

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

AGREEMENT NUMBER  
**13-CDBG-8935**  
 REGISTRATION NUMBER

1. 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**

2. The term of this Agreement is: **Upon HCD Approval through 09/30/2018**

3. The maximum amount of this Agreement is: **\$1,060,000.00**

4. 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	5
Exhibit B - Set-Up/Completion and Payment Provisions	4
Exhibit C - State of California General Terms and Conditions*	GTC - 610
Exhibit D - CDBG Terms and Conditions	18
Exhibit E - Special Terms and Conditions	1
<b>TOTAL NUMBER OF PAGES ATTACHED:</b>	<b>28 pages</b>

Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <http://www.documents.dgs.ca.gov/ols/GTC-610.doc>

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

<b>CONTRACTOR</b>		<b>California Department of          General Service          Use Only</b>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc)		
<b>County of El Dorado</b>		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
<b>3057 Briw Road, Suite A, Placerville, CA 95667</b>		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME		
<b>Department of Housing and Community Development</b>		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
<b>Cathy Parr, Contracts Manager, Business &amp; Contract Services Branch</b>		
ADDRESS		
<b>2020 W. El Camino Ave, Sacramento, CA 95833</b>		

Exempt per: SCM 4.04.A.3 (DGS Memo dated 6/12/81)

## 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. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG - Community Development Block Grant Program and the California State CDBG Regulations, pursuant to 25 California Code of Regulations (CCR), Sections 7050 et seq. 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, the representations contained in the CDBG Grantee's application for this funding allocation (the "Application"), which is incorporated herein, as set forth, by reference, 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. For purposes of this Agreement, use of the term "Grantee" shall be a reference to "Contractor".

#### 2. Meeting National Objectives

Activities under this Agreement must meet an eligible CDBG National Objective, authorized under Title I of the Housing and Community Development Act of 1974, as amended (hereinafter "HCDA" or "The Act").

Upon completion of the program(s) and/or project(s) funded by this Agreement, the Grantee must be able to meet one of the two National Objectives outlined in Exhibit D, Section 5 of this Agreement (National Objectives) using the proposed activity by the expiration of this Agreement. In accordance with Exhibit D, Section 9 of this Agreement (Non-Performance), if a National Objective is not met all CDBG funds disbursed to the Grantee shall be repaid to the Department.

#### 3. Public Benefit for Special Economic Development

Per 24 CFR 482(f) and (g), the Grantee is responsible to demonstrate fulfillment of the Public Benefit requirement for all CDBG Economic Development (ED) activities that involve assistance to for-profit businesses under Section 105(a)(17) of The Act. Public Benefit is generally met through the creation or retention of one permanent full-time equivalent job position for each \$35,000 in CDBG funds provided directly to an ED project. Unlike the guidelines for project costs and financial requirements covered under paragraph (a) of this section, the use of the standards for public benefit is mandatory.

## EXHIBIT A

Any activity where the Grantee has not documented meeting Public Benefit requirements will be deemed an ineligible activity, and the Grantee will be required to repay those ineligible project expenses to the Department.

### 4. Scope of Work/Contract Amount

- A. The Grantee shall perform the funded activities described in Scope of Work (Work), as represented in the Application, which is on file with the Department of Housing and Community Development, Division of Financial Assistance, 2020 West El Camino Avenue, Suite 500, 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 review and approve all Work to be performed by the Grantee, its contractors, and subgrantees in relation to this Agreement. Any proposed revision to the 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.
- B. For the purposes of performing the Work, the Department agrees to provide the amount(s) identified below. Unless amended, the Department shall not be liable for any costs for Work in excess of this amount, nor any unauthorized or ineligible costs.
- C. The grant activity(ies) shall principally benefit low- or moderate-income person(s) or households(s) (LMI), and as described in the Application, and shall consist of:
  1. Microenterprise Loan Program to provide loans for start-up costs, working capital, purchase of supplies and equipment and other necessary expenses, for approximately 9 income-eligible current or potential small business owners. (18C)
  2. Microenterprise Technical Assistance Program to provide training, including organization, management, marketing, financing and preparation of a business plan for approximately 12 income-eligible current or potential small business owners. (18C)
  3. Homeownership Assistance Program to benefit approximately 6 low- and moderate income households. (13)
  4. Business Assistance Loan Program to assist approximately 3 for-profit businesses with loans which will result in approximately 11 jobs being created or retained, of which at least 6 must be for income-eligible individuals. (18A)

**EXHIBIT A**

<b>Activity Matrix Code</b>	<b>Activity Description</b>	<b>National Objective Code</b>	<b>Amount</b>
13	Direct Homeownership Assistance	LMH	516,796
13D	Activity Delivery - Direct Homeownership Assistance	LMH	41,344
18A	ED - Direct Financial Assistance to For-Profits	LMJ	242,669
18AD	Activity Delivery - ED - Direct Financial Assistance to For-Profits	LMJ	36,400
18C	ED Microenterprise Technical Assistance	LMC	80,890
18C	ED Microenterprise Loans/Grants	LMC	48,534
18CD	Activity Delivery - ED Microenterprise Technical Assistance	LMC	12,134
18CD	Activity Delivery - ED Microenterprise Loans/Grants	LMC	7,280
21A	General Program Administration	None	73,953
<b>Total:</b>			<b>\$1,060,000</b>

**5. Other Funding Sources**

- A. Other Funding Sources - The CDBG Grantee shall report on the value of other contributions included as leverage for each project activity via the Project Set-Up/Completion Report. The Project Set-Up/Completion Report is the report which conveys the information needed to establish a project-specific account in the Federal Integrated Disbursement and Information System (IDIS). It is also the report that is used to convey any changes to the project-specific account, and report the final project-specific information in IDIS.
- B. Match (Planning and Technical Assistance Grants (PTA) only) - The cash match that the Grantee has committed to a PTA activity as required by Health and Safety Code 50833 and 25 CCR 7058(a)(5) must be expended prior to requesting reimbursement from PTA grant funds. The Grantee will report the expenditure of match funds on the Semi-Annual Financial and Accomplishment Reports (FARs) and the Project Set-Up/Completion Report. Program Income cannot be used as cash match.

Amount of required match awarded planning grant: \$0.00

## EXHIBIT A

### 6. Program Income

Pursuant to 24 CFR, Part 570.489(e) as amended in the CDBG Final Rule, and 24 CFR Part 85, if the Grantee has committed PI funds in its Application, this PI and/or any additional PI committed to an activity must be spent before any grant funds are requested for the activity(ies) for which it was committed. Any PI in a local revolving loan account, or PI waiver 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 PI expenditures on the Funds Request Form, and the Semi-Annual PI Report. The following PI is committed to grant activities for this Agreement:

No program Income committed.

The amount of committed PI includes activity delivery; it does not include PI general administration funds.

### 7. Term of Agreement and Deadlines

With the exception of the Grant Closing Requirements set forth in Exhibit B, Section 6, the Grantee shall complete the grant activity(ies) by the termination date set forth on the front page of this Agreement.

**A. All Program funds shall be expended by: 9/30/2016**

**B. All Funds Disbursement Requests shall be submitted by: 12/30/2016**

**C. This Agreement will expire on: 9/30/2018**

The total amount of funds drawn during the entire contract term must be for actual and reasonable costs incurred according to the United States Office of Management and Budget Circular for Audits of States and Local Government (OMB) Circulars A-87 and A-122 and documentation must be maintained in the Grantee's contract file.

No payments shall be made for drawdown requests received after 12/30/2016. Any funds not drawn down by 12/30/2016 shall be disencumbered.

### 8. Line Item Adjustments

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

A. The Department may approve a request from the Grantee to reallocate funds between the authorized activities and itemized amounts stated in Section 4 of this exhibit. Any changes of the total grant amount between activity categories or line items during the

## EXHIBIT A

term of this Agreement, and expenditures pursuant thereto, may be made only after the Department's express written approval. Due to the differences in Activity Delivery (AD) percentages associated with different activities, they too will need to be adjusted accordingly.

- B. 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.

### 9. Activity Delivery Cost Limitations

Refer to the NOFA that is associated with this Contract or any relevant CDBG Management Memo.

### 10. 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 sent first class mail, unless otherwise informed, to the State Contract Coordinator at the following address:

Contract Coordinator, CDBG  
Division of Financial Assistance, Suite 500  
Department of Housing and Community Development  
P.O. Box 952054  
Sacramento, California 94252-2054

### 11. Contract Administrator

The Grantee's Contract Administrator (must be a grantee employee) for this Agreement is listed below. Unless otherwise informed, any notice, report, or other communication required by this Agreement shall be sent by first class mail, unless otherwise informed, to the following address:

Grantee: County of El Dorado  
Name: Cynthia Freeland  
Title: Acting Administrative Services Officer  
Address: 3057 Briw Road, Suite A, Placerville, CA 95667  
Phone: (530) 642-4863  
E-Mail: cynthia.freeland@edcgov.us

## EXHIBIT B

### SET-UP/COMPLETION AND PAYMENT PROVISIONS

#### 1. Definitions

A. "Activity" means one of the following HUD eligible activities as per HCDA 105(a):

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

Each Activity must meet a National Objective, pursuant to 24 CFR 570.483, to be considered eligible.

B. "Activity Delivery" (AD) means "related soft costs." The CDBG Grantee may expend up to the indicated AD as identified in Exhibit A, Section 9. 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. If the activity is not completed (no accomplishments), and a Project Completion Report for the full amount drawn down is not filed, all CDBG funds, including AD must be repaid to the Department.

C. "General Administration" refers to eligible administrative and planning as provided in sections 105(a)(13) of The Act [42 USC 5305(a)(12).]

D. "Funds Disbursement" refers to the forms and process required to request the draw down of CDBG funds previously reserved for a project in IDIS.

E. "Program" means an activity that is available to eligible participants within a defined service area and is not restricted to a specific physical address, such as microbusiness technical assistance, recreation programs or services for senior citizens.

## EXHIBIT B

- F. "Project" means the CDBG assistance provided at a specific physical address within an eligible activity, such as homeownership, public improvements, public facilities, or business assistance.
- G. "Project or Program Set-Up" refers to the forms and process required to reserve CDBG funds in IDIS.
- H. "Project or Program Completion" refers to the form and process required to report a project or program as "complete." The Project or Program Completion Report must be submitted to HCD with, or prior to, the final funds disbursement request. If the activity is not complete and a Project or Program Completion Report for the full amount drawn is not filed, all CDBG funds for the program or project must be repaid to the Department.

### 2. **General Conditions Set-Up Requirements**

The CDBG Grantee shall submit the following for the Department's approval, prior to project set-up in IDIS:

- A. The "General Set-Up Conditions Checklist" for each funded activity, on a form provided by the Department, and any required supporting documentation.
- B. Any other documents, certifications, or evidence deemed necessary by the Department prior to Project Set-Up.

### 3. **Individual Project or Activity Set-Up/Completion Requirements**

The CDBG Grantee shall submit the following documentation to the Department:

- A. Project or Activity Set-Up Report for each individual project or for the activity (for example, Public Services) should there be no actual address.
- B. Any other documents, certifications, or evidence deemed necessary by the Department prior to project or activity set-up.

### 4. **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.



## EXHIBIT B

### B. Program Implementation and Activity Delivery

Costs for program implementation and activity delivery may neither be incurred nor funds expended until the Grantee has received written approval from the Department.

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

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 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 7097 through and including Section 7126 of Title 25 of the CCR.

## 5. Method of Payment

The Grantee shall submit all forms to the Contract Coordinator specified in Exhibit A, Section 10, or to any other address of which the Grantee has been notified in writing. The Department shall not authorize payments unless it has determined the grant activity(ies) have been performed in compliance with the terms of this Agreement.

### A. Reimbursements

- 1) To receive reimbursement for grant activities, the Grantee shall submit all Department required forms. Reimbursement Funds Requests shall include the level of documentation specified by the Department.

### B. Advances

- 1) To receive an advance for grant activities, the Grantee shall submit Department required forms including a written justification supporting the need for an advance.
- 2) The Grantee will be required to reconcile the advance prior to receiving any additional grant funds.

### C. Final Payment Requests

- 1) Grantees on the Reimbursement Payment System: All requests for final reimbursement must be submitted within ninety (90) days of 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 ninety (90) days prior to the expenditure deadline of this Agreement.

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- 3) 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. Funds shall be returned in accordance with the current State CDBG Grant Management Manual. All returned funds will be disencumbered.
- 4) All Requests for Grant Funds Not Previously Requested: If the final funds disbursement request for activity costs expended during the term of this Agreement has not been received by the Department by the draw down deadline, the Department shall disencumber any funds remaining and grant funds will no longer be available for the Grantee.

### 6. Grant Closing Requirements

- A. The Grantee must submit the following within ninety (90) days after the contract termination date of this Agreement.
  - 1) The Final FAR: The period of this report is the final period of this Agreement.
  - 2) The Final GPR, per current State CDBG Grant Management Manual (except for Agreements with stand-alone PTA activities).
  - 3) The Closeout Certification Letter, per current State CDBG Grant Management Manual.
  - 4) The Closeout Accomplishments: The period of this report is from the Start Date of this Agreement through the End Date of this Agreement.
  - 5) Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement.
  - 6) Evidence of a properly noticed public hearing that was conducted in front of the governing body to notify the public of accomplishments funded by the grant.

## EXHIBIT D

### CDBG TERMS AND CONDITIONS

#### 1. Effective Date and Commencement of Work

This Agreement is effective upon approval by the Department.

- A. The Grantee cannot incur any costs until the execution of the contract unless prior written approval has been given by CDBG management.
- B. For certain activities, Grantees must receive the Authority to Use Grant Funds from the Department prior to the commitment and/or commencement of work.
- C. A Grantee cannot be reimbursed for any costs until the Department has issued written clearance of all general conditions requirements.

#### 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.
- 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 this 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.

#### 3. Termination for Convenience and Enforcement

- A. Except as provided in 24 CFR 85.43, awards may be terminated in whole or in part only as follows:
  - 1) The Department with the consent of the Grantee or Subgrantee in which case the two parties shall agree upon termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

## EXHIBIT D

- 2) By the Grantee or Subgrantee upon written notification to the Department, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the Department determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either 24 CFR 85.43 or paragraph (A) of this section.

B. Enforcement for noncompliance may include the following remedies if a Grantee or Subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the Department may take one or more of the following actions, as appropriate in the circumstances.

- 1) Temporarily withhold cash payments pending correction of the deficiency by the Grantee or Subgrantee or more severe enforcement action by the awarding agency.
- 2) 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.
- 3) Wholly or partly suspend or terminate the current award for the Grantee's or Subgrantee's program.
- 4) Withhold further awards for the program.
- 5) Take other remedies that may be legally available.
  - a. Hearings, appeals. In taking an enforcement action, the awarding agency will provide the Grantee or Subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the Grantee or Subgrantee is entitled under any statute or regulation applicable to the action involved.
  - b. Effects of suspension and termination. Costs of Grantee or Subgrantee resulting from obligations incurred by the Grantee or Subgrantee during a suspension or after termination of an award are not allowable unless the Department expressly authorizes them in the notice of suspension or termination or subsequently. Other Grantee or Subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowed if:
    1. The costs resulting from obligations which were properly incurred by the Grantee or Subgrantee before the effective date of suspension or termination, are not in anticipation of suspension or termination; and, in the case of a termination, are noncancellable, and,

## EXHIBIT D

2. The costs would be allowable if the award was not suspended or expired normally at the end of the funding period in which the termination takes place.
- c. Relationship to debarment and suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude a Grantee or Subgrantee from being subject to 2 CFR part 2424. CDBG funds may not be provided to excluded or disqualified persons. [24 CFR 570.489(i)]

### 4. 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.

### 5. National Objectives

All grant activities performed under this Agreement must meet one of the National Objectives of the HUD regulations as included in the Application authorized under Title I of the Housing and Community Development Act of 1974, as amended.

- A. Benefit to HUD defined low- or moderate-income person or household (LMI). The term low- or moderate-income is defined under CDBG as no more than 80 percent of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or,
- B. Prevention or elimination of Slums or Blight. In order for an activity to meet the National Objective 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, Part 570.483(c). This National Objective may only be used with prior written approval of the Department.

### 6. Public Benefit for Special Economic Development

Per 24 CFR 482(f) and (g), the Grantee is responsible to demonstrate fulfillment of the Public Benefit requirement for all CDBG Economic Development (ED) activities that involve assistance to for-profit businesses under section 105(a)(17) of The Act. Public Benefit is generally met

## EXHIBIT D

\$35,000 in CDBG funds provided directly to an ED project. Unlike the guidelines for project costs and financial requirements covered under Exhibit D section 5a, the use of the standards for Public Benefit is mandatory.

Any activity where the Grantee has not documented meeting Public Benefit requirements will be deemed an ineligible activity, and the Grantee will be required to repay those ineligible project expenses to the Department.

### 7. **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.

### 8. **Uniform Administrative Requirements**

The Grantee shall comply with applicable Uniform Administrative Requirements [24 CFR Part 85] as described in 24 CFR, 570.483(d).

### 9. **Non-Performance**

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 PI; 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.

Prior to closing out this Agreement, the Department shall review the actual National Objective and/or Public Benefit achievements of the Grantee.

### 10. **Affirmatively Furthering Fair Housing**

The Grantee will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

### 11. **Equal Opportunity Requirements and Responsibilities**

A. **Title VI of the Civil Rights Act of 1964:** This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving Federal financial assistance.

#### EXHIBIT D

- B. **Title VII of the Civil Rights Act of 1968 (The Fair Housing Act):** This Act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promotes fair housing.
- C. **Restoration Act of 1987:** This Act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives Federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability or age in a program or activity which does not directly benefit from such assistance.
- D. **Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 5309]:** This section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.
- E. **The Fair Housing Amendment Act of 1988:** This Act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in Federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- F. **The Housing for Older Persons Act of 1995 (HOPA):** Retained the requirement that the housing must have one person who is 55 years of age or older living in at least 80 percent of its occupied units. The Act also retained the requirement that housing facilities publish and follow policies and procedures that demonstrate intent to be housing for persons 55 or older.
- G. **The Age Discrimination Act of 1975:** This Act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving Federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic including: KRS 18A.140; KRS 344.040; 101 KAR 1:350 Paragraph 11; 101 KAR 1:375 Paragraph 2(3); 101 KAR 2:095 Paragraphs 6 and 7.
- H. **Section 504 of the Rehabilitation Act of 1973:** It is unlawful to discriminate based on disability in Federally assisted programs. This section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

## EXHIBIT D

- I. **The Americans with Disabilities Act of 1990 (ADA):** This Act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
- J. **Executive Order 11063:** This Executive Order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with Federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the Federal government.
- K. **Executive Order 11259:** This Executive Order provides that the administration of all Federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.
- L. **The Equal Employment Opportunity Act:** This Act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in Federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings Federal, State, and local governments under the Civil Rights Act of 1964.
- M. **The Immigration Reform and Control Act (IRCA) of 1986:** Under IRCA, employers may hire only persons who may legally work in the U.S., i.e., citizens and nationals of the U.S. and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (1-9).
- N. **The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978:** This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of Federal laws prohibiting discriminatory employment.
- O. **The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002):** This Act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
- P. **Executive Order 11246:** This Executive Order applies to all Federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.



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### 12. **The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance (Section 3):**

The Grantee will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135. The responsibilities of the Grantee are outlined in 24 CFR Part 135.32 as follows:

- A. Implementing procedures designed to notify Section 3 residents about training 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 Section 135.38 in all solicitations and contracts.
- 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 Section 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 Section 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.
- F. A Grantee which distributes funds for Section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in Section 135.30 regardless of the number of local governments receiving funds from the Section 3 covered assistance which meet the thresholds for applicability set forth at Section 135.30. The State must inform units of local government to whom funds are distributed of the requirements of this Part; assist local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this Part.

### 13. **Environmental Compliance**

The Grantee shall have satisfied all National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements. CEQA shall be approved by

## EXHIBIT D

the Grantee. The level of compliance varies by activity. NEPA review must be completed by the Grantee for each activity and approved in writing by Department staff prior to incurring costs on the grant activity(ies).

### 14. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 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.

### 15. 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. For projects where there will be temporary or permanent displacement, the Grantee must submit signed General Information Notices (GINs) from each tenant who was residing in the project at the time of Application submittal. If a Grantee believes that 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.

### 16. 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, as well as any other State provisions as set forth in Exhibits C.
- 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.

### 17. Federal Labor Standards Provisions

- 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 Federal 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.

#### EXHIBIT D

- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) The Act prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind. The Act also provides that the inclusion of kickback amounts in contract prices is prohibited conduct in itself. This Act requires that the purpose of the kickback was for improperly obtaining or rewarding favorable treatment. It is intended to embrace the full range of government contracting.
- 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 and 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 CFR, 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.

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.

#### 18. 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 [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.

#### 19. 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

## EXHIBIT D

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.

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

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, 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.

**21. 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

**22. Anti-Job Pirating Certification**

Job pirating prohibition on use of CDBG assistance for employment relocation activities - (1) Prohibition. 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 (LMA) to another LMA if the relocation is likely to result in a significant loss of jobs in the LMA 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. [24 CFR 570.482(h)]

**23. 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.

**EXHIBIT D**

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

**24. 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,
- 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.

**25. Contractors and Subrecipients**

- A. The Grantee 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.
  - 1) Contractors are defined as program operators or construction contractors who are procured competitively.
  - 2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded jurisdiction to undertake eligible activities.
- B. An agreement between the Grantee and any contractor or subrecipient shall require:

#### EXHIBIT D

- 1) Compliance with the applicable State and Federal requirements described in this Agreement, which pertain to, among other things, labor standards, non discrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
- 2) Maintenance of at least the minimum State-required Workers' Compensation Insurance for those employees who will perform the grant activity(ies) or any part of it.
- 3) Maintenance, 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.
- 4) Compliance with the applicable Equal Opportunity Requirements described in Exhibit D, Section 11 of this Agreement.

#### C. Contractors shall:

- 1) Perform the grant activity(ies) in accordance with Federal, State and local housing and building codes, as are applicable.
- 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

#### D. Subrecipients shall:

- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of five (5) years after HCD notifies the Grantee that the HUD/HCD contract has been closed.
- 2) 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.

#### E. Contractors and Subrecipients: Drug-Free Workplace Act of 1988

- 1) All organizations covered by the Drug-Free Workplace Act of 1988 are required to provide a drug-free workplace by taking the following steps:

#### EXHIBIT D

- 2) Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
- 3) Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.
- 4) Notify employees that as a condition of employment on a Federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within (5) five calendar days, if he or she is convicted of a criminal drug violation in the workplace.
- 5) Notify the contracting or granting agency within 10 (ten) days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
- 6) Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.

Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the Act.

#### 26. 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.

#### 27. 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. Semi-Annual Financial and Accomplishment Report: 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 year.
- C. Annual Section 3 Reports: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State fiscal year.

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- D. Annual Minority Owned Business/Women Owned Business (MBE/WBE) Report: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State fiscal year.
- E. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- F. Funds Request Form: Submit a Funds Request Form (minimum \$1,000) as funds are needed.

The Department reserves the right to request any other reports that may be necessary for the implementation of this Agreement.

#### 28. 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.

In determining appropriate monitoring for each grant, the Department shall consider prior grant administration, audit findings, as well as factors such as complexity of the project and the amount of funding. The Department shall determine the areas to be monitored, the number of monitoring visits, and their frequency. The monitoring will address program compliance with contract provisions, including to but not limited to National Objective, financial management, the requirements of HCDA, 24 CFR, Part 85, 24 CFR 570 Part I, and all applicable Federal overlay requirements.

#### 29. 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 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.



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### 30. Access

Access by the Grantee, the Subgrantee, the Federal grantor agency, the State, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions pursuant to 24 CFR 85.36(i)(10).

### 31. Audit/Retention and Inspection of Records

- A. The Grantee must have intact, auditable fiscal and program records at all times. If the Grantee is found to have missing audit reports from the California State Controller's Office (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 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 minimum period of five (5) years after HCD notifies Grantee that the HUD/HCD contract has been closed. 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.
- 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 expenditure shall be final.
- E. For the purposes of annual audits under OMB Circular A-133, Grantee shall use the Federal Catalog number 14.228 for the State CDBG Program.

#### EXHIBIT D

- 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 expenditure deadline 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.
  - 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.

#### 32. 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.

#### 33. Citizen Participation

The Grantee is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

## EXHIBIT D

### 34. Flood Disaster Protection

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3(a) of said Act, for use in an area identified by the Secretary of HUD 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 FDPA, Section 102(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 FDPA, 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 of HUD 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.
- 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 FDPA, 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.

### 35. 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.

### 36. Program Income

Program Income (PI) means gross income earned by the Grantee from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR, Part 570.489(e) - Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 85 - Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Grantee record receipt and expenditure of PI as part of the financial transactions of the grant activity(ies).

**EXHIBIT D**

**37. Program Income Reuse Plan**

The Grantee must submit a copy of its plan for administering PI. The plan must include a discussion of how the Grantee will collect and disburse PI for CDBG eligible activities. The Grantee must adopt the most current CDBG PI reuse plan provided by the Department.

**38. 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)].

**39. 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).

**EXHIBIT E**

**SPECIAL CONDITIONS**

These Special Conditions are specific for this Standard Agreement.

1. None.