



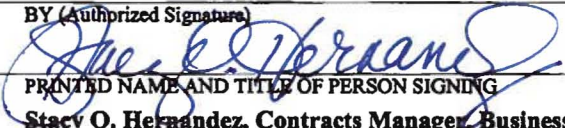
STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER 09-EDEF-6547
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:
 STATE AGENCY'S NAME
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
 CONTRACTOR'S NAME
County of El Dorado
- The term of this Agreement is: **Upon HCD Approval through 03/31/2013**
- The maximum amount of this Agreement is: **\$300,000.00**
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A - Authority, Purpose and Scope of Work	10
Exhibit B - Budget Detail and Payment Provisions	5
Exhibit C - HCD General Terms and Conditions	9
Exhibit D - State of California General Terms and Conditions	6
Exhibit E - Special Terms and Conditions	6
Exhibit F - Additional Provisions	0
TOTAL NUMBER OF PAGES ATTACHED:	36 pages

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Service Use Only SEP 28 2010
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc) County of El Dorado		
BY (Authorized Signature) 	DATE SIGNED (Do not type)  9.22.2010	
PRINTED NAME AND TITLE OF PERSON SIGNING Daniel Nielson, M.P.A., Director of Human Services		
ADDRESS 3057 Briw Road, Suite A, Placerville, CA 95667		
STATE OF CALIFORNIA		
AGENCY NAME Department of Housing and Community Development		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 9/28/10	
PRINTED NAME AND TITLE OF PERSON SIGNING Stacy Q. Hernandez, Contracts Manager, Business & Contract Services Branch		
ADDRESS 1800 Third Street, Room 350, Sacramento, CA 95811		

Exempt per: SCM 4.04.3 (DGS Memo dated 6/12/81)

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority & Purpose

This Agreement provides official notification of the grant award under the State's administration of the Federal Community Development Block Grant Program (hereinafter, "CDBG" or "the Program") for Non-entitlement jurisdictions 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, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 – CDBG Community Development Block Grant Program. In accepting this grant award, the Grantee agrees to comply with the terms and conditions of this Agreement and all exhibits hereto, the representations contained in the Grantee's application (hereinafter, "the Application") which is hereby incorporated by reference as if set forth in full, and the requirements of the authorities cited above. Any changes made to the Application after this Agreement is executed must receive prior written approval from the Department of Housing and Community Development (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 Scope of Work (Work) as represented in the Application, which is on file at the Department of Housing and Community Development, Division of Financial Assistance, 1800 Third Street, Room 330, Sacramento, California, 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 review and approve all Work to be performed by the Grantee in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department. Approval shall not be presumed unless such approval is made by the Department in writing.

B. The grant activity(ies) shall principally benefit Targeted Income Group (TIG) households (low-income persons/families as defined by HUD) and/or aid in the prevention or elimination of Slums or Blight and shall consist of:

Will provide Business Assistance Loans to small and medium size businesses; and provide technical assistance, business training, counseling, and loans to microenterprise business start-ups and expansions.

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3. Term of Agreement and Deadlines

With the exception of the Grant Closing Requirements set forth in Exhibit C, Section 9, the Grantee shall complete the grant activity(ies) by the termination date set forth on the front page of this Agreement, unless a written request for an extension is approved ninety (90) days prior to the termination date in writing by the Department.

A. Business Assistance Loans

The business assistance loan activity funded under this Agreement shall meet the National Objective requirement by creating or retaining jobs where at least fifty-one percent (51%) of the total jobs, computed on a full-time equivalent (FTE) basis, involve the employment of low- and moderate-income (LMI) persons. The public benefit standard to create or retain at least one full-time equivalent permanent job per \$35,000 of CDBG funds used shall also apply.

B. Slums or Blight

The business assistance loans and infrastructure grant activities funded under this Agreement may also meet the National Objective requirement which aid in the prevention or elimination of Slums or Blight. The public benefit standard to create or retain at least one FTE, permanent job per \$35,000 of CDBG funds used shall also apply.

C. Microenterprise Assistance

The microenterprise assistance activity funded under this Agreement shall meet the National Objective requirement of benefiting LMI persons by providing microenterprise loans, microenterprise technical assistance, and/or general support to microentrepreneurs and potential microentrepreneurs.

4. Meeting National Objective and Public Benefit

A. Meeting a CDBG National Objective (Section 104 (b)(3) of the Housing and Community Development Act)

Activities under this Agreement must meet an eligible CDBG National Objective. The two National Objectives under this Agreement are: (1) Benefit to HUD defined LMI households also called Target Income Group (TIG) households or persons; and/or (2) Prevention or elimination of Slums or Blight. In order for an activity under this Agreement to meet the TIG benefit National Objective, businesses assisted under this Agreement shall create or retain jobs for TIG persons. Specifically, at least fifty-one percent (51%) of the total jobs created or

EXHIBIT A

retained shall be filled by TIG persons. In order for an activity to meet the National Objective of elimination of Slums and Blight, the activity must take place in an area that meets the definition of a Blighted area and the project must be shown to eliminate Blight or prevent further Blight per Federal Regulation 24 CFR 570.483(c). The Grantee must be able to meet one of these two National Objectives using the proposed activity by the expiration of this Agreement. In accordance with Exhibit E, Section 12 of this Agreement, if a National Objective is not met, all CDBG funds disbursed to the Grantee shall be repaid to the State. See Exhibit E, Section 12 on Non-Performance.

B. Public Benefit (Federal Regulation 24 CFR 570.482(f))

All activities under this Agreement that assist businesses with loans or grants must meet the CDBG Public Benefit requirement. Activities covered by these requirements must, in the aggregate, either; (1) create or retain at least one FTE, permanent job per \$35,000 of CDBG funds used, or (2) provide goods and services to an area where the number of LMI served by the assisted business amounts to a least one LMI person per \$350 of CDBG funds used. As with the National Objective described above, the Public Benefit requirement of job creation or retention must be met within the term of this Agreement. If fewer jobs are created or retained by the assisted business, the amount of CDBG assistance shall be reduced to meet the rule of one FTE per \$35,000 in assistance.

5. State Contract Coordinator

The State Contract Coordinator for this Agreement for the Department is the CDBG Program Manager, Division of Financial Assistance, or the Program Manager's designee. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the State Contract Coordinator at the following address:

Contract Coordinator, CDBG
Division of Financial Assistance, Room 330
Department of Housing and Community Development
P. O. Box 952054
Sacramento, California 94252-2054

EXHIBIT A

6. Grantee Contract Administrator

The Grantee's Contract Administrator for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be mailed by first class to the following address:

Grantee:	County of El Dorado
Name:	Shawna Purvines
Title	Senior Planner
Address:	2850 Fair Lane Court, Bldg. C, Placerville, CA 95667
Phone:	(530) 621-5362
Fax:	(530) 662-1708
E-Mail:	shawna.purvines@edcgov.us

7. 90-Day Special Conditions

The Grantee must meet the following conditions for all activities funded under this Agreement. Failure to meet the following special conditions may result in termination of this Agreement.

A. Environmental Compliance

The Grantee shall have satisfied all environmental review requirements under the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). CEQA shall be approved by the Grantee. The level of compliance varies by the activity. NEPA review must be completed by the Grantee for each activity and approved by Department staff prior to incurring costs on the grant activity(ies).

B. Acquisition/Relocation Compliance

The Grantee must document that it is in compliance with the Uniform Relocation Act and Section 104 (d) before release of funds by the Department. The Grantee must submit a specific relocation assistance plan for each activity which may result in temporary or permanent displacement. For projects where there will be temporary or permanent displacement, the Grantee must submit signed General Information Notices (GIN) from each tenant who was residing in the project at the time of Application submittal. If a Grantee believes there will be no displacement as a result of their activities, they must submit a letter explaining why no displacement or relocation will occur, which will be subject to written approval by the Department.

EXHIBIT A

C. Program Income Reuse Plan

The Grantee must submit a copy of its plan for administering Program Income. The plan must include a discussion of how the Grantee will collect and disburse Program Income for CDBG-eligible activities. The Grantee must also submit program guidelines regarding the Grantee's administrative policies and procedures for managing the Program Income activities.

D. Site Control

The Grantee shall demonstrate Site Control of the project property by submitting one or more of the following to the Department:

- 1) Fee title;
- 2) A leasehold interest on the project property with provisions that enable the lessee to make improvements on and encumber the property provided the terms and conditions of any proposed lease shall permit compliance with all Program requirements;
- 3) An option to purchase or lease;
- 4) A disposition and development agreement with a public agency;
- 5) A land sales contract or other enforceable agreement for the acquisition of the property; or
- 6) All easements and right-of-ways (required for completion of the CDBG project) must be obtained.

E. Funding Commitments

All funding required for project completion must be documented and committed. If all funding is not committed, the Department shall terminate this Agreement pursuant to Exhibit D, Section 6. If the Grantee has applied for other funding prior to the execution of this Agreement, the Grantee must notify the Department as soon as that application is approved or denied. If the Grantee must apply for other funding after the execution date of this Agreement, the Grantee must apply at the earliest possible opportunity offered by the other funding source(s) and notify the Department as soon as that application is approved or denied.

EXHIBIT A

F. Special Conditions for Specific Activities

1) Restrictions on CDBG-Assisted Public Property

CDBG funds can be used by the Grantee to purchase or rehabilitate public property. The change of use of real property provisions contained in 24 CFR 570.489(i) apply to real property within the unit of general local government's control (including activities undertaken by subrecipients), which was acquired or improved in whole or in part using CDBG funds in excess of the threshold for small purchase procurement (currently \$100,000). The restrictions shall apply from the date CDBG funds are first spent for the property until five (5) years after closeout of the unit of general local government's grant. See the Federal Regulations for the full text of this regulation. Grantee must provide documentation of proper restriction on assisted property.

2) Infrastructure In Support of Businesses

If a Grantee is implementing a Business Assistance Infrastructure activity that benefits more than one (1) business, the Grantee will be required to develop a Fair Share allocation plan. This plan must be executed by all parties prior to the disbursement of funds for business assistance infrastructure. The Grantee shall submit their methodology for determining the infrastructure benefit along with a copy of the proposed fair share allocation plan/fair share payment plan. These documents shall specify how the Grantee will administer and ensure compliance by future development, including the requirement that any future development of properties benefiting from the infrastructure improvements complies with CDBG Public Benefit and National Objective requirements for job creation and principal benefit to the TIG person requirements [see 24 CFR 570.483(b)(4)(F)].

EXHIBIT A

G. Business Assistance Activity

- 1) Grantees implementing Business Assistance Loans, shall submit program guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements" and with public benefit requirements contained in 24 CFR 570.482(f).
- 2) Where the National Objective is being met to principally benefit the TIG through job creation or retention, prior to disbursement of funds for business assistance, the Grantee shall submit an Employment Plan. The Employment Plan shall emphasize the recruitment and hiring of TIG members, women, minorities, and local residents. For job retention, the Grantee's Employment Plan shall specify procedures that ensure a determination will be made from the evidence provided to the Grantee that, without the CDBG assistance, the jobs will be lost. The Employment Plan shall acknowledge the Grantee has the responsibility to monitor and document the employment information.

The Employment Plan shall also include the written Employment Agreement required to be executed between the Grantee and the business owner [requirements of the Employment Agreement are described in 24 CFR 570.506 (b), (5), and (6)]. The written Employment Agreement must include a commitment by the business that the jobs are to be created or retained by the termination date of this Agreement and that at least fifty-one percent (51%) of all jobs created or retained (on a FTE basis) will be held by TIG persons. The Employment Agreement shall specify that, prior to receiving assistance, the business shall agree to:

- a. Provide a listing, by job title, of the permanent jobs projected to be created;
- b. Identify which jobs, if any, are part-time and the annual hours of work for each position;
- c. Identify which jobs are projected to be filled by TIG; and,
- d. Provide periodic reporting (semi-annual) listing jobs, by job title, of all the permanent jobs actually filled, and which of those jobs are held by members of the TIG. Additionally, the report shall include the job applicants' and job holders' ethnicity/race, disability status, gender, and head of household status.

EXHIBIT A

- 3) Grantees implementing a Business Assistance Infrastructure activity, shall submit their methodology for determining the infrastructure benefit, a Fair Share Allocation Plan, and a Fair Share Payment Plan prior to the disbursement of funds for business assistance infrastructure. These documents shall specify how the Grantee will administer and ensure compliance by future development, including the requirement that the future development complies with CDBG job creation and principal benefit to the TIG requirements [see 24 CFR 570.483(b)(4)(vi)(F)].

H. Microenterprise Assistance Activities

- 1) Grantees implementing a Microenterprise Assistance activity for technical assistance and/or microenterprise loans, shall submit program guidelines that ensure compliance with CDBG requirements. Specifically, guidelines must ensure that all beneficiaries of the program are eligible micro enterprises, per HUD definitions. A micro enterprise must: 1) have all owners of the business documented as meeting HUD family income eligibility standards; 2) have documentation that the business's owners and employees are five (5) or fewer in number.
- 2) When implementing a Microenterprise Program, the program guidelines shall include the proposed benefits, eligible activities and ongoing evaluation of program services. The guidelines will include a Beneficiary Tracking Plan, which defines the goals; identifies the roles and responsibilities of the service providers; identifies the market and focuses the outreach; defines the screening and referral process; and, tracks the beneficiaries through the program's level of service. The Beneficiary Tracking Plan shall also describe the roles and responsibilities of the Grantee and/or program operator for meeting the reporting requirements of the State CDBG Program.
- 3) When implementing a Microenterprise Program that is part of an integrally-related component of a larger project where non LMI persons will be extended training and supportive services, shall submit guidelines including the methodology describing how CDBG funds will only be used towards the assistance of LMI to (TIG) persons under the Grantee's activity.
- 4) Grantees implementing a Microenterprise activity for loans to microenterprises made with grant funds or program income funds, shall submit guidelines that ensure compliance with CDBG underwriting requirements as described in 24 CFR Part 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

EXHIBIT A

- 5) Grantees implementing a Microenterprise Façade Improvement activity, shall submit program guidelines that ensure compliance with CDBG National Objective requirements, as described in 24 CFR 570, Appendix A, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements."

I. Required Agreements for Assisted Businesses

The Grantee shall execute a written agreement between the Grantee and the business receiving CDBG funds (loans or grants) under this Agreement to ensure compliance with CDBG State and Federal Regulations. The written agreement shall contain language to ensure each business complies with the terms of this Agreement, Exhibit A, 4A and B, and 8H, as well as each of the criteria as set forth in 24 CFR 570.506 (b), (5), (6), and (7).

- 1) Each agreement between the Grantee and the business(es) shall be submitted to the Department for review and written approval, prior to execution by the business and Grantee.
- 2) Each agreement shall require the business to report employee information periodically (semi-annual) to the Grantee. The report shall list each job position by job title and number of annual hours worked and TIG status. The report shall list all the permanent jobs actually created or retained, and identify which of those job positions are held by members of the TIG. Additionally, the report shall include the demographics of job holders (ethnicity/race, disability, status, gender, and head of household status).
- 3) Each agreement shall require the business(es) submit a Data Universal Numbering System (DUNS) number and be verified as not being on the current federal debarred list, prior to receiving any CDBG financial assistance. The agreement shall require proof of proper insurance for secured collateral and protecting the Grantee. The agreement shall reference this Agreement between the Department and the Grantee. The agreement shall contain all other special conditions as directed by the Department or local loan committee. The agreement shall include but is not limited to the following conditions:
 - a) Maintaining a life insurance policy by the business owner with the Grantee designated as the beneficiary;
 - b) Maintaining a specific annual debt service level; and,
 - c) Requiring a quarterly review of the businesses financial statements with the owner and accounting staff.

EXHIBIT A

J. Grantee Data Universal Numbering System (DUNS)

The Grantee shall provide the Department with a DUNS number prior to release of any funds under this Agreement.

K. Other Special Conditions

The following is a list of additional special conditions placed on the Grantee that are specific to the funded activity. These conditions must be met prior to release of Grant funds.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Grant Budget

Specifics of the grant budget shall be agreed upon by the Department and the Grantee prior to the drawdown of any funds.

2. Contract Amount

For the purposes of performing the Work, the Department agrees to provide the amount identified below. Unless amended, the Department shall not be liable for any costs in excess of the contract amount, nor for any unauthorized or ineligible costs. Funds provided under this Agreement shall be provided in the form of a grant to the Grantee for the following activity(ies):

Breakdown of Grant Budget

<u>Federal Matrix Code</u>	<u>Source Amount</u>	<u>Federal Source Coding</u>
18A	\$118,000	Business Assistance Loans
18AD	\$ 17,700	Business Assistance Activity Delivery
18C	\$ 75,000	Microenterprise Technical Assistance
18CD	\$ 9,300	Microenterprise TA Activity Delivery
18C	\$ 50,000	Microenterprise Loans
18CD	\$ 7,500	Microenterprise Activity Delivery
21A	\$ 22,500	General Administration

Total \$300,000

3. Line Items

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

- A. The following limits apply to the expenditure of funds for general administration. The amount shown above for general administration is the amount requested in the Grantee’s application, unless that amount exceeded the CDBG general administration cap of seven and a half percent (7.5%) of the grant request. If the amount requested for general administration exceeded seven and a half percent (7.5%), the Department reduced the general administration request to meet that limitation and re-allocated the excess to activity(ies) implementation. Costs for the annual audit may be a general administration expense and are subject to the seven and a half percent (7.5%) limitation.

EXHIBIT B

- B. The Department may approve a request from the Grantee to reallocate funds between the authorized activities and itemized amounts stated in Exhibit B, Section 2 above. Changes in the aggregate of ten percent (10%) or less of the total grant amount between activity categories or line items during the term of this Agreement, and expenditures pursuant thereto, may be made only after the Department's express written approval, but do not require a written amendment to this Agreement.
- C. Unless incorporated in a written amendment to this Agreement, no change greater than ten percent (10%) of the total grant amount between activity categories or line items during the term of this Agreement shall be made, and no change in which the aggregate results in greater than ten percent (10%) of the total grant amount in adjustments between activity categories or line items during the term of this Agreement shall be made. Any such contract amendment must be executed by the Department prior to expenditures pursuant thereto.
- D. If HUD changes an Activity Code(s) identified in Section 2 of this Exhibit, the Grantee shall be notified in writing. Any Activity Code change, directed by HUD, shall not require an amendment to this Agreement.

4. Leverage

The Grantee has committed leveraged funds in its application. These funds must be expended by the termination date of this Agreement. The Grantee shall report on the value of other contributions included as leverage to the project activity(ies). Required contributions to be reported on, as described in the Application, are:

Breakdown of Leverage Obligated

<u>Federal Matrix Code</u>	<u>Source Amount</u>	<u>Federal Source Coding</u>
18AD	\$7,500	P120
18AD	\$7,500	P120
18AD	\$2,500	P120
18AD	\$3,000	P120
18AD	\$1,650	P120
18CD	\$1,000	L120
18CD	\$7,500	P120
18CD	\$7,500	P120
18CD	\$2,500	P120
18CD	\$3,000	P120
18CD	\$1,650	P120
21A	\$1,000	L120
Total	\$46,300	

EXHIBIT B

5. Program Income

If the Grantee has committed Program Income funds in its Application, this Program Income and/or any additional Program Income committed to an activity must be spent before any grant funds are drawn down for the activity(ies) for which it was committed. Any Program Income in a local revolving loan account or revolving loan fund designated for the same activity(ies) as any open grant activity must also be spent before grant funds are drawn down for the activity(ies). The Grantee shall report Program Income expenditures on the Funds Request Form, the Quarterly Program Income Report, and the Annual Program Income Report. The following Program Income is committed to grant activities:

No Program Income committed.

6. Expenditure of Funds

A. General Administration

Costs for general administration may neither be incurred nor funds expended until execution of this Agreement by the Department, unless the Grantee has received prior written approval from the Department. If such approval is desired before execution of this Agreement by the Department, the Grantee shall make the request for approval in writing, but the Grantee will expend these funds at its own risk.

B. Program Implementation and Activity(ies) Delivery

Costs for program implementation and activity(ies) delivery may neither be incurred nor funds expended until the Grantee has received written approval from the Department that the Special Conditions set forth in Exhibit A, Section 7, are met. If such approval is desired before execution of this Agreement by the Department, the Grantee shall make the request for approval in writing.

EXHIBIT B

C. Compliance with the Federal Office of Management and Budget (OMB) Circular A-133

Funds will not be disbursed to Grantees identified by the State Controller's Office (SCO) as non-compliant with the Federal Single Audit Act, as described in OMB Circular A-133, until such compliance is demonstrated.

D. Grant Administration

The Grantee agrees to administer this Agreement in accordance with the provisions of Section 7098 through and including Section 7124 of Title 25 of the CCR.

7. Expenditure Milestones

The Grantee must meet expenditure milestones for Business Assistance and Microenterprise Assistance activities, as set forth by the Department per Section 7062.1 (b) (7) of Title 25 CCR:

- A. A Grantee's "unused" Enterprise funds shall be disencumbered twenty-four (24) months after this Agreement's execution date. The Department may waive this provision in writing if it determines that compelling circumstances warrant the waiver.

For the purposes of this Agreement, at the 24th month after:

- 1) Loans in Process/Activities of \$50,000 or less shall be considered "unused" if not approved by the local loan committee for disbursement as a loan to a specified borrower under the Grantee's Enterprise Fund Grant.
 - 2) Loans in Process/Activities of over \$50,000 shall be considered "unused" if the Department has not received the required documentation needed for the Department to authorize disbursement.
 - 3) Any balance of loan funds not being processed for eligible borrowers shall be considered "unused".
- B. For the purposes of this Agreement, the provisions cited above do not apply to the Grantee's microenterprise technical assistance and general support activities to microentrepreneurs and potential microentrepreneurs.

EXHIBIT B

8. Method of Payment

The Grantee shall submit all forms to the State Contract Coordinator, as specified in Exhibit A, Section 5, or any other address of which the Grantee has been notified in writing. The Department shall not authorize payments unless it determines the grant activity(ies) has been performed in compliance with the terms of this Agreement.

A. Advances and Reimbursements

All Activity(ies): To receive an advance or reimbursement for the grant activity(ies) performed, the Grantee shall submit an executed Funds Request Form. Reimbursement Funds Requests shall include the level of documentation specified by the Department. For an advance of funds, Grantee shall include a justification explaining the need for an advance.

B. Final Payment Requests

- 1) Grantees on the Advance Payment System: The last advance payment must be submitted to the Department no later than ninety (90) days prior to the termination date of this Agreement.
- 2) Grantees on the Reimbursement Payment System: All requests for final reimbursement must be submitted within forty-five (45) days after the termination date of this Agreement.
- 3) All Requests for Grant Funds Not Previously Requested: If the final request for funds expended during the contract term has not been received by the Department within the forty-five (45) days of this Agreement's termination date, the Department shall disencumber any funds remaining in the Agreement and grant funds will no longer be available.

EXHIBIT C

HCD GENERAL TERMS AND CONDITIONS

1. Effective Date, Commencement of Work and Completion Dates

This Agreement is effective upon approval/execution by the State, which is the date stamped by the Department in the lower right hand corner cover page of this Agreement. The Grantee agrees, subject to Exhibit B, Section 6A and 6B, that neither Work shall commence, nor will any costs be incurred to be paid with CDBG funds, prior to the effective date of this Agreement unless the Grantee has received prior written approval from the Department. The Grantee agrees the Work shall be completed by the termination date specified on the cover page of this Agreement (as stated in Exhibit A, Section 3).

2. Sufficiency of Funds and Termination

- A. The Department may terminate this Agreement at any time for cause by giving at least fourteen (14) days written notice to the Grantee. Cause shall consist of violations of any terms and/or special conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority. Upon termination of this Agreement, unless otherwise approved in writing by the Department, any unexpended funds received by the Grantee shall be returned to the Department within fourteen (14) days of the Notice of Termination.
- B. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays, which would occur if the Agreement were executed after the determination was made.
- C. This Agreement is valid and enforceable only if sufficient current funds are made available to the Department by the United States Government for the Federal fiscal year. In addition, this Agreement is subject to any additional restrictions, limitations, conditions, or statute enacted by the Congress or State Legislature, which may affect the provisions, terms or funding of this Agreement in any manner.
- D. If Congress does not appropriate sufficient funds for the Program, the Department may amend this Agreement to reflect any reduction in funds, or it may terminate this Agreement by giving fourteen (14) days written notice to the Grantee.

EXHIBIT C

3. Meeting National Objectives

All grant activities performed under this Agreement must meet one of the National Objectives of the HUD Regulations. For the purposes of this Agreement, the Grantee's Business Assistance activity must meet (A) Benefit to TIG Households or (B) Prevention and/or Elimination of Slums or Blight as described below. For Microenterprise Assistance activities, the Grantee must only meet (A) Benefit to TIG Households as described below:

- A. Benefit to TIG Households: The CDBG funded activities shall benefit TIG households, as specified in the grant Application, and this benefit must be achieved by the grant termination date. Households whose incomes are in the Lowest Targeted Income Group (LTIG) may not be excluded from participation in any CDBG-funded activities.
- B. Prevention and/or Elimination of Slum and Blight: The Scope of Work shall consist of activities that aid in the Prevention or Elimination of Slum or Blight, pursuant to Federal Regulation described at 24 CFR 570.483 (c)(1)-(2).

4. Inspections of Grant Activity

- 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 accordance with the applicable Federal, State and/or local requirements and this Agreement.
- B. The Department reserves the right to inspect any grant activity(ies) performed hereunder to verify the grant activity(ies) is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.
- C. The Grantee agrees to require 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.

5. 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 A.

EXHIBIT C

6. Contractors and Subcontractors

- A. The Grantee shall not enter into any agreement, written or oral, with any contractor without the prior determination of the contractor's eligibility. A contractor or subcontractor is not eligible to receive grant funds if the contractor is not licensed, not in good standing with the State of California, or is listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.
- B. An agreement between the Grantee and any contractor shall require the contractor and its subcontractors, if any, to:
- 1) Perform the grant activity(ies) in accordance with Federal, State and local housing and building codes, as are applicable.
 - 2) Comply with the applicable State and Federal requirements described in Exhibits D and E of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace.
 - 3) Maintain at least the minimum State-required Workers' Compensation Insurance for those employees who will perform the grant activity(ies) or any part of it.
 - 4) Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the contractor or any subcontractor in performing the grant activity(ies) or any part of it.
 - 5) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement and any amendments, whichever is later.
 - 6) 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 this Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

EXHIBIT C

7. Periodic Reporting Requirements

During the term of this Agreement, the Grantee must submit the following reports by the dates identified, respectively, or as otherwise required 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.

- A. Financial and Accomplishment Report (FAR) (Semi-Annual): Submit by January 31 and July 31.
- B. Annual Grantee Performance Report (GPR): Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State fiscal term.
- C. Section 3 Report: Submit with Annual Grantee Performance Report (GPR) by July 31 for each State Fiscal Year.
- D. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 31 and April 30 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- E. Quarterly Program Income Report: Submit on or before January 31, April 30, and October 31 of each year.
- F. Annual Program Income Report: Submit by July 31 of each year regardless of whether or not the Grantee has any open grants.
- G. Funds Request Form: Submit a Funds Requests Form as funds are needed.
- H. Economic Development Progress Report with FAR (semi-annual): Submit on or before January 31 and July 31 of each year.
- I. Any other reports required as a Special Condition of this Agreement.

EXHIBIT C

8. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the grant activity(ies). The Grantee shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Grantee's performance score on future applications.

9. Grant Closing Requirements

- A. The Grantee must submit the following within forty-five (45) days after the termination date of this Agreement:
- 1) The Final FAR: The period of this report is the final period of this Agreement.
 - 2) The Final Funds Request: If any, for final reimbursement.
- B. The Grantee must submit the following within ninety (90) days after the termination date of this Agreement:
- 1) The Final GPR, per current State CDBG Grant Management Manual.
 - 2) The Closeout Certification Letter, per current State CDBG Grant Management Manual.
 - 3) Return of Unexpended Funds: All funds received by the Grantee but not expended by the termination date of this Agreement must be accounted for and returned. Funds shall be returned in accordance with the current State CDBG Grant Management Manual.
 - 4) The Closeout FAR: The period of this report is from the Start Date to the End Date of this Agreement.
 - 5) Annual Audit Report: The Grantee must submit an annual audit report to the State Controller's Office (SCO) pursuant to the requirements of OMB Circular A-133.
 - 6) Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement.

EXHIBIT C

10. **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.

11. **Signs**

If the Grantee places signs stating that the Department is 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.

12. **Audit/Retention and Inspection of Records**

- A. The Grantee must have intact, auditable fiscal records at all times. If the Grantee is found to have missing audit reports from the SCO during the term of this Agreement, the Grantee will be required to submit a plan to the State, with task deadlines, for submitting the audit report to the SCO. If the deadlines are not met, the Grantee will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Grantee's audit completion plan is subject to prior review and approval by the Department.
- B. The Grantee agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Grantee agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Grantee further agrees to maintain such records for a period of five (5) years after final payment under this Agreement. The Grantee shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.

EXHIBIT C

- C. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented, shall be disallowed and must be reimbursed to the Department or its designee by the Grantee. Expenditures for grant activity(ies) not described in Exhibit A shall be deemed authorized if the performance of such grant activity(ies) is approved in writing by the Department prior to the commencement of such grant activity(ies).
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of the allowability of any expenditures shall be final.
- E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Grantee shall use the Federal Catalog number 14.228 for the State CDBG Program.
- F. Pursuant to OMB Circular A-133, the Grantee shall perform an annual audit at the close of each fiscal year in which this Agreement is in effect. Audit costs for this Agreement are a general administration expense and are subject to the general administration expenditure limits associated with this Agreement. The costs of the CDBG-related portion of the audit may be charged to the program in accordance with Public Law 98-502, OMB Circular A-133 and Section 7122 of Title 25 CCR.
- G. Notwithstanding the foregoing, the Department will not reimburse the Grantee for any audit cost incurred after the termination date of this Agreement.
 - 1) The audit shall be performed by a qualified State, Department, local or independent auditor. The agreement/contract for audit shall include a clause, which permits access by the Department to the independent auditor's working papers.
 - 2) If there are audit findings, the Grantee must submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends and the Department will notify the Grantee in writing. If the Department is not in agreement, the Grantee will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.
 - 3) The Department shall not approve reimbursement for any expenditures for the audit, prior to receiving an acceptable audit report.

EXHIBIT C

- 4) If so directed by the Department upon termination of this Agreement, the Grantee shall cause all records, accounts, documentation and all other materials relevant to the grant activity(ies) to be delivered to the Department as depository.

13. **Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials**

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 any functions or responsibilities with respect to the program during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for grant activities to be performed in connection with the program assisted under this Agreement. 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.

14. **Waivers**

No waiver of 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.

15. **Litigation**

- 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.

EXHIBIT C

16. Lead-Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR Part 35 (Lead Disclosure). Any grants or loans made by the Grantee with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these Regulations. The Grantee shall be responsible for the notifications, inspections, and clearance certifications required under these Regulations.

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 (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 Labor Code. 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.

18. Compliance with State and Federal Laws and Regulations

- A. The Grantee agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Grantee, its subgrantees, contractors or subcontractors, and the grant activity, and any other State provisions as set forth in Exhibit D.
- B. The Grantee agrees to comply with all Federal laws and regulations applicable to the CDBG Program and to the grant activity(ies), and with any other Federal provisions as set forth in Exhibit E.

EXHIBIT D

STATE OF CALIFORNIA
GENERAL TERMS AND CONDITIONS

1. Approval

This Agreement is of no force and effect until signed by both parties.

2. Amendment

No amendment 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 in the Agreement is binding on any of the parties.

3. Assignment

This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. Indemnification

Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm or corporation furnishing or supplying work services, materials or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Grantee in the performance of this Agreement.

5. Disputes

Grantee shall continue with the responsibilities under this Agreement during any dispute.

6. Termination for Cause

The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided.

7. Independent Contractor

Grantee, and the agents and employees of Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

EXHIBIT D

8. Non-Discrimination Clause

- A. During the performance of this Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
- B. Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

9. Timeliness

Time is of the essence in this Agreement.

10. Governing Law

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

11. Child Support Compliance Act

If this Agreement is in excess of \$100,000, by executing this Agreement, Grantee acknowledges and agrees to the following:

- A. Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable State and Federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and

EXHIBIT D

- B. Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

12. Severability

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

13. Drug-Free Workplace Requirements

Grantee shall comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and shall provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about: (1) the dangers of drug abuse in the workplace; (2) the Grantee's policy of maintaining a drug-free workplace; (3) any available counseling, rehabilitation and employee assistance programs; and (4) penalties that may be imposed upon employees for drug abuse violations.
- C. Every employee who works on the proposed contract will: (1) receive a copy of the Grantee's drug-free workplace policy statement; and (2) agree to abide by the terms of the Grantee's statement as a condition of employment under this Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Grantee has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Government Code Section 8350 et seq.)

EXHIBIT D

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California:

14. Conflict of Interest

Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

A. Current State Employees (Public Contracts Code Section 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular State employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

B. Former State Employees (Public Contracts Code Section 10411):

- 1) For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.
- 2) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving State service.

C. If Grantee violates any provisions of above Sections, such action by Grantee shall render this Agreement void. (Public Contracts Code Section 10420).

EXHIBIT D

- D. Members of boards and commissions are exempt from this Section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Public Contracts Code Section 10430 (e))

15. Labor Code/Workers' Compensation

The Grantee needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

16. Americans With Disabilities Act

The Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

17. Grantee Name Change

An amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change, the State will process the amendment.

18. Corporate Qualifications to Do Business in California

- A. If Grantee is a corporation, the State may verify that the Grantee is currently qualified to do business in California in order to ensure that all obligations due to the State are fulfilled.
- B. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the State not be subject to the franchise tax.
- C. Both domestic and foreign corporations (those incorporated outside California) must be in good standing in order to be qualified to do business in California. If Grantee is a corporation, the State will determine whether Grantee is in good standing by contacting the Office of the Secretary of State.

EXHIBIT D

19. Resolution

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

20. Air or Water Pollution Violation

Under the State laws, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of the provisions of Federal law relating to air or water pollution.

21. Payee Data Record Form Std. 204

This form must be completed by all contractors that are not another State agency or other government entity.

22. National Labor Relations Board Certification

If Grantee is receiving Federal funds under this Agreement, Grantee certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a Federal court, which orders Grantee to comply with an order of the National Labor Relations Board. (Not applicable to public entities.)

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

1. Anti-Lobbying Certification

The Grantee shall 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.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- 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 making of any Federal grant, the making of any Federal loan, the entering into of any 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 agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

2. Bonus or Commission, Prohibition Against Payments of

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

EXHIBIT E

- 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.

3. Citizen Participation

The Grantee is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR 570.486, Local Government Requirements.

4. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time.

5. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

6. Environmental Requirements

The Grantee shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR Part 58.

7. Equal Opportunity

- A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances:

During the performance of this Agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any grant activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

EXHIBIT E

B. Rehabilitation Act of 1973 and the "504 Coordinator":

The Grantee further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR Part 8, including, but not limited to, for Grantees with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

C. The Training, Employment, and Contracting Opportunities for Business and Lower- Income Persons Assurance of Compliance:

- 1) The grant activity(ies) to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR 135.34(a)(2).
- 2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Grantee will include these Section 3 clauses in every contract and subcontract for work in connection with the grant activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Grantee or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135 and, will not let any contract unless the Grantee or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

EXHIBIT E

4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement shall be a condition of the Federal financial assistance provided to the grant activity(ies), binding upon the Grantee, its successors, and assigns. Failure to fulfill these requirements shall subject the Grantee, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the Agreement through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

D. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or more:

The Grantee hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Grantee furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

8. Flood Disaster Protection

A. This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act.

B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.

EXHIBIT E

- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

9. Labor Standards--Federal Labor Standards Provisions

The Grantee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide, or offering to provide any kickback; (2) soliciting, accepting, or attempting to accept any kickback; or (3) including directly or indirectly, the amount of any kickback prohibited by clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.
- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations, Subtitle A, Parts 1, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

10. Procurement

The Grantee shall comply with the procurement provisions in 24 CFR Part 85.36, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

EXHIBIT E

11. **Program Income**

"Program Income" means gross income earned by the Grantee from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR 570.489 (e), Program Administrative Requirements, Program Income. These regulations include the requirement that the Grantee record receipt and expenditure of Program Income as part of the financial transactions of the grant activity(ies).

12. **Non-Performance**

Prior to closing out this Agreement, the Department shall review the actual National Objective and/or Public Benefit achievements of the Grantee. In the event that the National Objective and/or Public Benefit requirements are not met, the Department may, in its sole discretion, impose any or all of the following remedies: recapture of part or all of the Program Income; reimbursement of part or all of the grant amount; and/or exclusion of the Grantee from further CDBG funding for a period of time to be determined by the Department.

13. **Relocation, Displacement, and Acquisition**

The provisions of the Uniform Relocation Act, as amended, 49 CFR Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Grantee and assisted in whole or in part by funds allocated by CDBG.

14. **Uniform Administrative Requirements**

The Grantee shall comply with applicable Uniform Administrative Requirements as described in 24 CFR Section 570.502, including cited Sections of 24 CFR Part 85.