

## EXHIBIT B

### **SET-UP/COMPLETION AND PAYMENT PROVISIONS**

#### **1. Definitions**

- A. "Activity" includes, without limitation, the following HUD eligible activities as per the Act:
- 1) Public Improvements (Section 105(a)(2))
- B. "General Administration" refers to eligible administrative expenses as provided in Sections 105(a)(13) of the Act (42 USC 5305(a)(12)).
- C. "Funds Disbursement" refers to the forms and processes required to request the drawdown of CDBG-NDR funds (Request for Funds ("RFF) must be in the minimum amount of \$1,000, except final RFF for balance of grant funds).
- D. "State Program" means the Community and Watershed Resilience Program ("CWRP") as outlined in Phase 1 and Phase 2 of the Application submitted by HCD on behalf of the State of California.
- E. "Project" means the HUD approved, CDBG-NDR eligible activity carried out at an approved site with an approved scope of work.
- F. "Project Set-Up" refers to the forms and processes required to reserve funds associated with specific Projects for CDBG-NDR funds in DRGR.
- G. "Project Completion" refers to the form and processes required to report a Project as "complete." CCC must submit a Project Completion Report to the Department with, or prior to, the final disbursement request. For any activity that is not finished or completed, or does not meet a National Objective, or for which a Project Completion Report representing the full amount of funds drawn cannot be submitted in DRGR, all CDBG NDR activity funds for the Project must be repaid to the Department.

Each Project or Program Activity must meet a National Objective, pursuant to 24 CFR 570.483 and CDBG-NDR regulations to be eligible.

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

CCC shall submit the following by for the Department's approval prior to Project Set-Up:

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

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

CCC shall submit the following documentation to the Department:

- A. A Project Set-Up Report for each individual project or program.
- B. All other documents, certifications, or evidence deemed necessary by the Department as part of clearing general conditions for the project, i.e., prior to Project Set-Up and Completion Report.
- C. Project Set-Up Report must contain a DUNS number for each entity involved in implementation of CDBG-NDR program or project activities.

### 4. **Expenditure of Funds**

- A. Compliance with the Federal Office of Management and Budget (OMB) OMB Uniform Requirements, 2 CFR 200 Audit Requirements

Funds will not be disbursed to CCC if they are identified by the State Controller's Office ("SCO") as non-compliant with the Federal Single Audit Act, as described in OMB 2 CFR 200. 501, 505, and 511 and OMB Uniform Guidance, until such compliance is demonstrated to the satisfaction of the State Controller.

- B. Grant Administration

The CCC shall administer this Agreement in accordance with the provisions of Section 7097 through and including Section 7126 of Title 25 of the CCR. CCC shall also ensure that all NDR costs are eligible per Exhibit A, Section 3 of this Agreement.

### 5. **Method of Payment**

The CCC shall submit each monthly Funds Requests form to SNC for review and approval. SNC shall forward all approved Funds Requests with support documents to the HCD Grant Manager specified in Exhibit A, Section 28, or to any other address of which the CCC has been notified in writing. Neither SNC nor the Department shall authorize payments unless it has determined the activity costs have been incurred, the represented Work has been performed and completed, and the costs are eligible and in compliance with the terms of this Agreement.

Minimum \$1,000 amount shall be submitted on the current version of the Department's CDBG-NDR Funds Request form. Smaller amounts in monthly Funds Requests will be combined to allow for a reimbursement check of at least \$1,000. Final Funds Request can be for less than \$1,000 when submitted as part of Agreement close out.

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### A. Reimbursements

- 1) CCC shall work with HCD's technical assistance consultant and SNC to set up accounting and recordkeeping systems for themselves and other agencies involved in CDBG-NDR activity implementation to ensure documentation of all eligible costs is on file prior to submitting a Fund Request.
- 2) Payments shall be made as reimbursements for Work performed. CCC shall request payment for Work completed on forms provided by the Department and shall be subject to such documentation as the Department may require.
- 3) The Department shall not authorize payments unless it determines that the CDBG-NDR funds were expended by CCC in compliance with the terms and provisions of the CDBG-NDR NOFA, Federal Register Notice FR-5936-N-1, and this Agreement.

### B. Timing Final Payment Requests

- 1) CCC's Final Reimbursement Request: CCC shall submit a final Funds Request for reimbursement (no advance allowed) of final costs no later than thirty (30) calendar days after deadlines shown in Exhibit A, Section 27.
- 2) Return of Unexpended Funds: All funds received by the CCC but not expended by the expenditure deadline of this Agreement must be accounted for and returned. Funds shall be returned in accordance with the current Department standards. Final returned funds will be disencumbered from this Agreement.
- 3) All Funds Not Previously Requested: If the final payment request for activity costs expended during the term of this Agreement has not been received by the Department by the deadline in Exhibit A, Section 27, the Department shall disencumber any funds remaining and grant funds will no longer be available for payments to the CCC. Thus, time is of the essence with respect to CCC's submittal of the final payment request.

## 6. Grant Closing Requirements

- A. CCC shall work with HCD's technical assistance consultant, at HCD's direction, to ensure CCC submits the following close out documents prior expiration of this Agreement.
  - 1) Final Funds Request
  - 2) Final Set-Up / Completion Report, received and approved by the Department;
  - 3) Closeout Certification Letter;
  - 4) Final Monthly Report;
  - 5) Final Annual Performance Report (APR), if applicable;
  - 6) Final Labor Standard Report, if applicable; and,
  - 7) Evidence, satisfactory to the Department, of CCC compliance with any other Special Conditions or compliance requirements of this Agreement.

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### 7. Performance Measures and Penalties for FWHP Fence Construction

A. Per Federal Register Notice FR-5936-N-01, all agreements that are paid for with NDR funding must have performance measures and penalties. If circumstances arise in which the performance measures cannot be met, then CCC must work closely with HCD and SNC to ensure the FWHP Work proceeds to completion prior to expiration of the Agreement. If CCC becomes aware of any potential barriers to Performance Measures, CCC will promptly notify HCD and SNC to mitigate or eliminate the barriers and/or to request an extension of time prior to the performance measure deadline. The following performance measures are included in this Agreement:

- 1) No later than two (2) months after execution of this Agreement, CCC shall enter into one or more agreements with USFS to coordinate and implement rangeland fence construction activities.
- 2) No later than thirty (30) days after execution of an agreement with USFS, CCC shall submit to SNC a detailed timeline for implementing all FWHP activities detailed in Exhibit A, Section 5. Once approved by SNC and HCD, the timeline shall be binding. The timeline may be amended upon mutual agreement between CCC, HCD, and SNC as needed. If CCC fails to meet milestones set forth in the timeline, CCC shall work with SNC to develop a mitigation plan as described in subsection B, below.
- 3) Per Exhibit A, Section 27, all rangeland fence construction work must be completed by September 30, 2021.

#### B. Penalties

If any FWHP performance measures listed above are not met, or any performance measures set forth in the timeline to be developed by CCC, pursuant to subparagraph 1 above, as a penalty (and within 30 calendar days of being missed) CCC shall diligently work with SNC to submit to HCD: (a) a written mitigation plan specifying the reason for the delay; (b) the actions to be taken to complete the task that is the subject of the missed measure deadline; and, (c) the date by which the completion of said task will occur.

The Department reserves the right to withhold further payments to CCC until such time as satisfactory progress is made toward meeting the performance measures. HCD reserves all rights and remedies available to it in case of a default by CCC of its responsibilities and obligations under the terms of this Agreement.