

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

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

2. State CDBG Program Contract Management

- A. **Department Contract Manager:** For purposes of this Agreement, the State CDBG Program Contract Manager for the Department is the Program Manager(s) of the State CDBG Program in the Division of Federal Financial Assistance, or such person's designee. Written communication regarding this Agreement shall be directed to the State CDBG Program Contract Manager at the following address*:

State CDBG Program Contract Manager
Division of Financial Assistance
Department of Housing and Community Development
P.O. Box 952054

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Sacramento, California 94252-2054

Ph: (916) 776-7770

Email: CDBG@hcd.ca.gov

**Due to the telework policy in place for the State of California, communications should be done electronically to ensure timely response.*

- B. Contract Management:** Day-to-day administration of this Agreement shall take place through the online grant management system, including but not limited to:
- 1) Financial Reports (Funds Requests);
 - 2) Activity Reports;
 - 3) Monitoring and technical assistance requests;
 - 4) Submittal of any and all requested supporting documentation;
 - 5) Standard Agreement Revisions (non-material contract changes);
 - 6) Standard Agreement Amendments (material contract changes); and,
 - 7) Program Income Reporting and Receipting.
- C. Capacity to Contract:** Grantee has the capacity and authority to fulfill the obligations required of it hereunder and nothing prohibits or restricts the right or ability of Grantee to carry out the terms hereof.
- D. Authority to Execute:** Each person executing this Agreement represents and warrants to the Department that they are duly authorized to execute and deliver this Agreement on behalf of the Grantee, and that such authority is evidenced by a valid binding written authorization. The person executing this Agreement, and the Grantee, acknowledge that the Department is materially relying upon the foregoing representation and warranty in agreeing to enter into this Agreement. In the event of a defect in any resolution submitted to the Department in connection herewith, then this provision shall be deemed satisfactory and admissible evidence of the authority of the signer to bind Grantee to this Agreement and Grantee shall remain fully bound to the terms hereof. In the event the Department determines in its sole discretion that a resolution submitted by the Grantee is deficient in any way, then within thirty (30) days of the Department's request, Grantee shall resubmit a new resolution which is satisfactory to the Department. Failure by the Grantee to timely provide such resolution to the Department shall constitute a default under this Agreement.

****Authorized Signatory for Contracts involving a City Jurisdiction**

Recipient: Pursuant to California Government Code sections 40601 and

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40602, the Mayor or Mayor pro tempore must sign any written contracts and conveyances made or entered into by the city, unless the city has an ordinance in effect that specifically allows or designates contracts to be signed by an officer other than the mayor or mayor pro tempore. Accordingly, if the city does not have a city ordinance described above, then the Department requires that the Mayor or Mayor pro tempore sign this Agreement as the authorized signer for the city and provide to the Department a resolution from the City Council authorizing the Mayor to sign this Agreement and related documents on behalf of the city. The mayor or mayor pro tempore may not delegate to a third party his or her authority to sign documents unless there is a city ordinance in effect that expressly authorizes such delegation and a duly-authorized resolution reflecting such delegation is provided to the Department. If the city does have an ordinance as described above, the Department requires the city to provide a copy of such ordinance, as well as a resolution that indicates the name and title of the city official(s) authorized to sign this Agreement and related documents. All resolutions required by this section must be in form and content acceptable to the Department.

3. Scope of Work

A. The Grantee shall perform the scope of work described in Exhibit E and adhere to the content of the Application which is on file with the Department and which is incorporated herein by reference (Application). All written materials or alterations submitted as addenda to the original Application and which are approved in writing by the Department are hereby incorporated as part of the Application. The Department reserves the right to require the Grantee to modify any or all parts of the Application in order to comply with CDBG requirements. The Department reserves the right to monitor all work to be performed by the Grantee, its agencies or instrumentalities, Subrecipients*, and contractors in relation to this Agreement. Any proposed change to the scope of work and/or the Application 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.

*Subrecipient means a non-federal entity that receives a subaward of program funding from a grantee; "Subrecipient" does not mean a beneficiary of the program.

B. For the purposes of performing the scope of work described in Exhibit E, the Department agrees to provide the amount(s) identified in the STD 213 as detailed in the Department-approved Application, which is incorporated herein by reference.

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Unless this Agreement is amended in writing, the Department shall not be liable for any costs in excess of the total approved budget. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs or activities.

C. Except for General Program Administration, grant activity(ies) must meet one of the following three CDBG National Objectives:

- 1) Benefit to Low/Moderate Income Persons or Households,
- 2) Urgent Need, or
- 3) Elimination of Slums or Blight as defined in 24 CFR 570.483.

4. Effective Date and Commencement of Work

- A. This Agreement is effective upon approval by the Department as evidenced by the Department representative's signature on page two of the fully executed Standard Agreement form STD 213.
- B. The CDBG Grantee agrees that no work toward the implementation of the project activity or program activity, as identified in Exhibit E, shall commence without prior written authorization from the Department prior to the execution of this Agreement by the Department.

5. Term of Agreement and Deadlines

- A. **Term of Agreement:** The Grantee shall complete the grant activity and/or activities on or before 36 months (three (3) years) from the Department's execution date identified on the STD 213 form for this Agreement (Contract Expiration Date). Any extensions of the term of this Agreement beyond 36 months will require the Department's approval in its discretion and a signed written amendment to this Agreement
- B. **Expenditure Deadline:** All costs to be reimbursed with Program funds shall be incurred no later than 33 months (two (2) years and nine (9) months) from the final Department execution date of this Agreement as identified on the STD 213 form. Costs incurred after the Expenditure Deadline are not eligible for reimbursement.
- C. **Reporting Deadlines:** All activities except activities in support of new housing construction and activities in support of economic development must report final beneficiaries no later than the Contract Expiration Date. Any extensions of the Reporting Deadline will require the Department's approval, in its discretion, and a signed written revision to this Agreement.

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For activities in support of new housing construction and economic development where housing units or jobs are dependent on off-site infrastructure development, the activity shall have an extended reporting term of up to two years (24 months) from the Contract Expiration Date deadline to complete reporting of units constructed and occupied or jobs created or retained. Activities that do not meet the reporting deadline will be deemed ineligible and the Grantee will be required to repay all CDBG grant and CDBG Program Income funds, as applicable, expended on the activity.

6. Milestones

Grantee shall timely adhere to project milestones as established in Exhibit E.

A. Failure to Meet Milestones:

- 1) Failure to meet the first milestone identified in Exhibit E, is a material breach and will result in a for-cause termination of this Agreement. All funds, including program income, reimbursed for this activity prior to the termination shall be returned to the Department no less than thirty (30) days from the written notification of termination.
- 2) Failure to meet any given subsequent milestones identified in Exhibit E, may result in loss of program eligibility and will restrict the Grantee from applying for additional CDBG funding until the activity is corrected and put back on schedule, or the activity is completed, or the activity is canceled.

7. Contract Amendments

- A. **Contract Amendments:** Adjustments to Exhibit E shall require a Contract Amendment. Contract Amendments must be fully executed by both the Grantee and the Department prior to implementation. Adjustments may not be implemented prior to execution unless the Department has provided written notice authorizing the Grantee to proceed.
- B. **HUD Matrix Codes:** If HUD changes an activity matrix code(s) or if there is an error in recording the activity code, the Grantee shall be notified in writing and the correction shall not require an amendment to this Agreement.

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

- A. **Total Award Budget:** The funded activity(ies) shall follow the “Total Award Budget” as shown in Exhibit E and detailed in the Department-approved Application, incorporated herein by reference.
- B. **Program Income:** All Program Income is state-administered CDBG funding and is subject to the same federal requirements for financial administration as open grant awards. Program Income, including both cash-on-hand and future projected receipts, if identified as a funding source for any given activity, must be included in the activity budget and must be substantially expended prior to drawing grant award funds. Program Income must be identified separately from grant funds in the activity budget and must be broken out into activity and general administration funding, as applicable. The Department will not encumber locally administered Program Income against NOFA grant funds in the state’s accounting system. Only new grant awards made under a NOFA or in conjunction with an Urgent Need application will be encumbered in the state’s accounting system.
- C. Funding in this Agreement may include either or both:
- 1) the total new grant award from the NOFA to be encumbered by the Department from grant funds,
 - 2) total locally held Program Income to be included in the activity budget but that will **not** be encumbered by the Department. This Agreement is for the sum total of funds to be used in the activity including grant funds and Program Income, as applicable. Program Income receipts must be reported as receipted no less than monthly.
- D. **Other Non-State CDBG Funding Sources:** The Grantee shall report on the value of other contributions included as leverage for each activity via the Financial Reports narrative section required for such activity and provide supporting documentation. The Financial Reports shall be accessed through the online grant management system and are the reports which convey the information needed to complete financial transactions in HUD’s Integrated Disbursement and Information System (IDIS).

2. Availability of Funds

The Department’s provision of funding to Grantee pursuant to this Agreement is contingent on the continued availability of CDBG funds and continued federal and state authorization for CDBG activities, as well as the conditions set forth in Exhibit D. The Department’s

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provision of funding is subject to amendment or termination due to lack of funds or authorization. This Agreement is subject to written/ modification or termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations and guidelines, as the same may be amended from time to time. All other modifications must be in written form and approved by both parties.

3. Eligible Costs

No activity costs may be incurred, or funds reimbursed until the Grantee has documented compliance with the applicable National Environmental Policy Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 U.S.C. 4321, et seq., and an authorization to incur costs from the Department has been received or the contract has been fully executed.

- A. **Allowable Costs:** Allowable costs shall mean those necessary and proper costs under 2 CFR 200.400 through 475, and as identified in the Grantee's Application and as detailed in Exhibit E, and as approved by the Department unless any or all such costs are disallowed by the State of California or HUD. Allowable costs include necessary and proper activity and administration costs incurred prior to the execution of this Agreement. All costs incurred prior to the execution of this Agreement must be eligible to be considered allowable and suitable for reimbursement subject to review and approval by the Department in its sole and absolute discretion. Eligible costs must, at a minimum, be costs incurred according to the procurement requirements of 2 CFR 200.317, et seq. and be costs required for the activity in this Agreement to meet a National Objective.
- B. **Priority of Funds:** The Grantee agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available. To the extent available, the Grantee must disburse funds available from locally held CDBG grant resources such as, but not limited to Program Income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments from the grant award.
- C. **Withholding Funds:** The Department reserves the right to withhold payments pending timely delivery of program reports or documents as may be required under this Agreement. Payments are contingent upon the Grantee's and its Subrecipient's financial management system meeting the requirements of 2 CFR 200.302 and the internal control requirements of 2 CFR 200.303. Payments to the Grantee may be suspended or terminated, in whole or in part, by the Department in its sole discretion in the event of a default by Grantee or its Subrecipients.

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- D. **Disencumbering Funds:** The Grantee agrees that funds determined by the Department to be surplus upon completion of the activity, the funds that are not able to be spent in their entirety prior to the Expenditure Deadline or that have not been drawn prior to the Contract Expiration Date will be subject to disencumberance by the Department in its sole and absolute discretion.
- E. **Indirect Costs:** If Grantee wishes to charge for indirect costs, the Grantee must present an indirect cost allocation plan approved by a federal agency determining the appropriate CDBG share of such indirect costs and present such plan to the Department prior to submission of requests for any payments for the indirect cost expenditures.
- F. **Pre-Agreement Costs:** Pre-Agreement Costs are eligible costs incurred prior to the award of funds as defined in Exhibit D. Eligible Pre-Agreement costs as identified in the Application, may only be reimbursed upon the full execution of this Agreement and verification that the costs meet all eligibility criteria and are reasonable and necessary. Pre-Agreement costs may include both activity delivery and general program administration.
- 1) The Grantee agrees that any Pre-Agreement costs **not** previously identified in their Application will **not** be paid with CDBG funds.

4. Method of Payment

The Department will not authorize payments unless it has determined the costs incurred are in compliance with the terms of this Agreement. Payments will be issued to the agency identified on the Taxpayer Identification Form (TIN) provided by the Grantee to the Department.

- A. **Reimbursements:** The Department will reimburse the Grantee its allowable costs for the services identified in this Agreement in Exhibit E, upon presentation of a financial reporting form, and supporting documentation of the cost eligibility. The Grantee may not request reimbursements under this Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount documented as having been incurred.
- 1) To receive reimbursement for grant activities, including reimbursement for eligible Pre-Agreement costs, the Grantee must submit all Department required forms according to the applicable deadlines. Financial Reports and Activity Reports are due no less than quarterly, within 15 days of the end of the quarter, or as otherwise approved by the Department. Financial Reports

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and Activity Reports may be submitted more frequently at the Grantee's discretion.

a) Financial Reports shall include the level of documentation specified by the Department, including proof of expenditure and proof of cost eligibility. Grantees must submit documentation supporting cost amounts and cost eligibility with each funds request as part of the Financial Report.

2) Grantees shall submit Financial Reports no less than quarterly. If no funds have been expended, the Grantee shall provide a detailed description of work completed during the reporting period, an explanation of why no funds have been expended, and anticipated date when funds will next be requested.

B. Advances: The Grantee must receive prior written approval from the Department before submitting an advance request. All advances are subject to the Department's approval, which may be given or withheld on its sole discretion. No advances will be issued prior to full Agreement execution.

C. Final Payment Requests:

1) **Grantees on the Reimbursement Payment System:** All requests for final reimbursement must be submitted no later than sixty (60) days after the Expenditure Deadline as defined in Exhibit A of this Agreement.

2) **Grantees on the Advance Payment System:** The last advance funds request must be submitted to the Department no later than sixty (60) days prior to the Expenditure Deadline as defined in Exhibit A of this Agreement.

D. Return of Unexpended Funds: All funds received by the Grantee, but not expended by the Expenditure Deadline, must be accounted for and returned to the Department within thirty (30) days after the Expenditure Deadline. Funds shall be returned in accordance with the current State procedural guidance for Grantees. All returned funds will be disencumbered.

E. All Funds Not Previously Requested: If the final funds disbursement request for costs expended during the term of this Agreement has not been received by the Department within 60 days following the Expenditure Deadline as defined in Exhibit A of this Agreement, the Department may disencumber any funds remaining and grant funds will no longer be available for the Grantee.

5. Budget Amendments

Budget adjustments may be made in accordance with the following:

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- A. **Budget Amendments:** Adjustments to the budget that result in an increase or a reduction of the total award budget as shown in the STD 213 shall require a Contract Amendment. Contract Amendments must be fully executed by both the Grantee and the Department prior to implementation. Adjustments may not be implemented prior to execution unless the Department has provided written notice authorizing the Grantee to proceed.

6. Grant Closing Requirements

- A. **Expenditure Deadline:** All costs to be reimbursed with Program funds must be incurred no later than 33 months (two (2) years and nine (9) months) from the final Department execution date of this Agreement as identified on the STD 213.
- 1) The final Financial Report for the activity must be submitted within sixty (60) days following the Expenditure Deadline as defined in Exhibit A. Financial Reports submitted after this date will not be eligible for reimbursement.
- B. **Closeout Procedure:** The Grantee must follow closeout procedures outlined in the published Closeout chapter of the Grants Management Manual, which may be amended from time-to-time, at the time of closeout.
- C. **Extended Reporting Period:** If the Grantee identified an extended reporting period will be required to meet the National Objective for the activity in the Application, the above closeout requirements shall be submitted upon the completion of the activity, or within twenty-four (24) months after the Contract Expiration Date, whichever comes first. If no extended reporting period is required, the above closeout requirements shall be submitted upon the completion of the activity or no later than the Contract Expiration Date. Upon receipt of the above documentation, the Department will close out this Agreement and finalize the activity in IDIS for final reporting to HUD.
- D. **Ongoing Reporting:** Grants that have been closed may, as applicable, have continued reporting requirements, including Program Income reporting, performance reporting, beneficiary reporting, asset reporting, and other federally required reports as identified in Exhibit D.

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General Terms and Conditions (GTC 04/2017)

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1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
 - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
 - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
- a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
 - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

DRAFT

EXHIBIT D

CDBG PROGRAM TERMS AND CONDITIONS

Federal Grant Identification

CFDA Number: 14.228

1. Definitions

- A. "Activity" means one or more of the following HUD eligible activities as per 42 U.S.C. 5305, and as outlined in Exhibit E.
- 1) Acquisition (5305 (a)(1))
 - 2) Public Improvements (5305 (a)(2))
 - 3) Public Facilities (5305 (a)(2) and (5))
 - 4) Code Enforcement (5305 (a)(3))
 - 5) Housing Rehabilitation (5305 (a)(4))
 - 6) Public Services (5305 (a)(8))
 - 7) Planning and Technical Assistance (Section 105 (a)(12), (14) and (19))
 - 8) Business Financial Assistance (5305 (a)(17))
 - 9) Microenterprise Assistance (5305 (a)(22))
 - 10) Homeownership (5305 (a)(24))
- B. "Activity Delivery" (AD) means any reasonable and necessary costs that are not directly related to labor and/or direct construction and/or direct activity implementation costs. These costs must be cost reasonable and directly tie to the completion of the activity to meet a National Objective.
- C. "Activity Reports" are the activity reports that must be submitted at least quarterly that describe program or project progress and/or beneficiaries served during a given reporting period.
- D. "Department" means the California Department of Housing and Community Development.
- E. "Funds Request" is also identified as a Financial Report and refers to the forms and processes required to request the drawdown of CDBG funds. Grantees shall submit Financial Reports no less than quarterly. If no funds have been expended, the Grantee shall provide a detailed description of work completed during the reporting period, an explanation of why no funds have been expended, and anticipated date when funds will next be requested.

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- F. "General Administration" refers to eligible administrative expenses as provided in 42 U.S.C. 5305(a)(13).
- G. "Grantee" means the jurisdiction that applied for CDBG funding and has legal authority to sign this Agreement and commit to compliance with all federal requirements regarding the administration of federal funds, as identified in 2 CFR 200.
- H. "Pre-Agreement Costs" are pre-award costs as defined at 2 CFR 200.458 and 24 CFR 570.489(p) and are costs that are eligible per 2 CFR 200.400, et.seq. that have been detailed in the Application and as referenced in Exhibit B.
- I. "Program" means an eligible activity that provides direct assistance to eligible participants within a defined service area. Programs include public services, housing assistance to households, and instances where an eligible person, household, or area is directly assisted with a unit of service.
- J. "Program Guidelines" means the CDBG Program Guidelines adopted in October 2019 that replaced the California state regulations regarding the operation of the State CDBG program, as per Health and Safety Code 50826.1(a) that states that the regulations are repealed upon adoption of guidelines.
- K. "Program Income", as defined in 24 CFR 570.489(e), means gross income received by the Grantee that is directly generated from the use of CDBG funds. When such income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used.
- L. "Project" means eligible capital improvements to public facilities, infrastructure, assets, and right-of-way. Projects may also include eligible capital improvements to privately owned facilities, infrastructure, and assets that serve the public or that provide a public good including shelters, community-based facilities, and utilities.

2. Eligible Activities

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

3. National Objectives

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

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EXHIBIT D**4. Termination and Remedies for Noncompliance**

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

- A. **Termination without Cause:** Agreements may be terminated without cause in whole or in part by the Department only with the consent of the Grantee. In the case of a whole agreement termination, the two parties shall agree upon termination conditions, including the effective date. In the case of partial termination, the two parties shall agree upon termination conditions, including the portion to be terminated and the effective date.
- B. **Noncompliance and Termination with Cause:** The Department may terminate this Agreement for Grantee's failure to comply with the terms and conditions of this Agreement. Terminations for material failure to comply with the Agreement terms and conditions must be reported by the Department to the appropriate federal program integrity and performance system accessible through the System for Award Management (SAM) as per 2 CFR 200.339.
- 1) The Department may initiate remedies for noncompliance as identified in 2 CFR 200.339 at any time it has been determined that the Grantee, its agencies or instrumentalities, Subrecipients, and contractors is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination.
 - 2) Prior to terminating this Agreement for cause or noncompliance, the Department shall submit written notice specifying noncompliance and/or specifying the event or events that if not cured would constitute an event of default. The Department's written notice shall identify remedies for cure. Grantee shall have thirty (30) calendar days from receipt of notice to fully cure. This period may be extended at the Department's discretion for a reasonable period of time if the Grantee is acting in good faith to cure the noncompliance or cause. Any extension of the cure period must be communicated in writing by the Department.
 - 3) The Department's remedies for noncompliance by the Grantee, its agencies or instrumentalities, Subrecipients, and/or contractors with a federal statute or regulation; a state statute, regulation, or guideline; the terms or requirements

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of any Notice of Funding Availability, Award Letter, or other program-related requirements may include, as appropriate:

- a) Temporarily withhold cash payments pending correction of the deficiency by the Grantee.
- b) Disallow (that is, deny use of funds) all or part of the cost of the activity or action not in compliance.
- c) Wholly or partly suspend or terminate the current award for the Grantee's program or project, as applicable.
- d) Withhold further and/or future awards of CDBG funds.
- e) Request that HUD initiate federal suspension debarment proceedings.
- f) Take other remedies that may be legally available, including, but not limited to:
 - i) In the case of costs incurred without meeting a National Objective, require repayment of all funds reimbursed, including General Administration, Activity Delivery, and any and all Program Income, as appropriate.

- 4) In taking an action to remedy noncompliance, the Department will provide the Grantee an opportunity for such hearing, appeal, or other administrative proceeding to which the Grantee is entitled under any statute or regulation applicable to the action involved as per 2 CFR 200.341 and 2 CFR 200.342.

C. Effects of Suspension and Termination: Grantee costs resulting from obligations incurred by the Grantee during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in a written notice or as allowable under 2 CFR 200.342. Termination and remedies for noncompliance identified in this section do not preclude a Grantee from being subject to non-procurement debarment and suspension requirements at 2 CFR 2424. CDBG funds may not be provided to excluded or disqualified persons pursuant to 24 CFR 570.489(l).

D. Remedies: All remedies of the Department hereunder are cumulative and not exclusive and shall comply with 2 CFR 570.492(b) and 2 CFR 200.342.

E. Appeals: Any request to appeal HCD's decision shall be reviewed for compliance with the Guidelines and the NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of HCD

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EXHIBIT D**5. Severability**

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

6. Waivers

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

7. Uniform Administrative Requirements

- A. The Grantee, its agencies or instrumentalities, and Subgrantees shall comply with the policies, guidelines and Administrative Requirements of 2 CFR 200 et seq., as applicable, as they relate to the cost principles, audit requirements, acceptance and use of federal funds.
- B. **Single Audit Compliance:** Funds will not be disbursed to any Grantee identified by the State Controller's Office (SCO) as non-compliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200, Subpart F. No funds may be disbursed until compliance with the Uniform Administrative Requirements is demonstrated to the satisfaction of the Department.
- C. **Accounting Standards:** Grantee agrees to comply with, and administer the activity in conformance with, 2 CFR 200.300 et seq, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
- D. **Suspension and Debarment:** By executing this Agreement, Grantee verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs.

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EXHIBIT D**8. Compliance with State and Federal Laws and Regulations**

- A. Grantee, its agencies or instrumentalities, its Subrecipients, and its contractors shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and guidelines established by the Department for the administration of the CDBG program.
- B. Grantee, shall comply with, and Grantee shall cause its Subrecipients to comply with, the requirements of 24 CFR 570.480 et seq., the Housing and Urban Development (HUD) regulations concerning State administered Community Development Block Grants, 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, as adopted by HUD at 2 CFR 2400, Title II of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. 12701 et seq.), and all federal regulations and policies issued pursuant to these regulations. The Grantee further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

9. Violence Against Women Act Reauthorization Act (VAWA)

Grantee shall comply with the requirements in the [Violence Against Women Act Reauthorization Act of 2022](#) including any reporting requirements.

10. Affirmatively Furthering Fair Housing

Grantee shall affirmatively further fair housing, in accordance with the Civil Rights Act of 1964 (42 U.S.C 2000 (a), et seq.), and the Fair Housing Act (42 U.S.C. § 3601, et seq.), U.S.C. § 5306, et seq. and California Health and Safety Code statute (Gov. Code section 65583, et seq.). Grantee shall comply with the Fair Housing Amendment Act of 1988 (Public Law 100-430).

11. Equal Opportunity Requirements and Responsibilities

- A. Grantee agrees that it undertakes hereby the same obligations to the Department that the Department has undertaken to HUD pursuant to the Department's CDBG certifications. The obligations undertaken by Grantee include, but are not limited to, the obligation to comply with all applicable federal laws and regulations described in 24 CFR 570, Subpart K, and specifically with each of the following:
- B. The Housing and Community Development Act of 1974 (Public Law 93-383) that authorized the CDBG program, as amended; and legislative changes contained in the Housing and Urban-Rural Recovery Act of 1983 that authorized the state administered CDBG program for non-entitlement communities; and the Architectural

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Barriers Act of 1968 (42 U.S.C. § 4151) that requires publicly funded facilities be accessible to the public;

- C. Title VI of the Civil Rights Act of 1964 (Public Law 88-352) prohibiting discrimination based on protected class, as amended; Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) prohibiting discrimination in housing, as amended; the Civil Rights Restoration Act of 1987 (Public Law 100-259) requiring expanded compliance with civil rights laws for jurisdictions receiving federal funding; Section 104(d) regarding relocation and displacement; and Section 109 of Title I of the Housing and Community Development Act of 1974 prohibiting discrimination in CDBG-funded programs, as amended; Section 504 of the Rehabilitation Act of 1973 prohibiting recipients of federal funds from discrimination against persons with disability; the Americans with Disabilities Act of 1990 prohibiting all public discrimination against persons with disabilities; the Age Discrimination Act of 1975 prohibiting age-based discrimination in federally funded activities; federal Executive Order 11063 prohibiting discrimination in disposition of properties owned or financed with federal funds, as amended by Executive Order 12259; and Executive Order 11246 regarding fair employment, as amended by Executive Orders 11375, 11478 and 12086; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights;
- D. The Equal Employment Opportunity Act of 1972 that created the Equal Employment Opportunity Commission, Equal Employment Opportunity and Affirmative Action requirement (EEO/AA); Grantee shall, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that it is an Equal Opportunity or Affirmative Action employer.
- E. Affirmative Outreach
- 1) Grantee must make known that the use of the facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures the Grantee, its agencies or instrumentalities, Subrecipients, and contractors intend to use to make known the availability of its facilities, assistance, and services will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability, who may qualify for those facilities and services, the Grantee must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services.
 - 2) Grantee must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that

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will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, Grantee is also required to take reasonable steps to ensure meaningful access to programs and activities for Limited English Proficiency (LEP) persons.

F. Equal Access for Disabilities

- 1) Grantee must provide a language access plan that makes appropriate accommodations for LEP interpretive services and services that support the visually impaired as required by Section 504 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 794; in conjunction with section 508 of the Rehabilitation Act of 1973, as amended; 29 U.S.C. 794(d); Section 255, of the Communications Act of 1934, as amended; 24 CFR Part 8, including sections 8.3 and 8.4; and 36 CFR Part 1194, 36 CFR 194.1, 36 CFR 1194.2, and Appendices B and C to Part 1194;
- 2) The California State Department of Rehabilitation maintains an Assistive Technology website with resources for services to achieve compliance with recognized standards for non-discriminatory accessibility.

G. Americans with Disabilities Act and Physical Accessibility Requirements

- 1) The Grantee shall ensure compliance with all applicable state and federal building codes and accessibility laws and standards. All developments shall adhere to the accessibility requirements set forth in: (i) California Building Code Chapters 11A and 11B; (ii) the federal Fair Housing Act (42 U.S.C. § 3601 et seq.) and its regulations at 24 CFR part 100 (particularly 24 CFR 100.205), and its design and construction requirements, including ANSI A117.1-1986, and the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, June 28, 1994; and (iii) the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and its Title II and Title III regulations at 28 CFR parts 35 and 36; and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and the implementing HUD regulations at 24 CFR Part 8.

H. Construction Standards/Requirements

- 1) All residential construction Projects, where applicable, must comply with the housing construction codes of the State of California. All units must meet these codes as well as any locally-adopted codes and ordinances. Housing

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construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units. The State Housing Law Program within HCD continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The State Housing Law Program also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building construction. Tribal Entities with Projects on Native American Lands are required to follow their own tribal building codes or the International Building Code.

12. Relocation, Displacement, and Acquisition

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

13. Environmental Compliance

- A. Grantee shall comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended, and 33 U.S.C. 1318 relating to inspection, monitoring, entry, reports, and information, and all regulations and guidelines issued thereunder.
- B. Grantee shall comply with the requirements of the Clean Air Act, as amended, 42 U.S.C. 7401, et seq.
- C. Grantee shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 regarding air quality protections, as amended.
- D. Grantee shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). Grantee shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, that flood insurance under the National Flood Insurance Program is

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

- E. Grantee shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. Grantee that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.
- F. Grantee shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (54 U.S.C. 300101); the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291); and the procedures set forth in 36 CFR 800; Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. Grantee shall also comply with federal Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.
- G. Grantee shall comply with all National Environmental Policy Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR 50, 24 CFR 58, as applicable, and 40 CFR 1500 – 1508. However, Grantee shall not execute this Agreement nor receive reimbursement for pre-agreement eligible activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.
- H. This Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the Grantee of an approval of the Request for Release Of Funds (RROF) and certification from the Department under 24 CFR 50, 24 CFR 58, and 40 CFR 1500 – 1508. The provision of any funds to the project is conditioned on the Grantee's determination to proceed with, modify or cancel the

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project based on the results of the environmental review. The Grantee will not receive appropriate notice to proceed until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

14. Build America, Buy America (BABA)

Grantee should include the following Build America, Buy America (BABA) language in all contracts and agreements with Subrecipients, contractors, developers and subgrantees, and in any procurement bid/contract documents and ensure BABA compliance by subgrantees, developers and/or contractors.

- A. The parties to this contract must comply with the requirements of the Build America, Buy America (BABA) Act, 41 U.S.C. 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project.* Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 Financial Report 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

*The term "infrastructure project," in this context, is defined in 2 CFR 184.3 and means any activity related to the construction, alteration, maintenance, or repair of infrastructure in the United States regardless of whether infrastructure is the primary purpose of the project.

15. Procurement

The Grantee shall comply with the procurement provisions in the CDBG Grants Management Manual and 2 CFR 200.317 – 200.327, Procurement Standards, as well as all other Administrative Requirements for Grants and Cooperative Agreements that are applicable to state, local, and federally-recognized Indian tribal governments as set forth in 2 CFR 200, et seq.

16. Procurement of Recovered Materials

- A. Grantee shall comply with, and shall cause all Subrecipients and their respective contractors and subcontractors to comply with, Section 6002 of the Solid Waste Disposal Act of 1965, as amended by the Resource Conservation and Recovery Act. Grantee shall cause all Subrecipients and their respective contractors and subcontractors to procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR 247 that contain the highest percentage of

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recovered materials practicable, consistent with maintaining a satisfactory level of competition, unless the Grantee determines that such items:

- 1) are not reasonably available in a reasonable period of time;
 - 2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or
 - 3) are only available at an unreasonable price.
- B. This clause shall apply to items purchased under this Agreement or subsequent contract where:
- 1) the Grantee and the Grantee's contractors purchases in excess of \$10,000.00 of the item under this Agreement; or
 - 2) during the preceding federal fiscal year, the Grantee and the Grantee's contractors:
 - a) purchased any amount of the items for use under a contract that was funded with federal appropriations and was with a federal agency or a state agency or agency of a political subdivision of a state; and
 - b) purchased a total of in excess of \$10,000.00 of the item both under and outside that contract.

17. Contracting and Labor Standards

- A. Grantee shall comply with the Davis-Bacon Act (40 U.S.C. 3141-3148) and 29 CFR Subtitle A, Part 1 – 5, as applicable, to construction, alteration, and repair contracts over \$2,000.00.
- B. Grantee shall ensure that all contracts comply with the Anti-Kickback Act of 1986 (41 U.S.C. 51-58) that prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind.
- C. Grantee shall ensure all contracts comply with the Contract Work Hours and Safety Standards Act of 1962 (40 U.S.C. § 3702) which requires that workers receive overtime compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

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EXHIBIT D**18. Prevailing Wages**

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of California Labor Code, Chapter 1, commencing with Section 1720, Part 7 [California Labor Code Sections 1720-1743] are met.
- B. Where funds provided through this Agreement are used for construction work or in support of construction work, the Grantee shall also ensure that the federal requirements of the Davis Bacon Act codified at 40 U.S.C. 3141, et seq., as amended, pertaining to federal labor standards and compliance, are met and documented. Grantee recognizes that multiple labor standards (both state prevailing wage and federal Davis-Bacon Act) may apply to the project and both standards must be satisfied.
- C. 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 California 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.
- D. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in the California Labor Code Sections 1770-1784, or the Davis-Bacon Wage Determination.

19. The Training, Employment, and Contracting Opportunities for Business and Lower Income Persons (Section 3):

The Grantee shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulation at 24 CFR 75. The responsibilities outlined in 24 CFR 75.19 include:

- A. Implementing procedures designed to notify:
- 1) Section 3 workers about training and employment opportunities generated by Section 3 covered assistance and;

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- 2) Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
- B. Notifying potential contractors for Section 3 covered projects of the requirements of 24 CFR 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts pursuant to 24 CFR 75.27.

Section 3 Clause

This is a HUD Section 3 construction contract. Contractors and subcontractors must address the Section 3 employment work hours benchmarks for Section 3 Workers and Targeted Section 3 Workers as established by the U.S. Department of Housing and Urban Development at 24 CFR Part 75

- a. This is a Section 3 covered project. Section 3 projects mean housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds \$200,000. The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.
- b. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by the U.S. Department of Housing and Urban Development (HUD) assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- c. The parties to this contract will comply with HUD's regulations as set forth in 24 CFR Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
- d. The Contractor agrees or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this

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Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- e. The Section 3 requirements apply to all contractors and subcontractors performing work in connection with a Section 3 covered project. Contractor means any entity entering into a contract with (a) a recipient to perform work in connection with work in connection with a Section 3 project; or (b) a subrecipient for work in connection with a Section 3 project. Subcontractor means any entity that has a contract with a Contractor to undertake a portion of the contractor's obligation to perform work in connection with a Section 3 project.
- f. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of regulations under 24 CFR Part 75.
- g. The Contractor acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contract requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.
- h. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected, but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

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- i. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
 - j. The Contractor agrees to submit, and shall require its Subcontractors to submit to them, annual reports detailing the total number of labor hours worked on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.
- C. Facilitating the training and employment of Section 3 workers and the award of contracts to Section 3 business concerns by undertaking activities such as described in 24 CFR Part 75.25(b), as appropriate, to reach the goals set forth in 24 CFR Part 75.23 and in Federal Register Vol. 85, No. 189, page 60909, until superseded by HUD in a subsequent publication. As of September 29, 2020, the minimum Section 3 benchmark is twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

Documenting actions taken to comply with the foregoing requirements, the results of those actions taken and impediments, if any.

20. Contractors and Subrecipients

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

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- D. Grantee shall require that contractors and Subrecipients comply with the Drug-Free Workplace Act of 1988.

21. Requirements for Economic Development Activities

- A. **Public Benefit Standards for Economic Development Activities:** Per 24 CFR 570.482 (e), (f), (g) and 570.483(b)(4), the Grantee must comply with federal underwriting standards and must meet the public benefit standards for all CDBG Economic Development activities under 42 U.S. 5305(a)(17). The use of public benefit standards is mandatory.
- B. **Anti-Job Pirating Certification:** Pursuant to 24 CFR 570.482(h) CDBG funds may not be used to directly assist a business, including a business expansion, in the relocation of a plant, facility, or operation from one labor market area to another labor market area if the relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs. Job loss of more than 500 employees is always considered significant. Job loss of 25 or fewer positions is never considered significant.

22. Rights to Inventions Made Under a Contract or Agreement

Grantee shall comply with and require the following in contracts and subrecipient agreements:

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

23. Prohibition Against Payments of Bonus or Commission

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

- A. Obtaining the Department's approval of the Application for such assistance or additional assistance; or,
- B. Securing 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 or Program Guidelines with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such

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services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

24. Reporting Requirements

- A. **Requirements:** During the term of this Agreement, the Grantee must timely submit all CDBG program reports required by the Department, including quarterly activity, financial, and Program Income reports; semi-annual labor and compliance reports; and other reports required by the Department or HUD. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, unless otherwise specified at the discretion of the Department. The Grantee's performance under this Agreement will be evaluated in part on whether it has submitted the reports and responded to Department inquiries on a timely basis.
- B. **Reporting Period:** Grantee shall submit reports quarterly, and as required for semi-annual and annual reports, and shall continue to submit reports until such time that the activity is complete, a National Objective has been met, and beneficiaries have been identified. The reporting period for this activity may extend beyond the Contract Expiration Date as defined in Exhibit A.
- C. **Final Activity and Financial Reporting Deadline:** Grantee shall complete by deadlines shown in Exhibit B "Grant Closing Requirements."
- D. **Asset Reporting:** Grantee shall report annually on the status of all assets (real and personal property, equipment, and vehicles) purchased in whole or in part with CDBG funds for no less than five years from the completion of the activity that generated the asset. Reporting shall continue until the property is disposed, fully depreciated, or, in the event of real property, the five-year commitment to a National Objective has been completed.

25. Fiscal Controls

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

- A. **Deposit of Funds:** Grantee shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG funds. All cash advances must be deposited in an interest-bearing account; any interest earned in excess of \$100.00 per year (which may be retained for related administrative expenses) must be

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returned at least quarterly to HUD via the Department. Deposits in minority banks are encouraged.

- B. **Fund Management:** Grantee shall deposit funds in an account requiring two signatures for disbursement.
- C. **Fiscal Liability:** Grantee shall be liable for all amounts which are determined to be due by the Department including, but not limited to, disallowed costs which are the result of Grantee's, its agencies or instrumentalities, Subrecipient's, and contractor's conduct under this Agreement. Grantee shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.
- D. **Fiscal Records:** All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in this Agreement.
- E. **Program Income:** Any and all Program Income received by Grantee during the administration of this Agreement must be receipted and deposited into a separate Program Income account. Program Income funds may not be comingled with CDBG grant funds in a single account.

26. Reversion of Assets

- A. Upon expiration of this Agreement, Grantee shall disencumber any CDBG funds, excluding Program Income, remaining in the contract at the time of expiration. Further, any real property under Grantee's control that was acquired and/or improved in whole or in part with CDBG funds (including CDBG funds provided to the Grantee in the form of a loan and Program Income) in excess of \$25,000.00 shall be either:
 - 1) Used to meet one of the National Objectives in 24 CFR 570 until five (5) years after expiration or closure of this Agreement, the length of time to be further prescribed by mutual agreement of the parties.
 - 2) Disposed of in such manner that Grantee is reimbursed in the amount of the fair market value of the property at the time of disposition of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition and/or improvement of such property. The proceeds from such disposition is Program Income.
- B. Real Property acquired in whole or in part with CDBG funds must be used to meet the same National Objective for which it was purchased for no less than five years from the expiration or closure of this Agreement. The Department may require a Use

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Restriction Agreement be recorded against real property acquired or improved in whole or in part with CDBG funds.

- C. If the Grantee provides funds for the purchase or improvement of real property to a Subrecipient that is a private non-profit organization, that Subrecipient must further agree to a voluntary lien and/or restriction on above-referenced real property as to any CDBG funds received and that such lien and/or restriction will be notarized and recorded in the Office of the County Recorder where the real property is located, by no later than the Reporting Deadline, as defined in Exhibit A. The Grantee shall be responsible for ensuring that such lien and/or restriction is timely recorded against the real property.

27. Monitoring Requirements

- A. The Department shall perform a program and/or fiscal monitoring of the CDBG grant no less than once during the thirty-six (36) month expenditure period of this Agreement. The Grantee shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department to maintain program eligibility.
- B. Grantees and applicable Subrecipients shall retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a minimum period of three (3) years after the Department notifies the Grantee the Department has closed out all applicable program years with HUD in accordance with the record retention requirements at 24 CFR 570.490(b) and (d).
- C. Grantees and applicable Subrecipients shall permit the State, federal government, the state Bureau of State Audits, the Department, and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to this Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

28. Inspections of Grant Activity

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

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- 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.

29. Signs

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

30. Insurance

- A. The Grantee shall have and maintain in full force and effect prior to the start of work, and at all times during the term of this Agreement, all insurances that are specified in the Department's Grants Management Manual for the specific components of the grant activity(ies) described in Exhibit E. Prior to the commencement of any work, Grantee shall provide to the Department acceptable proof(s) of insurance confirming the required insurance coverages are in effect and naming the Department as an additional insured, where applicable. No insurance policy may be cancellable on less than thirty (30) calendar days prior notice to the insured and the Department. Grantees are responsible for requiring sufficient insurance, including but not limited to liability and workers compensation insurance and any applicable requirements under the Grants Management Manual, from all contractors and Subrecipients. Grantees are recommended to be listed as an additional insured on policies held by contractors or Subrecipients for the implementation of this award. Where a Grantee insurance policy is required to be purchased specifically for the execution or implementation of the activity funded through this award, the Department must be listed as an additional insured on the declarations page of the policy.
- B. **Additional Coverages:** In the event that Grantee, its agencies or instrumentalities, Subrecipients, and contractors will be engaging in any Hazardous Activity as part of the work contemplated by this Agreement, then the Grantee shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on any subrecipient and/or contractor pursuant to the subrecipient agreement or contract. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal,

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storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required permits, licenses, consents, and approvals that are required for the lawful conduct of such activities and shall provide adequate written proof thereof to the Department. No Hazardous Activity work may be commenced, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Department.

31. Anti-Lobbying Certification

Grantee shall comply with and require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity(ies) and that all Subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and no more than \$100,000.00 for such failure.

- A. No federally appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

32. Conflict of Interest

Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the Grantee, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under

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this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, including members and delegates to the Congress of the United States may obtain a financial interest or benefit from a CDBG assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for one (1) year thereafter. The Grantee shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

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

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

34. Energy Policy and Conservation Act

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

35. State Contracting Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 06/23):

- A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a thirty (30)-day cancellation clause and the following provisions:
- 1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
 - 2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the relevant

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program year for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.

- 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.
 - 4) The Department has the option to invalidate the contract under the thirty (30) day cancellation clause or to amend the contract to reflect any reduction in funds.
- B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.
- C. California Government Code 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.
- D. Agencies that may be eligible for Federal Emergency Management Agency (FEMA) funding and/or reimbursements should consult the Governor's Office of Emergency Services (Cal OES) on contract provisions required by Title 2 of the Code of Federal Regulations, Part 200.

36. False, Fictitious or Fraudulent Claims:

Warning: Any person who knowingly makes a false claim or statement to HUD or the Department may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.

A. Detecting, Preventing, and Reporting FRAUD

- 1) Fraud is a white-collar crime that has a devastating effect on the CDBG program because the CDBG program beneficiaries are victims of this crime when the CDBG program is abused.
- 2) HCD wants to stop any criminal assault on the CDBG program it administers, and in doing so all CDBG funds go to people it was designed to help and improve their living conditions.

B. Combatting Fraud

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- 1) The U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) is committed to protecting HUD's programs, operations, and beneficiaries from dishonest individuals and organizations.
 - 2) HUD cannot combat fraud alone.
 - 3) HUD relies on HCD and CDBG NOFA applicants to combat CDBG program fraud. HUD also relies on applicants for, and people receiving, HUD benefits, such as tenants receiving rental assistance, borrowers with HUD insured loans, or citizens having their communities restored using HUD grants.
 - 4) The HUD OIG Hotline number is 1-800-347-3735, this is the primary means to submit allegations of fraud, waste, abuse, mismanagement or Whistleblower related matters for the CDBG program to the Office of Inspector General.
 - 5) HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG program from HUD employees, anyone administering the CDBG program, anyone working in the CDBG program, contractors, and the public.
 - 6) You can report mismanagement or violations of law, rules, or regulations by HUD employees or program participants.
- C. Fraud, Waste and Abuse in the CDBG program and its operation may be reported in one of the following four (4) ways:
- 1) E-mail to: hotline@hudoig.gov
 - 2) By Phone: Call toll free: 1-800-347-3735
 - 3) By Fax: 202-708-4829
 - 4) By Mail:
Department of Housing & Urban Development.

HUD OIG, Office of Investigation, Room 1200**Field Office**

One Sansome Street|
San Francisco, CA 94104

[\(213\) 534-2518](tel:(213)534-2518)

HUD OIG, Office of Investigation, Suite 4070**Regional Office**

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300 North Los Angeles Street
Los Angeles, CA 90012
[\(213\) 534-2518](tel:(213)534-2518)

37. The California Whistleblower Protection Act (Title 2, Division 1, Chapter 6.5, Article 3.5, Gov. Code §§ 8548-8548.5)

A. The California Whistleblower Protection Act authorizes the California State Auditor to receive complaints from state employees and members of the public who wish to report an improper governmental activity. **An "improper governmental activity" is any action by a state agency or any action by a state employee directly related to state government that:**

- 1) Violates any state or federal law or regulation, (e.g., Government Code 65302(c)&(g)-(h); Public Resources Code Section 71150 et seq.; 71350 et seq.),
- 2) Violates an Executive Order of the Governor (e.g., Executive Order N-8-23, N-06-19), a California Rule of Court, or any policy or procedure required by the State Administrative Manual or State Contracting Manual, or
- 3) Is economically wasteful or involves gross misconduct, incompetency, or inefficiency. Complaints received by the State Auditor are confidential, and the identity of the complainant may not be revealed without the complainant's permission, aside from to an appropriate law enforcement agency conducting a criminal investigation.

B. There are many ways to file a complaint:

1) By Telephone

You may call the Whistleblower Hotline at (800) 952-5665 to file a complaint by talking to one of the State Auditor's employees. The hotline generally is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. If you call when the hotline is not being staffed, or staff is occupied with other calls, you may leave a voicemail message requesting a return call.

2) By Mail or Facsimile

You may file a complaint in the form of a letter to the State Auditor addressed as follows:

Investigations
California State Auditor
P.O. Box 1019
Sacramento, CA 95812

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Or you may **fax** the letter to the State Auditor at (916) 322-2603.

- 3) As an alternative, you may complete the electronic version of the complaint form (which is available on the State Auditor website at auditor.ca.gov), print it out, and return it by mail or facsimile as stated above.

- 4) Online

Although the State Auditor does not accept complaints by e-mail, you may file a complaint online at <https://www.auditor.ca.gov/contactus/complaint>

C. The State Auditor will not undertake an investigation unless there is a basis for believing that your complaint has sufficient merit to warrant spending resources on an investigation. Your complaint should therefore include:

- 1) A clear and concise statement of what you are alleging to be improper activity and why you believe it is improper.
- 2) The name or other information that clearly identifies the person you are alleging has acted improperly and the department where that person works.
- 3) The names and contact information for any witnesses who can confirm the truth of what you are saying.
- 4) Copies of any documents that will support what you are saying. (You should not submit original documents, as they cannot be returned.)

38. Indemnification

Grantee agrees to defend, indemnify, release and hold harmless the Department, its agents, officers, attorneys, employees, committees, successors and assignees from any and all claims, liabilities, judgments, damages, losses, attorney fees, expenses, costs, actions, or proceedings threatened, asserted, or brought against any of the foregoing individuals or entities related to or arising from the Grantee's obligations and activities under this Agreement.

This indemnification shall include, but not be limited to, all damages, liabilities, judgments, claims, costs, expenses, attorney fees or expert witness fees that may be asserted by any person or entity, including the Grantee, except loss or liability suffered by the Department caused solely by the Department's sole negligence or willful misconduct. If, for any reason any portion of the Agreement is held to be void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect. The obligations of the Grantee shall be absolute and unconditional and shall survive the Grantee's expenditure of Department funding.

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Award Specific Details

Jurisdiction's Name:

Award Title: 2024

Total Award Budget: \$

- **Total Grant Budget:** \$
- **Total Program Income Budget:** (Cash-On-Hand and Future Anticipated): \$

Award Number: 24-CDBG-XXXXX

Contract Administrator:

- **Name:**
- **Title:**
- **Email Address:**

Program/Project 1

Sub Application Title 1:

Scope of Work 1:

Program/Project Matrix Code 1:

Program/Project's National Objective 1:

Sub Award Number:

Milestones:

- Milestone 1:
- Milestone 2:
- Milestone 3:
- Milestone 4:
- Milestone 5:

Program/Project 2

Sub Application Title 2:

Scope of Work 2:

Program/Project Matrix Code 2:

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Program/Project’s National Objective 2:

Sub Award Number:

Milestones:

- Milestone 1:
- Milestone 2:
- Milestone 3:
- Milestone 4:
- Milestone 5:

Program/Project 3

Sub Application Title 3:

Scope of Work 3:

Program/Project Matrix Code 3:

Program/Project’s National Objective 3:

Sub Award Number:

Milestones:

- Milestone 1:
- Milestone 2:
- Milestone 3:
- Milestone 4:
- Milestone 5:

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