

**Agreement between City of Merced
AND Habitat for Humanity, Stanislaus County
With funds provided by
Community Development Block Grant
For the Housing Homeowner-Occupied Single-Unit Rehabilitation
“A Brush With Kindness” Program**

THIS AGREEMENT, entered this ____ day of _____, 2019, by and between the City of Merced (herein called the “Grantee”) and Habitat for Humanity, Stanislaus County (herein called the “Subrecipient”).

WHEREAS, The Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383 under the Community Development Block Grant (B-19-MC-06-0044) (“CDBG”) and administered by the U.S. Department of Housing and Urban Development (“HUD”) (14.218-Entitlement Grant) with a Federal Award Date of August 22, 2019; and,

WHEREAS, Grantee adopted a Five-Year Consolidated Plan on May 14, 2015, which identifies programs that promote and/or create fair and affordable housing, especially targeting extremely low- and low-income households, as essential to the community; and,

WHEREAS, on June 17, 2019, the City approved an allocation of \$300,000 of its Community Development Block Grant funding (“CDBG”), through the program year 2019-2020 Annual Action Plan, to provide funding for the Subrecipient’s “A Brush With Kindness” homeowner-occupied single-unit rehabilitation program (herein called the “Program”); and,

WHEREAS, Grantee received an application from Habitat for Humanity, Stanislaus County, which proposes to administer a single-unit residential rehabilitation program (“A Brush With Kindness”), by assisting homeowners with qualifying, necessary repairs on properties within the City of Merced city limits and the Grantee with the existing Housing Rehabilitation Program; and,

WHEREAS, Rehabilitation of Single-Unit Residential programs are an eligible “Public Service” for the use of CDBG funds, pursuant to 24 CFR, Section 570.202(a)(1). Specifically, “Public Services” are defined by 24 CFR, Section 570.201(e) as allowing for the provision of services (including labor, supplies, and materials) including, but not limited to, those concerned

with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, homebuyer downpayment assistance, or recreational needs; and,

WHEREAS, 24 CFR 570.202(a)(1) allows for CDBG funds to be used to finance the rehabilitation of privately-owned buildings and improvements for residential purposes, if the improvements also provide general benefit to the residential occupants of the building; and,

WHEREAS, use of CDBG funds for Rehabilitation of Single-Unit Residential programs benefitting extremely low-income and low-income individuals and families meets the Goals and Policies found in Chapter 9 (Housing Element) of the Merced Vision 2030 General Plan, adopted on July 18, 2016, by the City Council; and,

WHEREAS, Grantee has determined, and Subrecipient certifies, that the activities and services being provided pursuant to this Agreement furthers the needs of the City, as well as the policy and intent of the City's CDBG Program's goals and objectives as identified in the City's 2015-2019 Consolidated Plan and 2019 Annual Action Plans; and,

WHEREAS, Subrecipient represents that it has the necessary experience and expertise in providing these services in a manner satisfactory to Grantee to implement the Program; and,

WHEREAS, the Subrecipient represents it is qualified and willing to provide such services pursuant to terms and conditions of this Agreement; and,

WHEREAS, Subrecipient shall comply with CDBG regulations, 24 CFR 570, including, but not limited to 2 CFR 230 et. seq., cost principles for non-profit organizations; and,

WHEREAS, Subrecipient is a Non-Profit Organization exempt from Federal income tax under Internal Revenue Code (IRC) Section 501(c)(3) with a local primary business address of 630 Kearney Avenue, Modesto, California 95350, and EIN: 77-0233512, and DUNS No. 123201894; and,

WHEREAS, the purpose of this Agreement is to set forth the responsibilities of the Grantee and Subrecipient in accomplishing the objectives of the HUD CDBG as set forth in the Housing and Community

Development Act of 1974. The CDBG program and funds related thereto are referred to from time to time as the “CDBG Program” or “CDBG Funds”; and,

WHEREAS, acknowledging the qualifying, legal, and environmental processes that all parties (homeowner, Subrecipient, and Grantee) must follow in order to accomplish the goals and intended outcomes of the program, the term of this Agreement spans two Annual Action Plan fiscal cycles, years 2019-20 and 2020-21, in order to allow the Subrecipient sufficient time to assist the greatest number of homeowners with the amount of funds being granted herein; and,

WHEREAS, the Subrecipient’s services will be delivered from Subrecipient’s office in Modesto, California.

WHEREAS, Grantee agrees to engage the services of Subrecipient, and Subrecipient agrees to perform the services for Grantee hereinafter described, for the compensation, during the term, and otherwise subject to the covenants and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto agree as follows:

I. SCOPE OF SERVICE

A. Activities

General: During the 2019-21 fiscal years, the Subrecipient will be responsible for administering and providing a CDBG Single-Unit Homeowner Rehabilitation Program using the assistance of CDBG funds provided by the Grantee and in a manner satisfactory to the Grantee, consistent with any standards required as a condition of providing these funds. Properties rehabilitated will be privately-owned homes used solely for residential purposes, to improve and provide safe, livable housing for individuals and families that meet income eligibility requirements and the intent of the Program.

The Subrecipient will administer all tasks in connection with the aforesaid program with 2019-20 CDBG program funds in compliance with all

applicable Federal, State, and local rules and regulations governing these funds, and in a manner satisfactory to the Grantee. Proper backup documentation for all requested reimbursements shall be provided, and accuracy of all calculations shall be ensured prior to submittal of all invoices.

1. Principal Tasks – Activity #1:

The primary goal for the Subrecipient will be to improve the safety and livability of six (6) eligible single-units owned and occupied by income-qualified homeowners through rehabilitation projects with the funds provided, per the Subrecipient's proposal, as amended and approved by the Grantee.

The goal of six (6) eligible single-units is arrived by dividing the grant amount (\$300,000) by the maximum homeowner loan amount per rehabilitation (\$50,000). It is understood that some homeowners may not need to use the maximum amount; therefore, there is a possibility that the entire grant amount may not be completely used by the end of the contract period and/or that rehabilitation of more than six units is feasible.

Inside this goal, the CDBG Allocation of \$300,000, referenced herein above, shall be directed toward the following deliverables:

a. Refinement of housing rehabilitation program plans, procedures and forms. Subject to review and approval by the Grantee, the Subrecipient will establish, or make any necessary revisions to, the housing rehabilitation program design and procedures (including but not limited to the priorities among applicants and among rehabilitation measures, the limits and structure of financial assistance, and the recapture and affordability policies), as well as any other necessary forms, documents or sample contracts.

b. Outreach. The Subrecipient will conduct sufficient advertisement of the program and other forms of outreach to ensure that enough eligible applicants participate in the program to meet the housing rehabilitation goal of 6 completed units.

c. Intake/assessment of eligibility. The Subrecipient will assist property owners and residents in the completion of applications to permit eligibility determinations for rehabilitation assistance. The Subrecipient will make provision for translation services to meet the

needs of non-English-speaking applicants. In the event of applicants who have impaired mobility or other disabilities, the Subrecipient will make provisions for completing the application at the applicant's residence or other acceptable procedures for ensuring equal access to services.

d. Initial eligibility. Selection of households/structures will be made by the Subrecipient on the basis of satisfaction of income requirements (single-unit structures must be occupied by a low- and moderate-income household; if a two-unit structure, at least one must be so occupied; and if three or more units in a structure, at least 51 percent of the units must be occupied by low- and moderate-income households according to the most current income limits established by HUD), the apparent need for rehabilitation measures to correct relevant housing code or Housing Quality Standard (HQS) deficiencies, and any other pertinent criteria set forth in the approved program design.

e. Scope of Work Proposals. For each eligible unit assisted, the Subrecipient shall a complete detailed proposal of the rehabilitation to be performed, including estimated costs of each activity, materials to be used, and industry or regulatory standards to be met. The proposal shall be initialed and dated by the homeowner.

f. Bank financing. For those applicants who will be securing some of the financing for the rehabilitation work through private loans from a bank or private financial institution, the Subrecipient will provide assistance to applicants when applying for such complementary financing upon request.

g. Solicitation and selection of contractors. The Subrecipient will assist approved applicants in the identification, proper solicitation, and selection of contractors qualified to perform the authorized rehabilitation of eligible housing units. The Subrecipient will provide forms and sample contract formats for the applicants to use in contracting with the contractors and will assist the applicant in ensuring that the description of the work contained in any contracts is accurate and complete.

h. Periodic and final inspections. The Subrecipient will perform periodic site visits to ascertain that approved and contracted rehabilitation work is proceeding satisfactorily, will authorize (with

the owner's written approval, including signature and date) appropriate change orders, and will mediate in the event of owner dissatisfaction with the work done by the contractor.

i. Approval of contractor payments. As rehabilitation progresses and as invoices are submitted by contractors, the Subrecipient will verify that the expenses are reasonable and the work has been completed properly (including a sign-off by the owner), and will authorize drawdown of funds from the Grantee, and disbursement to the contractors.

j. Maintenance of case files and other records. For each applicant, the Subrecipient will maintain case files, including application and documentation of eligibility, scope of work, the assistance agreement between the property owner and Subrecipient (along with repayment/recapture provisions), documentation of liens and any other forms of security, contractor selection criteria, copy of contract between owner and contractors), documentation on all necessary licenses and permits, site visit/inspection reports (including final inspection), change orders, and approved contractor invoices for payment (with owner sign-off). The Subrecipient will also maintain appropriate information on persons residing in the property, including a list or lists identifying persons in a project immediately before the project, after project completion, and those moving in during the project, as well as information on those displaced or temporarily relocated (per 24 CFR 570.606 and 24 CFR part 24). The Subrecipient will maintain these and other program and financial records in accordance with the general requirements for record keeping specified in Section IX, B of this Agreement.

2. Program Administration – Activity #2:

Subrecipient will be responsible for overseeing all aspects of the program implementation. The Subrecipient shall evaluate program participants' income to establish affordable reimbursement payments not to exceed the affordability thresholds established by HUD. Once each project is closed and liens are recorded on the parcel, the Subrecipient will be responsible for submitting demographic and financial information to the City of Merced Housing Division.

Subrecipient shall submit required documentation, which identifies income category qualifications, ethnicity, race, accomplishments, and other pertinent information of all individuals served by the Program, which HUD may require for the “Public Service.”

Reporting of this project will include:

1. Number of occupants per quarter/total served.
2. Income of all occupants in household.
3. Amount paid for primary mortgage by household.
4. Household demographics per HUD guidelines.
5. Total amount remitted to the City of Merced/monthly financial statements as justification for program payments.
6. Documentation proving the property owner is current with their property taxes and mortgage payments.
7. Proof the homeowner has resided at this property for a period longer than 1-year. The proof can be validated by utility bills, mortgage statements, or property tax statements.

Families are to be screened by Habitat for Humanity prior to being approved for the Program to ensure they meet eligibility requirements. Participants will be encouraged to participate in post purchase housing counseling services through the Subrecipient. Referrals to other programs and/or services will be available to assist these individuals and families.

B. National Objectives

All activities funded with CDBG funds must meet one of the CDBG program National Objectives: provide low- or moderate-income housing; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208(a)(3).

Subrecipient certifies that the activity(ies) carried out under this Agreement will provide a housing benefit for low- and moderate-income persons. The Subrecipient will meet the national objective by providing assistance to low and moderate income households for the rehabilitation of the existing structure on the property currently owned by the income eligible household.

C. Levels of Accomplishment – Goals and Performance Measures

The Subrecipient agrees to provide the following levels of program services:

<u>Activity</u>	<u>Units Per Year</u>
<i>Activity #1</i> – Rehabilitation (Maximum of \$50,000 per unit)	3 or more
<i>Activity #2</i> – Program Administration (Maximum of 10% of Project Costs)	N/A

Each unit served will be required to have a total household below 80% of the Average Medium Income for the community.

D. Staffing

The Subrecipient shall assign organizational staff as Key Personnel to the Housing Rehabilitation Program. Upon approval of the agreement, the Subrecipient shall provide the grantee with an organization chart identifying staff members assigned, general program duties and amount of time allocated, in a timely fashion and in the form and content prescribed by Grantee.

Any changes in the Key Personnel assigned or their general responsibilities under this project are subject to the prior approval of the Grantee.

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performances standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, suspension or termination procedures applicable to this Agreement will be initiated.

F. Project Schedule

Unless amended by mutual written agreement by the Subrecipient and the Grantee, Habitat for Humanity will perform the described housing rehabilitation tasks and complete the rehabilitation of eligible units in conformance with the implementation schedule included in Exhibit A.

G. Submission of Invoices/Meeting with the Finance Division

The Subrecipient shall meet with City of Merced Housing Division and Finance Department staff prior to commencement of this program to review and discuss: 1) requirements for reimbursement of invoices; and 2) qualifying expenses. No reimbursement of administrative and indirect costs are permitted with this Program.

Date of Meeting: 10/7/19
Finance: Name Doreen Lucas Initials: DL
Housing: Name Kim Nott + Dawn Mendonca Initials: KN DM
Subrecipient: Name [Signature] Initials: [Signature]

The Subrecipient shall submit all applicable invoices requesting reimbursement of qualified expenses for this contract to City of Merced Housing Division staff no later than June 1, 2021.

II. PROGRAM DESCRIPTION

Type of Program: Public Service
HUD-CDBG Eligible Activity: Rehabilitation: Single-Unit Residential
HUD Matrix Code: 14A
Service Area: City of Merced
Basic Eligibility Citation: 24 CFR 570.202(a)(1)
National Objective: Low/Mod Housing (LMH)

III. METHOD OF COMPENSATION/SCHEDULE OF PAYMENTS

A. Direct Rehabilitation Expenses

The Subrecipient may draw down funds (against the "Rehabilitation Grants" budget line item) to establish escrow accounts for individual participating property owners to finance payments to contractors for the rehabilitation of eligible property. The grant agreement with the homeowner must specify that an escrow account will be used. Drawdowns for such escrow accounts may be initiated at the time that the assistance agreement between the Subrecipient and property owner is executed, but any funds drawn for such escrow accounts must be limited to the amount expected to be disbursed within 10 working days from the date of drawdown, must be placed in one interest-bearing account, and must be disbursed to contractors within 10 days of receipt by the Subrecipient. Payments to contractors from such escrow accounts should be

made on the basis of work completed, with a set-off of at least 10 percent until final inspection and sign-off of the completed rehabilitation by the Subrecipient's staff and property owner.

B. Relocation Assistance

The Subrecipient may draw down funds as Relocation Assistance expenses are incurred, up to the approved line item budget level. Relocation Assistance must be provided in accordance with 24 CFR 570.606 and 49 CFR part 24.

C. Program Management Expenses

Drawdowns against the balance of budgeted funds for Program Management must be based on costs actually incurred, and proportional to the percentage of the total authorized amount for Rehabilitation Grant funds and Relocation Assistance that have been expended.

D. Affordability Provisions [24 CFR 570. 208(a)(3)]

For activities benefiting low- and moderate- income persons, the Subrecipient must adopt and make public the grantee's standards for determining that for rental housing assisted under the program, the rents of units occupied by low- and moderate-income persons are "affordable."

E. Davis-Bacon requirements and other Labor Standards [24 CFR 570.603]

These statutes require the payment of prevailing wages for CDBG-assisted construction work, including construction or rehabilitation of residential property containing eight units or more, in excess of Two-Thousand Dollars (\$2,000). The Contract Work Hours and Safety Standards Act also apply to such activities.

F. Historic Preservation [16 U.S.C. 470 et seq. and 36 CFR Part 800]

These requirements mandate (a) consultation with specified agencies having responsibility for historic preservation to identify properties listed (or eligible for inclusion) in the National Register of Historic Places that may be subject to adverse effects by the proposed CDBG activities, and (b) compliance with procedures or other requirements to avoid or mitigate such adverse effects. The Subrecipient will address all potential historical preservation requirements through the environmental process.

G. National Flood Insurance Program [24 CFR 570.605]

If a community has had notice for more than a year that an area has been identified by FEMA as having special flood hazards, CDBG funds cannot be spent for acquisition or construction purposes within that area unless the community is participating in the National Flood Insurance Program and such insurance has been purchased for the properties in question.

H. Relocation, Real Property Acquisition, and One-For-One Housing Replacement [24 CFR 570.606]

The acquisition of real property for a CDBG assisted project and the displacement of any person (family, individual, business, non-profit organization, or farm) as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-assisted project must comply with 24 CFR 670.606 and 49 CFR part 24. The Subrecipient must also conduct its CDBG activities so as to minimize displacement: and, if displacement occurs, the displaced persons or entities must be provided assistance consistent with the Uniform Relocation Act, as amended, or Section 104(d), as applicable. In addition, there must be a one-for-one replacement of any occupied (or vacant, occupiable) low- and moderate-income dwelling that is demolished or converted to another use in connection with a CDBG-funded activity.

I. Lead-based Paint [24 CFR 570.608 and 24 CFR Part 35]

There is a general prohibition against the use of any lead-based paint in connection with any CDBG activities involving construction or rehabilitation of residential structures. Regardless of whether the structure was constructed prior to 1978, the tenants or purchasers must be notified of the hazards of lead-based paint poisoning; and, depending on the level of Federal assistance made available to the structure, paint inspection, risk assessment, treatment, and/or abatement must be provided. Subrecipient shall sign and date an affidavit to be retained with official records asserting they complied with this requirement.

Additionally, immediately after abatement of any lead-based paint found during the initial testing, the property shall be tested again, and if clear, documentation shall be submitted to Grantee within a reasonable timeframe showing compliance with this requirement.

J. Program Income [24 CFR 570.500; 570.503(a), (b)(3) and (b)(7); and 570.504]

Grantee must approve (a) whether a Subrecipient will be allowed to retain and use program income, and (b) for what activities the program income may be used. The use of such program income must be in compliance with all other applicable program requirements and, upon the expiration of the Subrecipient Agreement, or at the end of each fiscal year, whichever occurs first. Any program income on hand or subsequently received by the Subrecipient must be returned to the Grantee.

IV. TERM OF PERFORMANCE

Services of the Subrecipient shall commence on the 1st day of July, 2019, and end on the 30th day of June, 2021. The term of this Agreement and the provisions herein shall be extended to cover any additional time during which the Subrecipient remains in control of program funds or other program assets, including program income.

V. BUDGET

A. Line Item Budget

The following is the budget for the CDBG housing rehabilitation program to be administered by Habitat for Humanity. Unless otherwise noted, this budget may only be modified through a formal written amendment approved by the Grantee.

Activity #1: Rehabilitation of Properties	\$270,000
<u>Activity #2: Program Administration</u>	<u>\$30,000</u>
TOTAL	\$300,000

The Grantee may require a more detailed budget breakdown than the one contained herein, and the Subrecipient shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee. Any amendments to the budget must be approved in writing by both the Grantee and the Subrecipient.

VI. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed \$300,000. Drawdowns will be performed in compliance with Section III.A of this agreement and for eligible expenses made against the line item budgets specified in Paragraph V herein and in accordance with performance. Expenses for general administration shall also be paid against the line item budgets specified in Paragraph IV and in accordance with performance.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

VII. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

Grantee

Scott McBride
Director of Development Services
City of Merced Housing Division
678 W. 18th Street
Merced, CA 95340
(209) 385-6863

Subrecipient

Anita Hellam
Executive Director
Habitat for Humanity, Stanislaus
63 Kearney Avenue
Modesto, CA 95350
(209) 575-4585

VIII. SPECIAL CONDITIONS

The owner occupied rehabilitation program shall start on the first day of July 2019. This agreement can be extended by the Subrecipient for the fiscal year beginning July 1, 2021, provided the Subrecipient submits an extension

request prior to March 1, 2021.

IX. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, Parts 91 and 92 (the U.S. Housing and Urban Development regulations concerning HOME Investment Partnerships Program(HOME)), including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties.

The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement¹, life and/or medical insurance², and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from

¹Unless the services under this Agreement are provided by a former City employee who is now retired and Grantee is otherwise obligated to pay for the same.

²Unless the services under this Agreement are provided by a former City employee who is now retired and Grantee is otherwise obligated to pay for the same.

any and all claims, actions, suits, charges, and judgments that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement. Workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Grantee. The Subrecipient shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The Grantee or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the Grantee or Subrecipient from its obligations under this Agreement.

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or,
4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

I. Inconsistent or Conflicting Terms in Agreement and Exhibits

In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional

obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

J. Ambiguities

This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

K. Venue

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

L. Authority to Execute

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

M. Counterparts

This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

X. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 2 CFR part 200 and 24 CFR 84.21–28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient shall administer its program in conformance with OMB Circulars 2 CFR part 200, Subpart E – Cost Principles, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis. Misuse of program funds is a federal offense and is subject to reimbursement and immediate cancellation of this Agreement.

B. Documentation and Record Keeping

1. Records to be Maintained

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

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records which demonstrate compliance with 24 CFR 570.503(b)(7) or 570.505 regarding any change of use of real property acquired or improved with CDBG assistance;
- e. Records which demonstrate compliance with the requirements in 24 CFR 570.606 regarding acquisition, displacement, relocation, and replacement housing;

- f. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- g. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28;
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570; and,
- i. If the services of other businesses within the City of Merced are used in the implementation of this program and reimbursement for those services is requested, business license records of such businesses shall be provided. Subrecipient may contact either the Finance Department or Housing Division to verify current business license status.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of four (4) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data

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

4. Disclosure

The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not

directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited by the applicable State or Federal laws unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning Subrecipient audits and Uniform Guidance.

Subrecipient's Organization agrees to provide City at Subrecipient Organization's cost, a certified audit performance by an accredited certified public account, of all funds received or utilized by Subrecipient Organization, including the distribution of CDBG Funds for fiscal years 2019/2020 and 2020/2021 to be delivered to City by March 31, 2022.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report quarterly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this contract. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. All program income received shall be returned to the Grantee at the end of the contract period.

Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

2. Indirect Costs

If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Subrecipient accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee. These progress reports shall be submitted to the Grantee on a quarterly basis and shall include:

- a. Number of occupants per quarter/Total Served;
- b. Income of all occupants in household;
- c. Amount paid for primary mortgage by household;
- d. Household Demographics per HUD guidelines; and,
- e. Total amount remitted to the City of Merced/Monthly financial statements as justification for program payments

D. Procurement

1. Compliance

The Subrecipient shall comply with current Grantee policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. Office of Management and Budget Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40–48.

3. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the city limits of Merced with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 2 CFR part 200, 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement [If the Subrecipient fails to use CDBG - assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non- CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as the Grantee deems appropriate].
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

XI. RELOCATION, REAL PROPERTY ACQUISITION, AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. (The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions, and policies concerning the displacement of persons from their residences.)

XII. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086. Subrecipient also agrees to comply with the provisions of the California Fair Employment and Housing Act (California Government Code Section 12900 et seq.) and the Unruh Civil Rights Act (California Civil Code Section 12101 et seq.).

2. Nondiscrimination

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regards to the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this contract, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary

to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Subrecipient agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women and Minority-Owned Businesses (W/MBE)

The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian- Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent

investigation.

3. Access to Records

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

4. Notifications

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

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

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

6. Subcontract Provisions

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

C. Employment Restrictions

1. Prohibited Activity

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

2. Labor Standards

- a. The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *et seq.*) and all other applicable Federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti- Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.
- b. The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

- c. Advice of Prevailing Wage: Pursuant to Section 1781 of the Labor Code, Consultant/Contractor is advised that the work contemplated in this contract may be subject to the payment of prevailing wages and all other requirements of the Prevailing Wage Law. The prevailing wage of each job classification may be found by inquiry with the California Department of Industrial Relations. Consultant/Contractor shall comply with all laws related to the performance of public work including, but not limited to, the employment of apprentices pursuant to Section 1777.5 of the Labor Code, work day/week hours and overtime rates pursuant to Sections 1813 and 1815 of the Labor Code and the obligation set forth in Sections 1774-1776 of the Labor Code in regards to payment of prevailing wages and to provide the City of Merced and Department of Industrial Relations certified payrolls when required. A certified copy of all payroll records relative to this project shall be submitted to the City of Merced along with the related invoice. Receipt of certified payroll records is a prerequisite to receiving payment.
- d. No Consultant/Contractor or sub-consultant/contractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. No Consultant/Contractor or sub-consultant/contractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. All Consultants/Contractors or sub-consultants/contractors must furnish electronic certified payroll records to the Labor Commissioner. This requirement applies to all public works projects, whether new or ongoing. Consultant/Contractor is further advised that the work contemplated herein is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

3. “Section 3” Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

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

“The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

The Subrecipient further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons

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

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

b. Notifications

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

c. Subcontracts

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

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

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

b. Monitoring

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

c. Content

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

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded

to the Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

- a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG assisted activity, or with respect to the proceeds from the CDBG assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:
- d. Lobbying Certification: This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

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

7. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XIII. ENVIRONMENTAL CONDITIONS

A. Subrecipient shall confirm with the grantee regarding all project specific locations. The Grantee is considered the responsible entity for the community and is responsible for ensuring all required environmental documents are completed prior to disbursement of federal funds into a project, including homeowner rehabilitation.

1. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;
- Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

2. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities

located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

3. Lead-Based Paint

The Subrecipient agrees 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 Part 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, 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 undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted. After any necessary abatement, the affected structure(s) shall be re-tested, and clearance certification documentation shall be forwarded to the Grantee.

4. Historic Preservation

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. 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.

XIV. SEVERABILITY

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

XV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

XVI. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XVII. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

GRANTEE
CITY OF MERCED

A California Charter Municipal Corporation

BY: _____
City Manager

ATTEST:
Steve Carrigan, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY:  9/26/19
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

SUBRECIPIENT:
Habitat for Humanity, Stanislaus County

BY:  _____
(Signature)

Anita Hellam
(Typed Name)

Its: _____
Executive Director
(Title)

Taxpayer I.D. No.: 77-0233512

ADDRESS: 630 Kearney Avenue
Modesto, CA 95350

TELEPHONE: 209-575-4585

EXHIBIT A
 Scope of Services / Project Narrative / Implementation Plan
 Habitat for Humanity of Stanislaus County
 “A Brush With Kindness” Homeowner Rehabilitation Program
 FY 2019-21

Services and Activities Provided

- Expansion of existing services
- Lead testing and remediation will remove contaminants, eliminating future health risks.
- Repairs to damaged structures will restore homes to code, whereby improving living conditions.
- Roof replacements or repairs will be brought up to code and prevent leaks.
- HVAC installations or updates will provide healthy living conditions and mitigate against extreme summer temperatures, which are common in Merced.
- Efficient double-paned windows will replace single-paned aluminum windows to reduce energy loss and excessive cooling and heating costs.
- Leaking plumbing will be repaired to eliminate water damage and high water bills.

Project Narrative:

HFHS is requesting funding to rehabilitate a minimum of four (4) low income homes with an estimated 4 to 10 household residents, to improve and preserve some of the privately-owned, existing affordable housing stock in the City of Merced in compliance with the Housing Element objectives. Projects will include lead testing, lead remediation, roof repair, HVAC updates, efficient windows, and plumbing fixes.

Expected Outcomes:

- Existing housing inventory will be improved and sustained for families unable to afford ongoing maintenance.
- Longevity of homeownership will be enhanced due to reduced utility and health costs.
- Safety and blight challenges will be mitigated.

Implementation Plan (one year):

#	Task/Activity	Description	Completion Date
1	Test for lead	Determine if paint surfaces and flooring contain lead	10/30/19
2	Remediate lead	Respond to prescriptive lead removal processes	11/15/19
3	Repair or replace roof	Bring roof to code	12/1/19
4	Install or replace HVAC	Verify improvements needed for energy efficiency	12/15/19
5	Replace leaking plumbing	Install new plumbing	9/30/19
6	Replace aluminum single-pane windows	Install energy efficient windows	12/31/19
7	Repair fence	Improve security for family and pets	2/28/20
8	Repeat applicable tasks for homes 2-4	Repeat applicable descriptions for homes 2-4	6/30/20

EXHIBIT B

Housing Rehabilitation Program

Tasks/Program Goals	Months											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Refinement of Forms and Procedures												
2. Outreach/Intake												
3. Number of Applicants Determined Eligible (Cumulative)												
4. Number of Work Proposals Completed (Cumulative)												
5. Number of Eligible Units Out-to-Bid (Cumulative)												
6. Number of Eligible Units Where Rehab Started (Cumulative)												
7. Number of Eligible Units Where Rehab 50% Completed (Cumulative)												
8. Number of Eligible Units Where Rehab/Final Inspection Completed (Cumulative)												
9. Submission of Quarterly Reports												

EXHIBIT C

Budget for Homeowner Rehabilitation Program
"A Brush With Kindness"
Habitat for Humanity of Stanislaus County
FY 2019-21

AGENCY	Habitat for Humanity Stanislaus County
PROJECT	A Brush With Kindness

MISCELLANEOUS PROJECT COSTS:

ADMINISTRATIVE COSTS

SUPPLIES

POSTAGE

CONSULTANT SERVICES

20,000.00

MAINTENANCE/REPAIR

PUBLICATION/PRINTING

TRANSPORTATION

RENT

EQUIPMENT RENTAL

INSURANCE

UTILITIES

TELEPHONE

OTHER EXPENSES (SPECIFY):

CIP REQUESTS ONLY:

LEAD-BASED PAINT ASSESSMENT/ABATEMENT

24,000.00

CONSTRUCTION/RENOVATION

156,000.00

CONSULTANT/PROFESSIONAL SERVICES

CONSTRUCTION MANAGEMENT

OTHER EXPENSES (SPECIFY):

TOTAL CDBG PROJECT BUDGET

\$ 200,000.00