

PLACER COUNTY

COMMUNITY DEVELOPMENT GRANTS AND LOANS

MEMORANDUM

TO: Honorable Members of the Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
James LoBue, Deputy Director, Redevelopment
DATE: May 24, 2011
SUBJECT: Subrecipient Agreement with Western Placer Unified School District to Use the 10% Set-Aside Funds of the Community Development Block Grant for Sheridan Elementary School

ACTION REQUESTED

Adopt a resolution approving the Subrecipient Agreement with Western Placer Unified School District to use the 10% set-aside funds of the 2010 Community Development Block Grant (CDBG) for Sheridan Elementary School and authorizing the County Executive Officer or his designee to execute the Subrecipient Agreement and any other agreement, contract, or document necessary to implement the CDBG grant proceeds under this Subrecipient Agreement.

BACKGROUND

Placer County applied for and received a 2010 CDBG allocation of \$800,000. The 10% set-aside portion of this grant (\$80,000) was designated for Sheridan Elementary School to provide computer technology equipment to qualified low-income students. The Sheridan School-to-Home Technology Program will train students and their parents to use computer equipment and loan iPads to the students to complete their school assignments at home. The total Sheridan CDBG grant has three parts: 1) \$280,000 for Housing Rehabilitation Assistance, 2) \$380,000 for Water System Improvements, and 3) \$80,000 set-aside for public services for school computer equipment. The remainder of the grant, \$60,000 is for general administration. A Subrecipient Agreement in this amount needs your Board review and approval. The Board of Supervisor's Resolution authorizing the grant included authorization to sign the State Contract. The State Contract requires this Subrecipient Agreement. The proposed Subrecipient Agreement provides for the funds to be made available for the Western Placer Unified School District to carry out the school technology project in compliance with CDBG requirements.

FISCAL IMPACT

There will be no fiscal impact on the County's General Fund. CDBG are federal funds granted to the County.

ENVIRONMENTAL STATUS

Approval of the Subrecipient Agreement does not constitute a “project” for purposes of environmental review under the California Environmental Quality Act (CEQA). CEQA Guidelines section 15378(b) (4). This program is exempt per 24 CFR Part 58.34 (a) (7) from the National Environmental Policy Act.

Attachments: Resolution
Subrecipient Agreement

cc: Karin Schwab, Deputy County Counsel

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Approval of the \$80,000 Subrecipient Agreement with the Western Placer Unified School District to use the 10% Set-Aside portion of Community Development Block Grant, 10-STBG-6733, at Sheridan Elementary School for the School to Home Technology Program and authorization to the County Executive Officer or his designee to execute the Subrecipient Agreement and any other agreement, contract, or document necessary to implement the Community Development Block Grant as long as it is consistent with the State Contract.

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Board of Supervisors

Clerk of said Board

WHEREAS, Placer County applied for and received a Community Development Block Grant (CDBG) 10-STBG-6733, for \$800,000 to fund improvements and services for the Sheridan Community of Placer County;

WHEREAS, the 10% set-aside portion, \$80,000, of this grant is designated for the Sheridan Elementary School for a School-to-Home Technology Program; and

WHEREAS, Placer County entered into a contract with the State on March 3, 2011 (State Contract) to implement the Sheridan CDBG, and the scope of work of the Sheridan Subrecipient Agreement is consistent with the State Contract.

NOW, THEREFORE, BE IT RESOLVED that the Subrecipient Agreement with the Western Placer School District is hereby approved.

BE IT FURTHER RESOLVED that the Placer County Executive Officer, or his designee, is hereby authorized to sign this agreement and any amendment to this agreement, as well as any other agreement, contract or document necessary to implement this grant or any of its programs as long as it is consistent with the State Contract.

Project: Sheridan School to Home Technology Program
Administering Agency: Placer County Redevelopment Agency
Contracting Parties: County of Placer; Western Placer Unified School District
Administering Agency: Placer County Redevelopment Agency
Contract No.:
Contract Description: Provision of Internet Technology to Sheridan Low Income Households with Students at Sheridan Elementary School

**COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT AGREEMENT
FOR SHERIDAN SCHOOL TO HOME TECHNOLOGY PROGRAM**

THIS AGREEMENT is entered into on _____, by and between the County of Placer, (herein called the “County” or the “Grantee”), and Western Placer Unified School District, (herein called the “Subrecipient”) who agree as follows:

WHEREAS, the Grantee has applied for and received an award of funds from the United States Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383; and,

WHEREAS, the Grantee has entered into a contract with the California State Department of Housing and Community Development, per the attachment in Exhibit III; and,

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW THEREFORE, it is agreed between the parties hereto that:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Subrecipient shall provide the services described in Exhibit I. Subrecipient shall provide said services at the time, place, and in the manner specified in Exhibit I, and in conformance with CDBG contract (Grant Agreement) Grant No. 10-STBG-6733 (Exhibit III) including Federal Overlays.

2. **Payment.** County shall pay Subrecipient for services rendered **on a reimbursement basis only**, pursuant to this Agreement in the budgeted amounts set forth in Exhibit I, up to a maximum of **Eighty Thousand Dollars (\$80,000)**. The County will distribute funds to the Subrecipient based upon receipt of signed invoices and accompanying receipts submitted by the Subrecipient provided the invoices are consistent with the approved budget, approved by the County and consistent with the County’s policy concerning payments and subject to receipt of funds from HCD in accordance with Exhibit III. In no event shall individual payment or payments in the aggregate exceed total amount of this Agreement of **Eighty Thousand Dollars (\$80,000)**. Payments will be made on a reimbursement basis only for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. In addition, the County reserves the right to allocate funds available under this Agreement for costs incurred by the County in the administration of the Agreement on behalf of the Subrecipient.

3. **Facilities, Equipment and Other Materials, and Obligations of County.** Except as set forth in Exhibit I, Subrecipient shall, at its sole cost and expense, furnish all facilities, equipment, staff and services.

4. **Exhibits.** All Exhibits referred to herein are attached hereto and by this reference incorporated herein.

5. **Terms.** The term of this Agreement shall begin on the last date of execution of this Agreement and expire on June 30, 2013.

6. **Independent Contractor.** At all times during the term of this Agreement, Subrecipient shall be an independent contractor and shall not be an employee of the County. County shall have the right to control Subrecipient only insofar as the results of Subrecipient's services rendered pursuant to this Agreement.

7. **Licenses, Permits, Etc.** Subrecipient represents and warrants to County that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Subrecipient to perform under this Agreement. Subrecipient represents and warrants to County that Subrecipient shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Subrecipient to perform the services anticipated under this Agreement.

8. **Time for Performance.** Time is of the essence and Subrecipient shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Subrecipient's obligations pursuant to this Agreement. Failure of Subrecipient to perform any services or obligations set forth in this Agreement, including Exhibit I, shall constitute a material breach of this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

9. **Insurance.** Subrecipient shall file with County a Certificate of Insurance, with companies acceptable to County, with a Best's rating of no less than A-:VII showing the following coverage:

A. **Workers' Compensation and Employers' Liability Insurance**

1) Workers' Compensation Insurance shall be provided, as required, by any applicable law or regulation. Employers' liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

2) If there is an exposure of injury to Subrecipient's employees under the U.S. Longshoremen and Harbor Workers' Compensation Act, the Jones Act, or under laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

3) Each Workers' Compensation policy shall be endorsed with the following specific language:

Cancellation Notice "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to the County."

4) Subrecipient shall require all subconsultants to maintain adequate Workers' Compensation Insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

B. General Liability Insurance

- 1) Comprehensive General Liability or Commercial General Liability insurance shall be provided covering all operations by, or on behalf of Subrecipient, covering bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for contractual liability insuring the obligations assumed by Subrecipient in this Agreement.
- 2) One of the following forms is required:
 - a) Comprehensive General Liability;
 - b) Commercial General Liability (Occurrence); or
 - c) Commercial General Liability (Claims Made).
- 3) If Subrecipient carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
 - a) One million dollars (\$1,000,000) each occurrence;
 - b) One million dollars (\$2,000,000) aggregate.
- 4) If Subrecipient carries a Commercial General Liability (Occurrence) policy:
 - a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) for Products-Completed Operations;
 - iii) One million dollars (\$2,000,000) General Aggregate.
 - b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately to this contract, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).
- 5) Special Claims Made Policy from Provisions:

Subrecipient shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of County, which consent, if given, shall be subject to the following conditions:

- a) The limits of liability shall not be less than:
 - i) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage);
 - ii) One million dollars (\$1,000,000) aggregate for Products-Completed Operations;
 - iii) One million dollars (\$2,000,000) General Aggregate.

b) The insurance coverage provided by Subrecipient shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

C. Endorsements. Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

1) “The County, its officers, agents, employees and volunteers, are to be covered as insureds for all liability arising out of operations, or on behalf of, the named insured in the performance of this Agreement.”

2) “The insurance provided by the Subrecipient, including any excess liability or umbrella form coverage, is primary coverage to the County with respect to any insurance or self-insurance programs maintained by County, and no insurance held or owned by County shall be called upon to contribute to a loss.”

3) “This policy shall not be canceled or materially changed without first giving thirty (30) days’ prior written notice to County.”

D. Automobile Liability Insurance.

1) Automobile Liability insurance shall be provided covering bodily injury and property damage in an amount not less than one million dollars (\$1,000,000) combined single limit for each occurrence.

2) Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

10. Indemnity. Subrecipient hereby agrees to protect, defend, indemnify, and hold the County and Agency free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by the County or Agency arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the County or Agency) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of this contract or agreement. Subrecipient agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Subrecipient. Subrecipient also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against Subrecipient or the County or to enlarge, in any way, the Subrecipient’s liability but is intended solely to provide for indemnification of the County from liability for damages or injuries to third persons or property arising from Subrecipient’s performance pursuant to this contract or agreement.

As used above, the term “County” means Placer County or its officers, agents, employees and volunteers. As used above, the term “Agency” means Placer County Redevelopment Agency or its officers, agents, employees and volunteers.

11. **Subrecipient Not Agent.** Except as County may specify in writing, Subrecipient shall have no authority, express or implied, to act on behalf of County in any capacity whatsoever as an agent. Subrecipient shall have no authority, express or implied, pursuant to this Agreement to bind County to any obligation whatsoever.

12. **Assignment Prohibited.** Subrecipient may assign its rights and obligations under this Agreement only upon the prior written approval of County, said approval to be in the sole discretion of County.

13. **Grantor Recognition.** The Subrecipient shall insure recognition of the role of the grantor agency in providing services through this Agreement. The Grantor is the U. S. Department of Housing and Urban Development, through their Community Development Block Grant program, administered by the California State Department of Housing and Community Development. All activities, facilities and items utilized pursuant to the Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

14. **Amendments.** The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and approved by the parties' respective governing bodies. An amendment that has the effect of invalidating this Agreement or attempting to relieve or release either or both parties from the obligations of this Agreement shall be considered null and void.

15. **Administrative Requirements.**

A. **Financial Management**

1. **Accounting Standards.** The Subrecipient agrees to comply with OMB Circular A-110 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. **Cost Principles.** The Subrecipient shall administer its program in conformance with OMB Circular A-21, Exhibit D, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

[NOTE: For the above sections, if the Subrecipient is a governmental or quasigovernmental agency, the applicable sections of 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," and OMB Circular A-87 would apply]

B. **Documentation and Record-Keeping**

1. **Records to be Maintained.** The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;

- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, and OMB Circular A-110; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Retention. The Subrecipient shall retain all records pertinent to expenditure incurred under this Agreement for a period of three (3) years after the termination of all activities funded under this Agreement. Records for non-expandable property acquired with funds under this contract shall be retained for three (3) years after final disposition of such property. Records for any displaced person must be kept for three (3) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the three-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the three-year period, whichever occurs later.

3. Client Data. The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure. The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by the Information Practices Act of 1977 unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-Outs. The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Annual reports shall continue even after closeout, see Section 15-C-3. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

6. Audits & Inspections. All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the Grantee or Grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and, as applicable, OMB Circular A-133.

C. Reporting and Payment Procedures

1. Indirect Costs. No indirect costs are eligible.
2. Payment Procedures. The Grantee will pay to the Subrecipient on a reimbursement basis only, funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. Payment will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. The Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantee on behalf of the Subrecipient.
3. Progress Reports. The Subrecipient shall submit semiannual Progress Reports, on July 15 and January 15 of each year to the Grantee. These reports shall contain the amount of funds expended, the number of students in the program and a summary statement of the success of the program. These reports will continue on an annual basis for four years, each January 15, after the agreement terminates, June 30, 2013, or until the program ends, whichever ever comes later, to verify that the program is still being carried out.

D. Procurement

1. Compliance. The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expandable personal property as defined by such policy as may be procured with funds provided herein. All program assets, property, equipment, etc., upon termination of the School-to-Home Technology Program, shall revert to the Grantee.
2. OMB Standards. The Subrecipient shall procure all materials, property, or services in accordance with the requirements of Attachment O of OMB Circular A- 110, Procurement Standards, and shall subsequently follow Attachment N, Property Management Standards as modified by 24 CFR 570.502(b)(6), covering utilization and disposal of property.

16. Personnel & Participant Conditions. Subrecipient shall assign only competent personnel to perform services pursuant to this Agreement. In the event that County, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Subrecipient to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Subrecipient shall remove any such person immediately upon receiving notice from County of the desire of County for removal of such person or persons.

Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit I, Scope of Services, Subrecipient agrees to perform the work under this Agreement with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Subrecipient without the prior written consent of County shall be grounds for cancellation of the Agreement by County, and payment shall be made pursuant to Paragraph 18 Termination only for that work performed by Project Team members.

A. Civil Rights.

1. Compliance. The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 50 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination. The Subrecipient will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising layoff; termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Section 504. The Subrecipient agrees to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against the handicapped in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan. The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. W/MBE. The Subrecipient will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records. The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications. The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment

5. EEO/AA Statement. The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

6. Subcontract Provisions. The Subrecipient will include the provisions of Paragraphs X A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. Prohibited Activity. The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; sectarian or religious activities; lobbying, political patronage, and nepotism activities.

2. Labor Standards. The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The Subrecipient shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

3. "Section 3" Clause.

a. Compliance. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the Grantee, the Subrecipient, and any of the Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient, and any of the Subrecipient's, subrecipients and subcontractors, their successors and assigns to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontractors executed under this Agreement:

"The work to be performed under this contract is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the

requirements of Section 3 for the Housing and Urban Development Act of 1968, as amended, 12 U.S.C.1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low and very-low income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low and very-low income persons residing in the metropolitan area in which the project is located.”

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction projects are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Subrecipient certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications. The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts. The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability. The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that

claims for money due or to become due to the Subrecipient from the Grantee under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontractors

a. Approvals. The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such Agreement.

b. Monitoring. The Subrecipient will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content. The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process. The Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act. The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

4. Conflict of Interest. The Subrecipient agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.

5. Lobbying. The Subrecipient hereby certifies and further covenants 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 persons 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;

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; and

d. **Lobbying Certification - Paragraph d:** 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 section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. **Copyright.** If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use the work or materials for government purposes.

7. **Religious Organization.** The Subrecipient agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR 570.2000)

E. Beneficiaries of the Sheridan School to Home Technology Program shall be only those students from documented low income households according to the most current HUD Standards, updated annually, 80% or less of Placer County Median income, adjusted by household size.

17. **Standard of Performance.** Subrecipient shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Subrecipient is engaged in the geographical area in which Subrecipient practices its profession. All products of whatsoever nature which Subrecipient delivers to County pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Subrecipient's profession.

18. **Termination.** County shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Subrecipient. In the event County shall give notice of termination, Subrecipient shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event County shall terminate this Agreement:

A. Subrecipient shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostatting, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof.

B. County shall have full ownership and control of all such writings delivered by Subrecipient pursuant to this Agreement.

C. County shall pay Subrecipient the reasonable value of services rendered by Subrecipient to the date of termination pursuant to this Agreement not to exceed the amount documented by Subrecipient and approved by County as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the Agreement specified in Paragraph 2, and further provided, however, County shall not in any manner be liable for lost profits which might have been made by Subrecipient had Subrecipient completed the services required by this Agreement. In this regard, Subrecipient shall furnish to County such financial information as in the judgment of the County is necessary to determine the reasonable value of the services rendered by Subrecipient. The foregoing is cumulative and does not affect any right or remedy which County may have in law or equity.

D. Subrecipient may terminate its services under this Agreement upon thirty (30) working days' advance written notice to the County.

19. **Environmental Conditions.**

A. **Air and Water.** The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 U.S.C., 7401, et seq.

2. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued there under. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R., Part 50, as amended.

20. **Severability.** If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

21. **Waiver.** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.

22. **Entirety of Agreement.** This Agreement contains the entire agreement of County and Subrecipient with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer, or agent of any party which is not contained in this Agreement shall be binding or valid.

23. **Attorney's Fees.** If any party to this Agreement commences legal proceedings to enforce any of its terms or for damages for its breach, the prevailing party shall be entitled to recover reasonable attorney's fees, including those incurred on appeal, if any.

24. **Governing Law.** This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this Agreement shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California, and Subrecipient hereby expressly waives those provisions in California Code of Civil Procedure §394 that may have allowed it to transfer venue to another jurisdiction.

Executed as of the day first above stated:

GRANTEE

SUBRECIPIENT

COUNTY OF PLACER

WESTERN PLACER UNIFIED SCHOOL DISTRICT

By: _____

By: _____
Scott Leaman

By Its _____

By Its District Superintendent:

Date: _____

Date: _____

Federal Tax I.D. #

Approved as to Form

Karin Schwab, Deputy County Counsel

*Agreement must be signed by two corporate officers if a corporation; one must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation.

Attachments

- I. Budget & Scope of Services
- II. Anti-Lobbying Certification
- III. State Contract No. 10-STBG-6733

EXHIBIT I

SCOPE OF SERVICES and BUDGET

The Sheridan School to Home Technology Program shall include:

- A program to improve computer literacy and computer access for up to 140 low income students including their families.
- A check out system for iPods and keyboards so students can access curriculum assignments via the internet.
- Classes for parents on protecting the students from internet predators.
- It will also provide state of the art interactive computer equipment and systems for classes for the students for both:
 - the use of the equipment and
 - for transmission of the curriculum.
- A barcode system for tracking and inventory of the equipment.
- All equipment will be purchased at the start of the program.
- The project team shall consist of the Sheridan Elementary School Principal, Class Instructors and the School Librarian.

Item	Amount	Comments
Video Digitizer	\$1,000	Converts video tapes to digital so they can be edited
Sound Enhancer	\$2,000	Allows sound to be edited
White Board	\$1,000	Needed for use with Interactive Projector
36 Keyboard Docks	\$2,000	Provides keyboards for iPads for at home use
36 iPads	\$22,600	For students to use in class and to take home
Charging Cart	\$3,000	To charge up various computer equipment
1 Interactive Projector	\$2,000	Turns any surface into an interactive smart board
33 Chairs	\$11,000	Special swiveling chairs on wheels and storage for equipment
2 Laptops	\$1,200	For central command centers, to pass on assignments to iPods
Video Server	\$10,000	
Doc Camera 4700 x 4	\$3,000	New overhead projector editing mechanism
6 iPad Verizon Connections	\$1,600	
Responders	\$2,000	Wireless intercom system
Multi Projector/Computer Lab	\$1,000	For class room instruction of students
1st Projector	\$2,000	For classroom instruction of students
2nd Projector	\$2,000	For classroom instruction of students
3rd Projector	\$2,000	For classroom instruction of students
Staff Projector	\$2,000	For classroom instruction of students
4 laser printers @ \$400	\$1,600	To print out results and hard copy segments of the curriculum
Color printer	\$800	For teachers to provide handouts or presentation material
Apps	\$3,000	Various applications for facilitation of school curriculum
Mobile Device S/W	\$3,000	Manages content of curriculum and sends data to iPads wirelessly
Pod Cast Microphone	\$200	Enables class lectures to be heard around district & world
Total	\$80,000	

EXHIBIT II

ANTI-LOBBYING CERTIFICATION

Subrecipient shall submit to County this certification prior to or at the time of the execution of this Agreement.

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 Section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty 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:

1. No Federally appropriated funds have been paid or will be paid, by or on behalf of, 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 any 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; and,
2. If any funds other than Federally appropriate funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an 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 instruction.

Subrecipient:

By: _____
Signature Date

EXHIBIT III
STATE CONTRACT

CONTRACTOR'S COPY

AGREEMENT NUMBER 10-STBG-6733
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 Placer

2. The term of this Agreement is: **Upon HCD Approval through 06/30/2013**

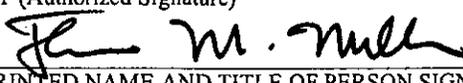
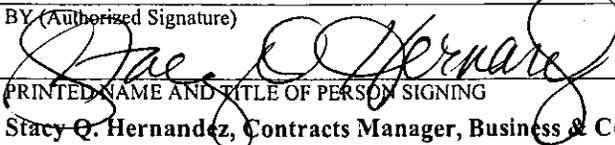
3. The maximum amount of this Agreement is: **\$800,000.00**

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	11
Exhibit B - Budget Detail and Payment Provisions	4
Exhibit C - State of California General Terms and Conditions*	GTC - 610
Exhibit D - CDBG Terms and Conditions	7
Exhibit E - Special Terms and Conditions	5
Exhibit F - Additional Provisions	0
TOTAL NUMBER OF PAGES ATTACHED:	27 pages

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.

CONTRACTOR		California Department of General Service Use Only MAR 03 2011
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc) County of Placer		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 2/24/11	
PRINTED NAME AND TITLE OF PERSON SIGNING Thomas M. Miller Placer County CEO		
ADDRESS 3091 County Center Drive, Ste. 260, Auburn, CA 95603		
STATE OF CALIFORNIA		
AGENCY NAME Department of Housing and Community Development		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 3/3/11	
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		
		<input checked="" type="checkbox"/> Exempt per: SCM 4.04.3 (DGS Memo dated 6/12/81)

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Authorized Signature Card for Request for Funds	
CDBG Grant Number: 10-STBG-6733	
Grantee Name: County of Placer	Issued By: California Dept. of Housing and Community Development 1800-3 rd Street, Suite #330 Sacramento, CA 95811
(1) Typed Name of Signer, Signature and Title: James LoBue <i>James LoBue</i> Deputy Director, Redevelopment	(2) Typed Name of Signer, Signature and Title: Cindy Kelly <i>Cindy Kelly</i> Senior Administrative Officer
(3) Typed Name of Signer, Signature and Title: Joanne Auerbach <i>Joanne Auerbach</i> Housing Program Coordinator	(4) Typed Name of Signer, Signature and Title: Steve Brown <i>Steve Brown</i> Redevelopment Program Coordinator
I certify that the signatures above are of the individuals authorized to request payment of funds under the grant cited above. Thomas M. Miller <i>Thomas M. Miller</i> Placer County CEO	
Typed or Printed Name of Authorizing Official (Grantee) <i>Thomas M. Miller</i>	Title <i>Placer County CEO</i>
Signature of Authorizing Official (Grantee)	Date <i>4/15/11</i>

Instructions

Funds requests require two signatures--the preparer and any one of the authorized signers listed on the signature card.

The name and/or title of the authorizing official must be identified in the resolution passed by the city council or governing body. **The resolution must be submitted along with the signature card.**

The authorizing official is certifying that persons listed on the signature card are authorized to sign the funds request.

A signature card must be completed for each grant. A new signature card must be submitted when there is a change in the name and/or title of the authorizing official. No erasures or corrections may appear on this signature card.

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 the 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 and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.
- B. The grant activity(ies) shall principally benefit the Targeted Income Group (TIG), which is defined as a low- or moderate-income person or household whose income is no more than 80 percent of the median area income, and as described in the Application and shall consist of:

Construction of a public water well (Sheridan Water Supply & Distribution Project) to benefit 16 households. (03J)

School-to-Home Technology Program to provide individual and family training and laptop computers on a checkout basis to benefit 140 low-moderate income qualified individuals. (05D)

Housing Rehabilitation Program to benefit 8 low-moderate income (target area) households. (14A)

EXHIBIT A

3. Term of Agreement and Deadlines

With the exception of the Grant Closing Requirements set forth in Exhibit D, 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.

4. 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

5. 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 Placer
Name:	D. Michael O'Haver
Title	Senior Redevelopment Specialist
Address:	3091 County Center Drive, Ste. #260, Auburn, CA 95603
Phone:	(530) 745-3167
Fax:	(530) 745-3152
E-Mail:	mohaver@placer.ca.gov

6. Special Conditions – General

A. 90 Day Special Conditions

The following conditions apply to all activities, including set aside activities. The Grantee must meet the conditions within ninety (90) days of this Agreement's execution. Failure to meet the following Special Conditions may result in termination of this Agreement.

1) 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 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).

EXHIBIT A

2) Acquisition/Relocation Compliance

The Grantee must document its compliance with the Uniform Relocation Act, 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 (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.

3) 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.

4) Site Control

The Grantee shall demonstrate site control of the proposed project property by submitting evidence of one or more of the following to the Department:

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

EXHIBIT A

5) Funding Commitments and Project Cost Estimates

- a) 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 C, Section 7. 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.
- b) A current third party cost estimate must be provided by the engineer or architect for the project.

6) Grant/Activity Administration Documentation

There are four methods of administering a grant and/or completing grant activities:

- a) Use of in-house staff only;
- b) Subrecipient agreement(s) with qualified non-profit(s);
- c) Consultants/contractors/others obtained through Federal procurement procedures; and,
- d) Any combination of the above methods.

The Grantee must provide the following documentation demonstrating that one or more of these methods were used for the general administration of the grant and for all activities proposed in this Agreement's Work and in the Application.

- a) Use of in-house staff only: If not previously provided in the Application, submit staff resumes and duty statements that clearly identify Grantee staff have capacity and experience to complete administration of the proposed activities in the Application.
- b) Subrecipient agreement(s) with qualified non-profit(s): Subrecipients, and their respective agreements with the Grantee, must adhere to all Program requirements.

EXHIBIT A

Submit the subrecipient agreement that was executed between the non-profit and the Grantee. (Submitting draft documents for review prior to execution is recommended.) The scope of work in the subrecipient agreement must match the description of activity in this Agreement. Any parts of the activity description in this Agreement not covered by the subrecipient agreement must have separate procurement information. If the subrecipient is using CDBG funds to hire other consultants or subrecipients to do part or all of the Work then the procurement documentation or additional subrecipient agreements must be provided to the Department for review and approval.

- c) Consultants: Submit procurement documentation that all third party consultants are procured in accordance with Federal Procurement Procedures and Chapter 8 of the Grant Management Manual, as follows:
- i. A copy of the document used to notify prospective consultants, such as a Request for Proposal or similar document.
 - ii. A list of all bid respondents, showing respondents' contact information and the dollar amount of each proposal.
 - iii. A brief description of the process used to select the consultant/ contractor/other, including the rationale for the selection.

Additional information may be found in the Grant Management Manual, Chapter 2 - Program Operators, and Chapter 12 - Procurement Checklist.

7) Compliance With All Loans and/or Grant Agreements

Pursuant to Exhibit D, Section 18 of this Agreement, the Grantee must comply with State and Federal Laws and Regulations that pertain to matters applicable to the Grantee. Prior to disbursement of any funds under this Agreement, the Grantee shall be in compliance with all loan and/or grant agreements to which it is a party, which are administered by the Department.

8) Section 504 Accessibility Requirements

- a) Section 504 Regulations apply when CDBG funds are used on a new construction housing or public facility project or when an existing public facility or housing project with fifteen (15) or more units is being purchased and/or "substantially" rehabilitated. Qualified CDBG assisted housing projects are required to have a certain percentage of the units designed for and accessible to persons with mobility and sensory impairments.

EXHIBIT A

- b) For a federally assisted new construction housing project, Section 504 requires 5% of the dwelling units, or at least one unit, whichever is greater, to meet Uniform Federal Accessibility Standards or a standard that is equivalent or stricter, for persons with mobility disabilities. An additional 2% of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities.
- c) Under Section 504, alterations are substantial (i.e. substantially rehabilitated.) if they are undertaken to a housing project that has 15 or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility; and require that a minimum of 5% of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with mobility disabilities and an additional 2% of the dwelling units, or at least one unit, whichever is greater, shall be made accessible to persons with hearing or visual disabilities.
- d) The Grantee shall provide documentation satisfactory to the Department verifying that the required housing units or public facility described in the project comply with the accessibility standards. CDBG funds will not be released until the necessary documentation is provided. All CDBG funded programs must, to the greatest degree possible, be conducted in buildings which meet Section 504 accessibility standards.

B. Special Conditions - Easements and Rights-of-Way

If required for the completion of a CDBG project, the Grantee must obtain all easements and rights-of-ways required for completion of the CDBG project within twelve (12) months of execution of this Agreement. Failure to obtain these may result in termination of this Agreement.

C. Special Conditions – Public Improvements

If the Work to be performed under this Agreement involves Public Improvement, the following additional special conditions apply:

1) Project Timeline or Schedule:

Within ninety (90) days following execution of this Agreement, the Grantee shall submit a project timeline to the Department, for review and approval, if the CDBG project is a component of a larger project, the timeline for both the larger project and the CDBG-funded project must be submitted. The following list of key project events, if applicable, must be part of the schedule:

- a) Completion of all surveys, studies, testing and design;
- b) Completion of the NEPA and CEQA Environmental Review;
- c) Acquisition of site control sufficient to start construction on the project;

EXHIBIT A

- d) Approval of the plans and specifications with authorization to go out to bid by the governing body;
- e) Execution of the construction contract;
- f) Pre-construction meeting with the construction Contractor;
- g) Construction period (Start-End);
- h) Connection of TIG households to the system;
- i) Final acceptance of work and filing the notice of completion; and,
- j) Project closeout.

2) Laterals (not an eligible Public Improvement activity)

Lateral connections are defined as a utility connection (water, sewer or other utility service) between a main utility line and a housing unit. Laterals are only eligible for CDBG assistance under a housing rehabilitation activity, regardless if located on private property or in the public right-of-way. Laterals provide individual benefit to TIG households, per 24 CFR 570.202(b)(6), and are not a benefit to the general public. Note: lateral connections must comply with the documentation requirements of the housing rehabilitation activity.

3) Assessment Districts

- a) CDBG funds may be used to pay for improvements financed by special assessments, per 24 CFR 570.482 (b) Special Assessments under the CDBG Program. Special Assessment means the recovery of capital costs of an improvement through a fee or charge levied or filed as a lien against a property as a direct result of a benefit derived from the improvement. Special Assessment does not include periodic charges based on the use of a public improvement, such as monthly water or sewer user charges, even if such charges include the recovery of the capital costs of the improvement per 24 CFR 570.200 (c)(1), General Policies, Special Assessments Under the CDBG Program, Definition of Special Assessment.
- b) If the project will include the formation and implementation of an assessment district, the Grantee must submit, within ninety (90) days of execution of this Agreement, an assessment district formation and implementation timeline schedule which shows that the CDBG funds will be expended and benefits will accrue to the TIG beneficiaries before the end of this Agreement. Key time events must include, if applicable, the following items:
 - i. Filing of the Environmental Notice of Determination for the project with the County Clerk respective to the project;

EXHIBIT A

- ii. Adoption of the Resolution of Intention to form the assessment district by the governing body (i.e., City Councils or Board of Supervisors);
- iii. Holding the protest hearing and recording the assessments and assessment diagram;
- iv. Awarding the construction contract and sale of bonds; and,
- v. Filing the construction contract notice of completion.

4) Assessment Fees

CDBG funds may be used to pay reasonable user fees established by the governing body, (i.e., City Councils or Board of Supervisors) as a one time charge to gain access to a public improvement. This one time charge may not include real estate, property or ad valorem taxes even if such taxes include the recovery of all or a portion of the capital costs of the public improvement per 24 CFR 570.200 (c)(1).

5) Rate Structure

If the project includes the construction of, or improvements to, a public district such as a water, sewer, solid waste, natural gas or electric power utility, the Grantee shall provide an assurance that the Grantee will provide for future maintenance and capital replacement of the benefiting enterprise agency. The Grantee must submit the following documentation to CDBG, within ninety (90) days of execution of this Agreement:

- a) A copy of the previous year's revenue and expenditure budget showing all revenues and expenditures of the enterprise agency involved. Revenues should include all monthly user charges, hookup fees, connection fees, extension fees, plant expansion fees, land development fees and any other fees or charges related to operation, maintenance, capital improvement or development of the public district involved. Expenditures should include all operating expenses including: labor, materials, equipment, testing, administration, licensing and other costs to operate the system. The budget should include a revenue and expenditure plan for capital replacements and for future growth or expansion. The plan should include the payment of any existing or future capital finance obligations such as revenue bonds or certificates of participation.
- b) A draft copy of projected revenues and expenditures for the three (3) years following this Agreement's execution date. The draft of future revenues and expenditures must include all the features listed in Sub-Section a) above.
- c) A certified copy of the present resolution(s) and/or ordinance(s) which establish the existing monthly user charges, hookup fees, connection fees, extension fees, plant expansion fees, land development fees and any other fees or charges related to the revenues which finance the enterprise agency.

EXHIBIT A

- d) A listing of the number of each of the various types of monthly users for each separate type of user fee listed in the resolution described in Sub-Section c) above.
- e) A written plan, approved by the governing body, for increases in monthly user charges and fees necessary to meet the projected increases in costs, if any, which develop during the three (3) year period described in Sub-Section b) above.

6) Payment for Targeted Income Households

In order to comply with the provisions of the Housing and Urban Development (HUD), Rural Economic Recovery Act of 1983, the Grantee shall not attempt to recover any capital costs of the public improvement assisted by CDBG funds by assessing any amount against properties owned and occupied by TIG families, unless:

- a) CDBG funds are used to pay the assessment for the TIG families; or,
- b) The CDBG funds are used to pay the assessment for the lowest TIG families [fifty percent (50%) of county median income or below] and the Grantee certifies to the Department that it lacks sufficient CDBG funds to pay the assessment of all TIG families (above fifty percent [(50%) of median, up to eighty percent (80%) of median].

D. Special Conditions – Public Facilities

If the Work to be performed under this Agreement involves Public Facilities, the following additional special conditions apply in addition to all conditions under Section 6A, Special Conditions – General:

1) Change of Use

The following applies to real property, which was acquired or improved in whole or in-part, using CDBG funds in excess of \$25,000, pursuant to 24 CFR 570.505:

- a) The property must be used to meet the low-income benefit as specified in the Application for a period of five (5) years after termination of this Agreement. The Grantee should prepare a lease/or rent limitation agreement with the users of such property to assure the continuing benefit; or,
- b) If the property does not meet the requirements of Sub-Section a) above, the Grantee shall notify the Department that the following requirements have been met:
 - i. If the property is controlled by a third party, the third party shall pay to the Grantee's CDBG Program an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, and improvement to, the property; or,

EXHIBIT A

- ii. If the property is controlled by the Grantee, the Grantee shall pay to the CDBG Program an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, and improvement to, the property.

2) Project Timeline or Schedule:

Within ninety (90) days following execution of this Agreement, the Grantee shall submit a project timeline to the Department, for review and approval. If the CDBG project is a component of a larger project, the timeline for both the larger project and the CDBG-funded project must be submitted. The following list of key project events, if applicable, must be part of the schedule:

- a) Completion of all surveys, studies, testing and design;
- b) Completion of the NEPA and CEQA Environmental Review;
- c) Acquisition of site control sufficient to start construction on the project;
- d) Approval of the plans and specifications with authorization to go out to bid by the governing body;
- e) Execution of the construction contract;
- f) Pre-construction meeting with the construction Contractor;
- g) Construction period (Start-End);
- h) Final acceptance of work and filing the notice of completion; and,
- i) Project closeout.

E. Special Conditions – Public Improvement in Support of Multi-Family, Non-Senior New Construction Housing

If the Work to be performed under this Agreement involves Public Improvement in Support of Multi-Family, Non-Senior New Construction Housing, the following additional special conditions apply in addition to all conditions under Section 6A, Special Conditions – Applicable to all activities.

- 1) The proportion of the total cost of developing the project to be funded by CDBG funds may not be greater than the proportion of units occupied by TIG households; and,
- 2) Not less than twenty percent (20%) of the units must be occupied by TIG households at affordable rents.

EXHIBIT A

F. Special Conditions – Homeownership Assistance

If the Work to be performed under this Agreement involves Homeownership Assistance, the following additional special conditions apply in addition to all conditions under Section 6A, Special Conditions – General:

- 1) Program Guidelines: The Grantee must submit a copy of its Homeownership Assistance Program Guidelines and its Program Income Re-Use Plan to the Department for review and approval within ninety (90) days of the execution date of this Agreement.
- 2) If the Grantee proposed to assist homebuyers to purchase newly constructed units in its CDBG application under the Homeownership Assistance activity, the following requirements must be met:
 - a) The units must have been available for sale to the general public;
 - b) Development of the new subdivision must not be dependent upon the funding of the homebuyer loan;
 - c) CDBG funds shall not be used for construction; and,
 - d) Homeownership Assistance loans will not be approved prior to the foundation of the housing being in place.

G. Special Conditions – Housing Rehabilitation

If the Work to be performed under this Agreement involves Housing Rehabilitation, the following additional special conditions apply in addition to all conditions under Section 6A, Special Conditions – General:

- 1) Program Guidelines: The Grantee must submit a copy of its Housing Rehabilitation Program Guidelines and its Program Income Re-Use Plan to the Department for review and approval.
- 2) Affordable Rent: If the Grantee's Housing Rehabilitation Program provides for rehabilitating rental properties, the Grantee must submit to the Department its provisions for assuring affordable rent for the TIG occupants. The Grantee may include this information as part of the Housing Rehabilitation Program Guidelines.

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):

<i>Breakdown of Grant Budget</i>		
<u>Federal Matrix Code</u>	<u>Source Amount</u>	<u>Federal Source Coding</u>
03J	\$349,600	Public Improvements - Water Well
03JD	\$ 30,400	Public Improvements Activity Delivery
05D	\$ 79,400	Public Services - Youth Services
05DD	\$ 600	Public Services Activity Delivery
14A	\$226,800	Housing Rehabilitation - Single-Unit Residential
14H	\$ 53,200	Housing Rehabilitation Activity Delivery
21A	\$ 60,000	General Administration

Total \$800,000

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.
- 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. Changes between activity categories or line items cannot occur more often than once every six months during the term of this Agreement.

EXHIBIT B

- 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. Changes between the housing activities of a housing combo program will be allowed based on written approval from the Department.
- D. If HUD changes an Activity Code(s) identified in Section 2 of this Exhibit or if there is a Department error in recording the Activity Code, the Grantee shall be notified in writing and the correction 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 will 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>
03J	\$250,000	L000-Local-Other
03J	\$160,000	L300-Local-Funds

Total \$410,000

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.

EXHIBIT B

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 6 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.

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 set as follows.

A. All Program Activities, except set-aside activities:

25%	by	12/31/2011
50%	by	06/30/2012
75%	by	12/31/2012
100%	by	06/30/2013

B. All Project Activities, except set-aside activities:

25%	by	12/31/2011
50%	by	06/30/2012
75%	by	12/31/2012
100%	by	06/30/2013

EXHIBIT B

- C. If the Grantee does not meet the expenditure milestones as set by the Department, per Title 25, CCR, Section 7066 (d) and (e), the Department may disencumber the difference between the milestone and what was expended for the program activity sixty (60) days after the date of the milestone.

8. Method of Payment

The Grantee shall submit all forms to the State Contract Coordinator, as specified in Exhibit A, Section 4, or any other address of which the Grantee has been notified in writing. The Department shall not authorize payments unless it determines that the grant activity(ies), has been performed in compliance with the terms of this Agreement.

A. Advances and Reimbursements

- 1) 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 Fund Requests shall include the level of documentation specified by the Department. For advance of funds, Grantee shall include a justification explaining the need for an advance.
- 2) Lump Sum Draws for Housing Rehabilitation Activity(ies): If the Grantee is using a lump sum draw down payment method for a housing rehabilitation activity, the funds disbursed to the Grantee under a lump sum Fund Request are subject to the expenditure requirements contained in the Federal Regulations, 24 CFR 570.513. Any funds drawn down under a lump sum arrangement must be expended by the termination date of this Agreement.

B. Final Payment Requests

- 1) Grantees on the Advance Payment System: The last advance payment request 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 D

CDBG 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 the Agreement unless the Grantee has received prior written approval from the Department. The Grantee agrees that the Work shall be completed by the termination date specified on the cover page of this Agreement (as stated in Exhibit A, Section 3). This Agreement will expire on the date set forth in Exhibit A.

2. Sufficiency of Funds and Termination

- A. The Department may terminate this Agreement at any time for cause by giving at least 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 or any statute enacted by the Congress or the 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. Meeting National Objectives

All grant activities performed under this Agreement must meet one of the National Objectives of the HUD regulations.

The funded activities shall benefit TIG households, as specified in the grant Application, and this benefit must be achieved by the Grant termination date.

EXHIBIT D

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 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.
- C. 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.

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.

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.

EXHIBIT D

- 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 the Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

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 Year.
- C. Section 3 Report: Submit with the annual 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. Any other reports that may be required as a Special Condition of this Agreement.

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.

EXHIBIT D

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 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.
- 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 (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.

EXHIBIT D

- 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.

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

Pursuant to 24 CFR 570.611, 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.

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 D

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 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
- 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.

EXHIBIT E

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.

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."

EXHIBIT E

- 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.
 - 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.

EXHIBIT E

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.
- 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.