must be submitted prior to the expenditure deadline. Funds requests and financial reports received after the deadline will not be eligible for reimbursement

EXHIBIT B

- 2. The Final Financial Report for this activity must be marked final and shall be submitted before the expenditure deadline. Financial Reports submitted after the deadline will not be eligible for reimbursement.**

B. Closeout Procedure: The Grantee must submit the following at the completion of the activity or within 30 days after the Agreement's expiration date, whichever happens first:

1. A Final Activity Report that includes all required reporting data for the activity;
2. A filed Notice of Completion (if applicable);
3. Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement; and,
4. A resolution from the governing body acknowledging the accomplishments of the activity and confirming that the activity is complete and that all outstanding funds have been reimbursed.

Upon receipt of the above documentation, the Department will close this agreement and finalize the activity in IDIS for final reporting to HUD.

- C. Ongoing Reporting:** Grants that have been closed may, as applicable, have continued reporting requirements, including program income reporting, performance reporting, beneficiary reporting, asset reporting, and other federally required reports as identified in Exhibit D Section 23.

EXHIBIT D**CDBG TERMS AND CONDITIONS****1. Definitions**

A. "Activity" means one of the following HUD eligible activities as per 42 U.S.C. 5305.

1. Acquisition (§ 5305 (a)(1))
2. Public Improvements (§ 5305 (a)(2))
3. Public Facilities (§ 5305 (a)(2) and (5))
4. Code Enforcement (§ 5305 (a)(3))
5. Housing Rehabilitation (§ 5305 (a)(4))
6. Public Services (§ 5305 (a)(8))
7. Planning and Technical Assistance (Section 105(a)(12), (14) and (19))
8. Business Financial Assistance (§ 5305 (a)(17))
9. Microenterprise Assistance (§ 5305 (a)(22))
10. Homeownership (§ 5305 (a)(24))

B. "Activity Budget" means the budget included in Exhibit E, Section VI Project Budget, as referenced by Exhibit B, Budget Detail and Payment Provisions.

C. "Activity Delivery" (AD) means any reasonable and necessary costs that are not directly related to labor and/or direct construction and/or direct activity implementation costs. The Grantee may expend up to the indicated AD as identified in the NOFA that is associated with this Agreement or any relevant CDBG Management Memo. CDBG funds for AD cannot be drawn down unless CDBG activity costs have previously been drawn down or are being drawn down on the same funds request.

D. "Activity Reports" are the activity reports that must be submitted at least quarterly that describe program or project progress and/or beneficiaries served during a given reporting period.

E. "Department" means the California Department of Housing and Community Development.

F. "Funds Request" is also identified as a financial report and refers to the forms and processes required to request the drawdown of CDBG funds (funds requests must be a minimum of \$1,000 unless it is the final funds request for an activity). Funds disbursements must be completed no less than quarterly for each open activity, including Program Income funded activities.

G. "General Administration" refers to eligible administrative expenses as provided in 42 U.S.C. 5305(a)(13).

H. "Grantee" means the jurisdiction that applied for CDBG funding and has legal authority to sign this agreement and commit to compliance with all federal requirements regarding the administration of federal funds, as identified in 2 CFR 200.

EXHIBIT D

- I. "Pre-Agreement Costs" are pre-award costs as defined at 2 CFR 200.458 and 24 CFR 570.489(p) and are costs that are eligible per 2 CFR 200.400 et.seq. that have been itemized on the approved activity budget as identified in Exhibit E, Section VI Project Budget, as referenced by Exhibit B, Budget Detail and Payment Provisions.
- J. "Program" means an activity that is available to eligible participants within a defined service area and is not restricted to a specific physical address at the time the Application is submitted.
- K. "Program Guidelines" means the CDBG Program Guidelines adopted in October 2019 that replaced the California State Regulations regarding the operation of the State CDBG program.
- L. "Program Income" as defined in 24 CFR 570.489(e) means gross income received by the Grantee that is directly generated from the use of CDBG funds. When such income is generated by an activity that is only partially assisted with CDBG Funds, the income shall be prorated to reflect the percentage of CDBG Funds used.
- M. "Project" means the CDBG assistance provided at a specific physical address within an eligible activity.

2. Eligible Activities

Grantee will only use funds under this Agreement for the activity identified in Exhibit E. All activities must be eligible CDBG activities as authorized under 42 U.S.C. 5305 and 24 CFR 570.482.

3. National Objectives

Grantee will only use funds in support of the national objective identified in Exhibit E Section IV. All CDBG funded grant activities must meet a National Objective as defined in 42 U.S.C. 5304(b)(3), as amended, and 24 CFR Part 570.483.

Real Property acquired in whole or in part with CDBG funds must be used to meet the same National Objective for which it was purchased for no less than five years from the date of acquisition.

4. Termination and Remedies for Noncompliance

Awards as secured by this Agreement may be terminated as whole or in part as per federal regulation at 2 CFR 200.339. All terminations shall include written notification setting forth the reason(s) for such termination, the effective date, and the portion to be terminated in the case of partial terminations and will follow termination notification requirements identified in 2 CFR 200.340.

EXHIBIT D

- A. **Termination without Cause:** Agreements may be terminated without cause in whole or in part by the Department only with the consent of the Grantee. In the case of a whole agreement termination, the two parties shall agree upon termination conditions, including the effective date. In the case of partial termination, the two parties shall agree upon termination conditions, including the portion to be terminated and the effective date.
- B. **Termination with Cause:** The Department may terminate this Agreement at any time for cause by giving at least 14 days' written notice to the Grantee.
- C. **Noncompliance:** The Department may terminate this Agreement for failure to comply with the terms and conditions of this agreement. Terminations for material failure to comply with the agreement terms and conditions must be reported to the appropriate federal program integrity and performance system accessible through the System for Award Management (SAM) as per 2 CFR 200.339(b).
- 1) The Department may initiate remedies for noncompliance as identified in 2 CFR 200.338 at any time it has been determined that the Grantee is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination.
 - 2) Remedies for noncompliance with a federal statute or regulation, a state statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere may include, as appropriate:
 - a) Temporarily withhold cash payments pending correction of the deficiency by the Grantee.
 - b) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance.
 - c) Wholly or partly suspend or terminate the current award for the Grantee's program.
 - d) Withhold further and/or future awards CDBG funds.
 - e) Request that the Federal Awarding Agency initiate suspension or debarment proceedings.
 - f) Take other remedies that may be legally available, including, but not limited to:
 1. In the case of costs incurred without meeting a national objective, require repayment of all funds reimbursed, including general administration, activity delivery, and any and all Program Income as appropriate.
 2. In taking an action to remedy noncompliance, the Department will provide the

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Grantee an opportunity for such hearing, appeal, or other administrative proceeding to which the Grantee is entitled under any statute or regulation applicable to the action involved as per 2 CFR 200.341.

- D. **Effects of Suspension and Termination:** Grantee costs resulting from obligations incurred by the Grantee or any of the Grantee's contractors, subrecipients, or subgrantees during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in written notice or as allowable in 2 CFR 200.342. Termination and remedies for noncompliance identified in this Section do not preclude a Grantee or any of the Grantee's contractors, subrecipients, or subgrantees from being subject to 2 CFR 2424. CDBG funds may not be provided to excluded or disqualified persons pursuant to 24 CFR 570.489(l).

5. **Severability**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Grantee shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

6. **Waivers**

No waiver or any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce, at any time, the provisions of this Agreement or to require, at any time, performance by the Grantee of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

7. **Uniform Administrative Requirements**

The Grantee, its agencies or instrumentalities, and Subgrantees shall comply with the policies, guidelines and Administrative Requirements of 2 CFR Part 200 et al, as applicable, as they relate to the cost principles, audit requirements, acceptance and use of federal funds under this part.

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- H. **Single Audit Compliance:** Funds will not be disbursed to any Grantee identified by the State Controller's Office (SCO) as non-compliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.
- I. **Accounting Standards:** The Grantee agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300 et seq, 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.
- J. **Suspension and Debarment:** By executing this Agreement, Grantee verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants or other assistance programs.

8. Compliance with State and Federal Laws and Regulations

- A. The Grantee, its agencies or instrumentalities, contractors, sub-grantees, and subrecipients shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the CDBG program.
- B. The Grantee agrees to comply with the requirements of 24 CFR 570, the Housing and Urban Development (HUD) regulations concerning Community Development Block Grants, 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, as adopted by HUD at 2 CFR 2400, Title II of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. § 12701 et seq.) and all federal regulations and policies issued pursuant to these regulations. The Grantee further agrees to utilize funds available under this Contract to supplement rather than supplant funds otherwise available.

9. Affirmatively Furthering Fair Housing

The Grantee will affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C 2000a et seq.), and the Fair Housing Act (42 U.S.C. 3601 et seq.), according to 42 U.S.C. 5306 et seq. and in compliance with Title 2 of California Statutes (Gov. Code sections 65583 et seq. and 8899.5 et seq.). Grantee will comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430).

10. Equal Opportunity Requirements and Responsibilities

Grantee agrees that it undertakes hereby the same obligations to Department that Department has undertaken to HUD pursuant to the Department's CDBG certifications. The obligations

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undertaken by Grantee include, but are not limited to, the obligation to comply with all federal laws and regulations describe in Subpart K of 24 CFR Part 570 and specifically with each of the following:

- A. The Housing and Community Development Act of 1974 (Public Law 93-383) as amended, and legislative changes contained in the Housing and Urban-Rural Recovery Act of 1983; and the Housing and Community Development Act of 1987, and the Architectural Barriers Act of 1968 (42 U.S.C. Section 4151;
- B. Title VI of the Civil Rights Act of 1964 (Public Law 88-352), as amended, Title VIII of the Civil Rights Act of 1968 (Public Law 90-284), as amended, Restoration Act of 1987 (Public Law 100-259), Section 104(b) and Section 109 of Title 1 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 as amended by Executive Order 12259, and Executive Order 11246, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;
- C. The Equal Employment Opportunity Act of 1972 that created the Equal Employment Opportunity Commission, Equal Employment Opportunity and Affirmative Action requirement (EEO/AA); The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that it is an Equal Opportunity or Affirmative Action employer.

11. Relocation, Displacement, and Acquisition

The Grantee shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, in 24 CFR Part 42, 49 CFR Part 24, and 42 U.S. §5304(d) as they apply to the performance of this agreement. The Grantee agrees to comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing grant funds and to the displacement of persons, businesses, non-profit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds.

12. Section 3: Training, Employment and Contracting Compliance

The Grantee will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing 24 CFR, Part 135. The responsibilities of the Grantee are outlined in 24 CFR Part 135.32 include but may not be necessarily limited to:

- A. Implementing procedures designed to notify Section 3 eligible residents about training

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and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.

- B. Notifying potential contractors for Section 3 covered projects of the requirements of this Part, and incorporating the Section 3 clause set forth in 24 CFR 135.38 in all solicitations and contracts in excess of \$100,000.
- C. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities such as described in the appendix to this part, as appropriate, to reach the goals set forth in 24 CFR 135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of Section 3 residents and contract award to Section 3 business concerns that exceed those specified in 24 CFR 135.30.
- D. Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of this part and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
- E. Documenting actions taken to comply with the requirements of this part, the results of those actions taken and impediments, if any.

13. Environmental Compliance

- F. The Grantee shall comply with the California Environmental Quality Act (CEQA) (Pub. Resources Code § 21000 et seq.) requirements as they apply to this project. CEQA reviews and determinations shall be approved by the Grantee.
- G. The Grantee shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq., as amended, 33 U.S.C. § 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder,
- H. The Grantee shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857, et seq.,
- I. The Grantee shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Parts 15 and 50, as amended.
- J. The Grantee shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The Grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is

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obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

- K. The Grantee shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. The Grantee agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. 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 required.
- L. The Grantee shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. The Grantee shall also comply with Executive Order 11593 on the protection and enhancement of the cultural environment. 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.
- M. The Grantee shall comply with all National Environmental Protection Act (NEPA) requirements as applicable to the performance of this agreement as found in 24 CFR Part 50, 24 CFR Parts 58, as applicable, and 40 CFR 1500 – 1508. The Grantee shall not receive authority to incur activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

14. Procurement

The Grantee shall comply with the procurement provisions in 2 CFR Part 200.317 – 200.326, Procurement Standards as well as all other Administrative Requirements for Grants and Cooperative Agreements to State, local and federally recognized Indian tribal governments as set forth in 2 CFR 200 et al, as applicable.

15. Procurement of Recovered Materials

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The Grantee and the Grantee's contractors shall comply with Section 6002 of the Solid Waste Disposal Act of 1965, as amended by the Resource Conservation and Recovery Act. The Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

This clause shall apply to items purchased under this agreement or subsequent contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

16.

Federal**Labor Standards Provisions**

- A. The Grantee shall comply with the Davis-Bacon Act (40 U.S.C. §§ 3141-3148) and 29 CFR Subtitle A, Parts 1, 3 and 5 as applicable to construction, alteration, and repair contracts over \$2,000.
- B. The Grantee shall ensure that all contracts comply with the Anti-Kickback Act of 1986 (41 U.S.C. §§ 51-58) that prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind.
- C. The Grantee shall ensure all contracts comply with the Contract Work Hours and Safety Standards Act of 1962 (40 U.S.C. § 3702) which requires that workers receive overtime compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. The Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

17. **Prevailing Wages**

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7

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[California Labor Code Section 1720-1743] (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

- B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Grantee and a licensed building contractor, the Grantee shall serve as the "awarding body" as that term is defined in the LC. Where the Grantee will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.
- C. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the State of California Labor Code (LC), Chapter 1, Section 1770-1784 or the Davis-Bacon Wage Determination.

18. Contractors and Subrecipients

- A. The Grantee shall comply with 24 CFR Part 24 and shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.
- B. Any agreement between the Grantee and any contractor or subrecipient shall require inclusion in the contract or subrecipient agreement of the language included in Appendix II of 2 CFR 200.
- C. The Grantee shall ensure that any contract or subrecipient agreement includes clauses requiring the maintenance of workers compensation insurance, as applicable, as well as general liability insurance. Contract or subrecipient agreements must require that the Grantee is notified in the event that any required insurance is canceled, expired, or otherwise invalidated during the performance period of the contract or subrecipient agreement.
- D. The Grantee shall require that contractors and subrecipients comply with the Drug-Free Workplace Act of 1988.

19. Requirements for Economic Development Activities

- A. Public Benefit Standards for Economic Development Activities: Per 24 CFR 570.482 (e) (f), (g) and 570.483(b)(4), the Grantee must comply with federal underwriting standards

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and must meet the public benefit standards for all CDBG ED activities under 42 U.S. §5305(17). The use of public benefit standards is mandatory.

- B. Anti-Job Pirating Certification: Pursuant to 24 CFR 570.482(h) CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one labor market area to another labor market area if the relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs. Job loss of more than 500 employees is always considered significant. Job loss of 25 or fewer positions is **never** considered significant.

20. **Rights to Inventions Made Under a Contract or Agreement**

The Grantee shall comply with and require the following in contracts and subrecipient agreements: If a Federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of recipient or subrecipient must comply with requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulation issued by the awarding agency.

21. **Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention**

The Grantee shall require the following in all applicable contracts funded through this agreement:

- A. **Use of Explosives:** When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state and federal laws in purchasing and handling explosives. The Contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced, and the material shall be covered with suitable timber, steel or rope mats.

The Contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

- B. **Danger Signals and Safety Devices:** The Contractor shall make all necessary precautions to guard against damages to property and injury to persons. He shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades and other devices necessary to protect the public. In case the Contractor fails or neglects to take such precautions, the USFS may have such lights and barricades installed and charge the cost of this work to the Contractor. Such action by the USFS does not relieve the Contractor of any

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liability incurred under these specifications or contract.

- C. **Protection of Lives and Health:** The Contractor shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages to persons or property, either on or off the worksite, which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971, Title 29 - LABOR, shall be observed and the Contractor shall take or cause to be taken, such additional safety and health measures as the USFS may determine to be reasonably necessary.

22. Prohibition Against Payments of Bonus or Commission

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

23. Reporting Requirements

- A. **Requirements:** During the term of this Agreement, the Grantee must submit the reports prescribed in the scope of work agreement. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, unless otherwise specified at the discretion of the Department. The Grantee's performance under this Agreement will be based in part on whether it has submitted the reports on a timely basis.
- B. **Reporting Period:** The Grantee shall continue to submit reports until such time that the activity is complete, a National Objective has been met, and beneficiaries have been identified. The reporting period for this activity may extend beyond the performance period identified on the STD 213.
- C. **Final Reporting Deadline:** The Grantee shall complete all required reporting for this activity no later than 5 years from the execution date of this agreement as identified on the STD 213.

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- D. **Asset Reporting:** The Grantee shall report annually on the status of all assets (real and personal property, equipment, and vehicles) purchased in whole or in part with CDBG funds. Reporting shall continue until the property is disposed, fully depreciated, or, in the event of real property, the five year commitment to a National Objective has been completed.

24. Fiscal Controls

The Grantee shall be responsible for the internal control and monitoring of fiscal and programmatic/operational goals and procedures. The Grantee shall establish and maintain such fiscal controls and fund accounting procedures as required by Federal regulations, or as may be deemed necessary by the Department to ensure the proper disbursement of, and accounting for, funds paid to the Grantee under this Agreement.

- A. **Deposit of Funds:** Grantee shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG FUNDS. All cash advances must be deposited in an interest-bearing account; any interest earned in excess of \$100 per year (which may be retained for related administrative expenses) must be returned at least quarterly to the U.S. Department of Housing and Urban Development (HUD) via the Department. Deposits in minority banks are encouraged.
- B. **Fund Management:** Grantee shall deposit funds in an account requiring two signatures for disbursement and shall submit to the Department specimen signatures for all authorized signatories prior to receipt of funds;
- C. **Fiscal Liability:** Grantee shall be liable for all amounts which are determined to be due by the Department including, but not limited to, disallowed cost which are the result of Grantee's or its contractor's conduct under this Agreement. Grantee shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.
- D. **Fiscal Records:** All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 17 of this Agreement.
- E. **Program Income:** Any and all program income received during the administration of this Agreement will be receipted in a separate Program Income account. Program Income funds may not be commingled with CDBG grant funds in a single account.

25. Reversion of Assets

Upon expiration of this Agreement, Grantee shall transfer to the Department any CDBG funds in Grantee's control at the time of expiration. Further, any real property under Grantee's control that was acquired and/or improved in whole or in part with CDBG

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funds (including CDBG funds provided to the Grantee in the form of a loan and Program Income) in excess of \$25,000 shall be either:

- A. Used to meet one of the national objectives in 24 CFR Part 570 until five (5) years after expiration of this Agreement, the length of time to be further prescribed by mutual agreement of the parties.
- B. Disposed of in such manner that Grantee is reimbursed in the amount of the fair market value of the property at the time of disposition of the property less any portion of the value attributable to expenditures of non-CDBG FUNDS for acquisition and/or improvement of such property. The payment is Program Income.

If the Grantee provides funds to a subrecipient that is a private non-profit organization, that subrecipient must further agree to a voluntary lien on above-referenced property as to any CDBG funds received and that such lien will be notarized and recorded in the Office of the County Recorder where the property is located.

26. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the grant. The Grantee shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department to maintain program eligibility.

Grantees and applicable subrecipients shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after the Department notifies the Grantee that the HUD/HCD contract has been closed according to the record retention requirements at 2 CFR 200.333.

Grantees and applicable subrecipient shall permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

27. Inspections of Grant Activity

The Department reserves the right to inspect any grant activity(ies) performed hereunder to verify that the grant activity(ies) is being and/or has been performed in accordance with the applicable federal, State and/or local requirements and this Agreement.

- A. The Grantee shall inspect any grant activity performed by contractors and subrecipients hereunder to ensure that the grant activity(ies) is being and has been performed in

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accordance with the applicable federal, State and/or local requirements and this Agreement.

- B. The Grantee agrees to require that all grant activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor, respectively, until it is so corrected.

28. Signs

If the Grantee places signs stating that the activity is funded with private or public dollars and the Department is also providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the project that the Department is a source of financing through the CDBG Program.

29. Insurance

The Grantee shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Grantee and the Department to be necessary for specific components of the grant activity(ies) described in Exhibit E.

30. Anti-Lobbying Certification

The Grantee shall comply with and require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity(ies) and that all subrecipients shall certify and disclose accordingly. 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 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

- A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the cooperative agreement, and 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

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agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

31. Conflict of Interest

Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the Grantee, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, including members and delegates to the Congress of the United States may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for one (1) year thereafter. The Grantee shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

32. Obligations of Grantee with Respect to Certain Third-Party Relationships

The Grantee shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Program with respect to which assistance is being provided under this Agreement to the Grantee. The Grantee shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Grantee, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 [42 U.S.C. 5304(g)].

33. Energy Policy and Conservation Act

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

34. State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03):

- A All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a 30-day cancellation clause and the following provisions:

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1. It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
 2. This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
 3. The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.
 4. The department has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.
- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
- C. GC § 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.