



City of Colusa

REQUEST FOR PROPOSAL

For

Community Development Block Grant (CDBG) Underwriting Consulting Services

City of Colusa
425 Webster St.
Colusa, CA 95932

Issued: 11/11/2020
Due Date: 11/25/2020

Contents

Introduction	3
Project Description & Schedule	3
Insurance Requirements	4
Scope of Required Services	4
General Terms & Conditions	5
Limitations	5
Proposal Format Requirements	6
Cost Proposal	7
Submittal Information & Schedule	7
Additional Submittal Questions	8
Evaluation Criteria	8
Selection Process	8
Exceptions	9
Exhibit A: Scope of Required Work	10
Exhibit B: Anti- Lobbying Certification	11
Exhibit C: CDBG Terms and Conditions	12
Separate downloadable exhibit: Sample Agreement	On City Website

Introduction

The Federal Housing and Urban Development (HUD) Agency provides funds to states to principally benefit low income people, eliminate slums and blight, and/or meet an urgent community development need. The California Department of Housing and Community Development (HCD) administer this funding to local jurisdictions through the Community Development Block Grant (CDBG) program. The City of Colusa is seeking consultants to assist with preparation of proposals and administer/implement CDBG economic Development projects.

HUD and HCD require local jurisdictions to follow stringent federal and state laws and regulations. Numerous and often complex reporting requirements must be met in a timely fashion. The City is seeking a response to this Request for Proposal from qualified consultants to administer and implement the City's CDBG Economic Development programs for the next three years.

This RFP includes a description of the scope of required services, proposal requirements and instructions for submitting your proposal. No formal meeting is required for this RFP.

All other inquires regarding this RFP can be directed to:

City of Colusa, City Hall
Attn: City Manager
425 Webster St.
Colusa, CA 95932
citymanager@cityofcolusa.com

All responses shall be submitted to the City Clerk of the City of Colusa on or before 11/25/2020 at 3pm. Please submit one (1) original and four (4) copies of and one (1) flash drive containing the proposal to: City Clerk, City of Colusa, 425 Webster St., Colusa, CA 95932. Proposal shall not exceed 25 pages.

All responses shall be reviewed and evaluated by the City in order to determine which proposer best meets the City's needs for service. The criteria by which the City shall evaluate proposals are set forth in the Request for Proposals.

The City reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process.

Project Description and Schedule

The City will select consultants who have project experience in the areas of Community Development Block Grant (CDBG) Economic Development projects.

Tentative Timeline and Schedule of Events:

Release Date: 11/11/2020

Due Date: 11/25/2020 by 3pm

Insurance Requirements

1. The Consultant, prior to beginning work on the subject Contract, shall furnish to the City a Certificate of Insurance setting forth, in the event of accident or occurrence which may give rise to a claim or lawsuit against the City or its officers and employees, the Contractor has in full force and effect the required Policies of Insurance including at a minimum:
 - a. Workers Compensation- if applicable, in compliance with the statues of the State of California.
 - b. General Liability, Bodily Injury Liability, Property Damage Liability Insurance- insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage. The certificate of insurance shall indicate the aforementioned.
 - c. Automobile Liability- insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and \$100,000 for property damage. This insurance shall cover for bodily injury and property damage, owned automobiles, and non-owned automobiles.
2. Said Certificates of Insurance shall be in a form acceptable to the City and shall provide that the City, its officers, agents, and employees are additional insured under such a policy. The policy may not be canceled or reduced in coverage until after 30 days written notice. Wording to this effect shall be on the policy.

Scope of Required Services

The scope of services to be provided by the successful proposer or proposers is expected to include, but not be limited to, the following:

General Administration Application Upfront Costs:

- 1) Preparation of content, and public notifications for public meetings and hearings; and conduct or lead all required public meetings and hearings as needed.
- 2) Prepare funding applications for Community Development Block Grants, as requested by the City.

General Administration:

- 1) Complete all contract special conditions including environmental review, anti-displacement and relocation assistance plan, program income reuse plan, etc., as requested by the City.
- 2) Prepare program guidelines
- 3) Assist in the preparation of contracts, as requested, for subcontractors and sub-recipients.
- 4) Complete all program reporting to the State Department of Housing and Community Development (HCD) as needed by the city.
- 5) Supervise loan packagers for business loan programs.

- 6) Prepare Public Information file as needed or requested.
- 7) Act as liaison with the State Department of Housing and Community Development in concert with City needs and as directed by the City Manager.
- 8) Schedule, notice and conduct meetings of business loan committees and technical advisory groups as necessary.
- 9) Prepare program records for monitoring by State representatives, conduct site visits, respond to comments and correct any findings required by HCD as requested by the City.
- 10) Attend any CDBG related trainings or informational meetings conducted by HCD.

Program Implementation:

CDBG Economic Development Awards: As necessary, prepare business loan packages and present to loan committee, prepare loan documents, complete closing. Track lower income group hiring by businesses and compliance with loan agreement. Manage the City loan portfolio including periodic reporting, UCC-1 filings, maintenance of insurance, etc. as requested by the City.

General Terms & Conditions

Consultant Selection Process

Written proposals submitted by the deadline will be evaluated by City staff based on experience and competence of the firm as it relates to the services, past records of performance with the City of with other public or private agencies including such factors as control of cost, quality of work, and ability to meet schedules, overall knowledge and understanding of the project, and the cost involved to perform the services. Although the City does not anticipate conducting interviews, it reserves the right to do so with the top-rated firms.

Depending on the relative quality of the proposals, the City may elect to interview the two or three firms that in the opinion of the committee appear to be most capable of meeting the conditions of the project.

Based on the ranking, the City Manager or designee will enter directly into contract negotiations with the highest-ranked firm. The proposed Agreement for Professional Services is a separate downloadable exhibit available on the City website: www.CityofColusa.com. IF the City of Colusa is unable to successfully negotiate a satisfactory agreement with the highest rank firm, the City may commence negotiations with the remaining firms in order of their ranking.

The final Agreement for Professional Services may be submitted to the City of Colusa City Council for review and approval.

Deadline for Delivery of Proposals

The deadline for submission of proposals is 11/25/2020 by 3pm. Proposals arriving after the deadline will not be considered.

Contact Information

The contact for questions or additional information regarding this RFP is:

Colusa City Hall
Jesse Cain, City Manager
425 Webster St.
Colusa, CA 95932
citymanager@cityofcolusa.com

Q&A Session

The City of Colusa will be hosting one live Zoom-based webinar for interested parties to answer questions about the project. The Live Zoom webinar will be on Monday, November 16th, 2020 at 3pm.

Link: <https://zoom.us/j/96995907852>

Requests for Supplemental Information

The City of Colusa reserves the right to require the submittal of additional information that supplements or explains proposal materials.

Rejection of Proposals

The City of Colusa reserves the right to reject any or all proposals.

Reimbursement of Costs

No reimbursement whatsoever will be made by the City of Colusa of any costs incurred by consultant candidates related to the preparation or presentation of proposals.

Proposal Format Requirements

- 1) Cover letter: Include the following information:
 - a. Title of this RFP
 - b. Name and mailing address of company
 - c. Contact person, email address, telephone and fax numbers
- 2) Signature requirements: the cover letter must be signed by an officer empowered by the Firm to sign such material and thereby commit the firm to the obligations contained in the RFP response. Further, the signing and submission of a response shall indicate the intention of the proposer to adhere to the provisions described in this RFP and a commitment to enter a binding contract.
- 3) Consultant Qualifications: A statement of the professional qualifications and experience of the firm as it pertains to the successful implementation of CDBG economic development projects. Include a list of jurisdictions for which your firm has prepared proposals for and/or administered and implemented CDBG projects.

- 4) Experience and Reference: provide a summary of the company's experience in providing these services. Provide a minimum of three references for related consulting services and include date, contact person, phone number and a brief description of then services provided.
- 5) Approach and Availability: Provide a detailed discussion of your company's approach to providing CDBG economic development services to the City of Colusa and staff's availability to conduct the required work.
- 6) Pricing and Compensation: provide a brief preliminary cost estimate for each type of grant that may be awarded, including hourly rates for Personnel who will be assigned to the grant projects.
- 7) Staff Assigned to Project: Provide the resumes of key personnel from the firm who would be assigned to the City of Colusa to work on CDBG activities.
- 8) Affirmative Action/Business Designation: Provide a statement of the firm's policy regarding affirmative action and indication if the firm is a small business and/or minority or woman-owned business.

Cost Proposal

1. Provide an estimate of your total, not to exceed, underwriting costs associated with serving the City of Colusa. Please note that any payment to the underwriter is contingent on the closing of appropriate loans. In your response, please specifically include:
 - a. Proposed percentage of loan cost.
 - b. Management fee, if any.
 - c. Expenses; clearly break out he components of the expense estimates, excluding the underwriter's counsel fees.
 - d. Underwriter's Counsel; please identify the firm and primary contact that you would propose to serve as underwriter's counsel. Assuming the City's Disclosure Counsel will prepare any Official Statements, please provide a not-to-exceed counsel fee (separate from your underwriting expenses).

Submittal Instructions

Your submittal package shall include the following:

- One (1) original and four (4) printed copies of your proposal.
- Proposals shall not be longer than 25 pages.
- Proposals shall be submitted not later than the time and date indicated on the cover page of this RFP
- Proposal must be submitted ONLY to: City of Colusa, 425 Webster Street, Colusa, CA 95932
- The City of Colusa shall not be responsible for proposals delivered to a person or location other than that specified herein.
- Late submittals shall not be accepted or considered.
- All submittals shall be submitted in a sealed envelope or container, and clearly marked with the title of the RFP on the outside of the parcel.
- All submittals, whether selected or rejected, shall become the property of the City and will not be returned.

- The City reserves the right to waive minor defects and/or irregularities in proposals, and shall be the sole judge of the materiality of any such defect or irregularity.
- All costs associated with proposal preparation shall be borne by the proposer.
- All proposals shall remain firm for one hundred twenty (120) days following the closing date of the receipt of proposals.

Additional Submittal Questions

Response to this section will not count against the 25 page limit. Please provide responses to the following questions:

- 1) Within the past 24 months, has your firm and/or any of its principals been the subject of any investigation relating to the municipal securities industry by the SEC, NASD, NYSE, or any other State or Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal securities industry?
- 2) Within the past 24 months, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary or other actions arising from the firm’s underwriting, management or handling of municipal securities?
- 3) Does there exist any relationship between your firm and any other non-affiliated firm(s) or individuals involving any compensation arrangement that may be associated with your possible engagement to assist the City?

Evaluation Criteria

Criteria	Possible Points
Capacity to perform required Scope of Work	30
Assigned staffs experience	30
Proposal Pricing	30
Availability	10
Total	100

Selection Procedure

- Submittals will be reviewed for responsiveness, and responsible submittals will be reviewed. The company(s) submitting the highest rated proposal may be invited for interviews.
- The City reserves the right to award a contract to the company that presents the best qualifications and whose proposal best accomplishes the desired results.
- The City reserves the right to reject any or all proposals or to waive minor irregularities in said proposals or to negotiates with the successful company.
- The City will notify all proposers whether or not they are selected for the subject work.
- The City of Colusa is an Equal Opportunity Employer.

Exceptions to this RFP

If the Proposer takes exception to any portion of this RFP, the specific portion of the RFP to which exception is taken shall be identified and the reason(s) for the exception explained.

Disputes Relating to Proposal Process

Any dispute arising from the proposal process prior to the award of the contract must be submitted in writing to the City Manager, within ten (10) calendar days of the date of the recommendation award or denial letter. The only grounds for an appeal that will be considered are that the City failed to follow the selection procedures specified in this RFP or that there has been a violation of conflict of interest as provided by California Government Code section 87100 et seq; or violation of Federal or State law. The City will consider only those specific issues addressed in the written appeal. The City of Colusa will make their determination within 7 days of receipt and their decision shall be final with respect to the matters of fact.

Exhibit A- Scope of Required Services

The scope of services to be provided by the successful proposer or proposers is expected to include, but not be limited to, the following:

General Administration Application Upfront Costs:

- 1) Preparation, public notification for and conduct or lead required public meetings and hearings as needed.
- 2) Prepare funding applications for Community Development Block Grants, as requested by the City.

General Administration:

- Complete all contract special conditions including environmental review, anti-displacement and relocation assistance plan, program income reuse plan, etc., as requested by the City.
- Prepare program guidelines
- Assist in the preparation of contracts, as requested, for subcontractors and sub-recipients.
- Complete all program reporting to the State Department of Housing and Community Development (HCD) as needed by the city.
- Supervise loan packagers for business loan programs.
- Prepare Public Information file as needed or requested.
- Act as liaison with the State Department of Housing and Community Development in concert with City needs and as directed by the City Manager.
- Schedule, notice and conduct meetings of business loan committees and technical advisory groups as necessary.
- Prepare program records for monitoring by State representatives, conduct site visits, respond to comments and correct any findings required by HCD as requested by the City.
- Attend any CDBG related trainings or informational meetings conducted by HCD.

Program Implementation:

CDBG Economic Development Programs: As necessary, prepare business loan packages and present to loan committee, prepare loan documents, complete closing. Track lower income group hiring by businesses and compliance with loan agreement. Manage the City loan portfolio including periodic reporting, UCC-1 filings, maintenance of insurance, etc. as requested by the City.

Exhibit B: ANTI-LOBBYING CERTIFICATION

The undersigned certifies, to the best of his or her knowledge or belief, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, 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.

_____ Signature

_____ Date

Exhibit C: CDBG TERMS AND CONDITIONS

1. Effective Date and Commencement of Work:

This Agreement is effective upon approval by the California State Department of Housing and Community Development.

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

2. Sufficiency of Funds and Termination

- A. The Department may terminate this Agreement at any time for cause by giving at least fourteen (14) days written notice to the Grantee. Cause shall consist of violations of any terms and/or special conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.
- B. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays which would occur if this Agreement were executed after the determination was made.
- C. This Agreement is valid and enforceable only if sufficient current funds are made available to the Department by the United States Government for the Federal Fiscal Year. In addition, this Agreement is subject to any additional restrictions, limitations, conditions or statute enacted by the Congress or State Legislature, which may affect the provisions, terms or funding of this Agreement in any manner.
- D. If Congress does not appropriate sufficient funds for the program, the Department may amend this Agreement to reflect any reduction in funds, or it may terminate this Agreement by giving fourteen (14) days written notice to the Grantee.

3. Termination for Convenience and Enforcement

- A. Except as provided in 24 CFR 85.43, awards may be terminated in whole or in part only as follows:
 - 1) The Department with the consent of the Grantee or Subgrantee in which case the two parties shall agree upon termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or
 - 2) By the Grantee or Subgrantee upon written notification to the Department, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the Department determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either 24 CFR 85.43 or paragraph (A) of this Section.

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

1) Temporarily withhold cash payments pending correction of the deficiency by the Grantee or Subgrantee or more severe enforcement action by the awarding agency.

2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance.

3) Wholly or partly suspend or terminate the current award for the Grantee's or Subgrantee's program.

4) Withhold further awards for the program.

5) Take other remedies that may be legally available.

a. Hearings, appeals. In taking an enforcement action, the awarding agency will provide the Grantee or Subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the Grantee or Subgrantee is entitled under any statute or regulation applicable to the action involved.

b. Effects of suspension and termination. Costs of Grantee or Subgrantee resulting from obligations incurred by the Grantee or Subgrantee during a suspension or after termination of an award are not allowable unless the Department expressly authorizes them in the notice of suspension or termination or subsequently. Other Grantee or Subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowed if:

c. The costs resulting from obligations which were properly incurred by the Grantee or Subgrantee before the effective date of suspension or termination, are not in anticipation of suspension or termination; and, in the case of a termination, are non-cancellable, and,

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

4. Litigation

A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.

B. The Grantee shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

5. National Objectives

All grant activities performed under this Agreement must be eligible and must meet one of the National Objectives of the HUD regulations as included in the Application authorized under Title I of the Housing and Community Development Act of 1974 Section 104(b)(3), as amended and 24 CFR Part 570.483.

A. Primarily Benefits HUD defined low- or moderate-income person(s) (LMI) or household(s) (LMH). The term low- or moderate-income limits are defined as being no more than 80% of the median area income, annually determined by HUD, per 24 CFR, Part 570.483(b); and/or,

B. Elimination of Slums or Blight (on a spot or area basis) is an eligible CDBG National Objective. Slums and Blight's definition is found in 24 CFR, Part 570.483(c). The use of Slums or Blight requires prior Departmental written approval.

C. Meeting an Urgent Need is an eligible CDBG National Objective under 24 CFR, Part 570.483(d). This National Objective can only be used after formal release of public notice from the Department announcing the disaster event and requesting grantees impacted by the disaster to submit proposals by grantees describing how this National Objective is being met by eligible activities under this Agreement.

6. Public Benefit for Special ED

Per 24 CFR 482(f) and (g), the Grantee is responsible to demonstrate fulfillment of the Public Benefit requirement for all CDBG ED activities that involve assistance to for-profit businesses under Section 105(a)(14)-(17) of The Act. These ED activities must also comply with CDBG's six (6) underwriting standards, per 24 CFR, Part 570.482 (e).

7. Waivers

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

8. Uniform Administrative Requirements

The recipient, its agencies or instrumentalities, and subrecipients shall comply with the policies, guidelines and requirements of 24 CFR part 85 and OMB Circulars A-87, A-110 (implemented at 24 CFR part 84), A-122, A-133 (implemented at 24 CFR part 45), and A-128 (implemented at 24 CFR part 44), as applicable, as they relate to the acceptance and use of federal funds under this part. The applicable sections of 24 CFR parts 84 and 85 are set forth at Section 570.502.

9. Non-Performance

In the event that the National Objective and/or Public Benefit requirements are not met, the Department may, in its sole discretion, impose any or all of the following remedies: recapture of part or all of any PI; reimbursement of part or all of the grant amount; and/or exclusion of the Grantee from further CDBG funding for a period of time to be determined by the Department. Prior to closing out this Agreement, the Department shall review the actual National Objective and/or Public Benefit achievements of the Grantee.

10. Affirmatively Furthering Fair Housing

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

11. Equal Opportunity Requirements and Responsibilities

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

B. Title VII of the Civil Rights Act of 1968 (The Fair Housing Act): This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promotes fair housing.

C. Restoration Act of 1987: This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability or age in a program or activity which does not directly benefit from such assistance.

D. Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42U.S.C. 5309]: This section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.

E. The Fair Housing Amendment Act of 1988: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for person's age 55 or older.

F. The Housing for Older Persons Act of 1995 (HOPA): Retained the requirement that housing facilities must have one person who is 55 years of age or older living in at least 80% of its occupied units. The act also retained the requirement that housing facilities publish and follow policies and procedures that demonstrate intent to be housing for persons 55 or older.

G. The Age Discrimination Act of 1975: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any

program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic including: KRS 18A.140; KRS 344.040; 101 KAR 1:350 Paragraph 11; 101KAR 1:375 Paragraph 2(3); 101KAR 2:095 Paragraphs 6 and 7.

H. Section 504 of the Rehabilitation Act of 1973: It is unlawful to discriminate based on disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

I. The Americans with Disabilities Act of 1990 (ADA): This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

J. Executive Order 11063: This Executive Order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

K. Executive Order 11259: This Executive Order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.

L. The Equal Employment Opportunity Act: This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.

M. The Immigration Reform and Control Act (IRCA) of 1986: Under IRCA, employers may hire only persons who may legally work in the U.S., i.e., citizens and nationals of the U.S. and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (1-9).

N. The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.

O. The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002): This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.

P. Executive Order 11246: This Executive Order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

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

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

1. Implementing procedures designed to notify Section 3 residents about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance.
2. Notifying potential contractors for Section 3 covered projects of the requirements of this Part, and incorporating the Section 3 clause set forth in Section 135.38 in all solicitations and contracts.
3. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities such as described in the Appendix to this Part, as appropriate, to reach the goals set forth in Section 135.30. Recipients, at their own discretion, may establish reasonable numerical goals for the training and employment of Section 3 residents and contract award to Section 3 business concerns that exceed those specified in Section 135.30.
4. Assisting and actively cooperating with the Assistant Secretary in obtaining the compliance of contractors and subcontractors with the requirements of this Part, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
5. Documenting actions taken to comply with the requirements of this Part, the results of those actions taken and impediments, if any.
6. A Grantee which distributes funds for Section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in Section 135.30 regardless of the number of local governments receiving funds from the Section 3 covered assistance which meet the thresholds for applicability set forth at Section 135.30. The State must inform units of local government to whom funds are distributed of the requirements of this Part; assist local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this Part.

13. Environmental Compliance

The Grantee shall have satisfied all National Environmental Policy Act (NEPA) requirements and California Environmental Quality Act (CEQA) requirements. CEQA shall be approved by the Grantee. The level of compliance varies by activity. NEPA review must be completed by the Grantee for each activity and approved in writing by Department staff prior to incurring costs for the grant activity(ies).

14. Clean Air and Water Acts

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

15. Relocation, Displacement, and Acquisition

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any assistance is carried out by the Grantee and assisted in whole or in part by funds allocated by CDBG. For projects where there will be temporary or permanent displacement, the Grantee must submit signed General Information Notices from each tenant who was residing in the project at the time of Application submittal.

16. Compliance with State and Federal Laws and Regulations

A. The Grantee agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Grantee, its Subgrantees, contractors or subcontractors, and the grant activity, as well as any other State provisions as set forth in Exhibit C.

B. The Grantee agrees to comply with all federal laws and regulations applicable to the CDBG Program and grant activity(ies), and with any other federal provisions as set forth.

17. Federal Labor Standards Provisions

A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

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

C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that worker receive "overtime" compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

D. Title 29. Code of Federal Regulations CFR, Subtitle A. Parts 1. 3 and are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended. The Grantee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

18. Prevailing Wages

A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Grantee shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 [California Labor Code Section 1720-1743] (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "construction contract"). Where the construction contract will be between the Grantee and a licensed building contractor, the Grantee shall serve as the "awarding body" as that term is defined in the LC. Where the Grantee will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

19. Lead Based Paint Hazards

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Grantee with assistance provided under this Agreement shall be made subject to the provisions for the elimination or mitigation of lead-based paint hazards under these Regulations. The Grantee shall be responsible for the notifications, inspections, and clearance certifications required under these Regulations.

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

Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the Grantee, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for one (1) year thereafter. The Grantee shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

21. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the

22. Anti-Job Pirating Certification 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.

23. Anti-Lobbying Certification

The Grantee shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity(ies) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

A. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

B. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

24. Bonus or Commission.

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

A. Obtaining the Department's approval of the Application for such assistance; or,

B. The Department's approval of the Application for additional assistance; or,

C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

25. Contractors and Subrecipients

A. The Grantee shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

1) Contractors are defined as program operators or construction contractors who are procured competitively.

2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded jurisdiction to undertake eligible activities.

B. An agreement between the Grantee and any contractor or subrecipient shall require:

1) Compliance with the applicable State and Federal requirements described in this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.

2) Maintenance of at least the minimum State-required Workers' Compensation Insurance for those employees who will perform the grant activity(ies) or any part of it.

3) Maintenance, if so required by law, of unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured or damaged by the contractor, or any subcontractor in performing the grant activity(ies) or any part of it.

4) Compliance with the applicable Equal Opportunity Requirements described in Exhibit D, Section 11 of this Agreement.

C. Contractors shall:

1) Perform the grant activity(ies) in accordance with federal, State and local housing and building codes, as are applicable.

2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

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

2) Permit the State, federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation, and all other materials relevant to the agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

E. Contractors and Subrecipients: Drug-Free Workplace Act of 1988 All organizations covered by the Drug-Free Workplace Act of 1988 are required to provide a drug-free workplace by taking the following steps:

1) Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is

prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.

2) Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.

3) Notify employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within (5) five calendar days, if he or she is convicted of a criminal drug violation in the workplace.

4) Notify the contracting or granting agency within 10 (ten) days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.

5) Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.

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

26. Insurance

The Grantee shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Grantee and the Department to be necessary for specific components of the grant activity(ies) described in Exhibit A.

27. Periodic Reporting Requirements

During the term of this Agreement, the Grantee must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Grantee's performance under this Agreement will be based in part on whether it has submitted the reports on a timely basis. Reporting requirements may change per HCD's updated rules:

- A. Semi-Annual PI Report: Submit by January 31 and July 31.
- B. Annual Performance Report (APR): Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State fiscal year.
- C. Annual Section 3 Reports: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State fiscal year.
- D. Annual Minority Owned Business/Women Owned Business (MBE/WBE) Report: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State fiscal year.
- E. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed. The Department reserves the right to request any other reports that may be necessary for the implementation of this Agreement.

28. Monitoring Requirements

The Department shall perform a program and/or fiscal monitoring of the grant. The Grantee shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Grantee's performance score on future applications. In determining appropriate monitoring for each grant, the Department shall consider prior grant administration, audit findings, as well as factors such as complexity of the project and the amount of funding. The Department shall determine the areas to be monitored, the number of monitoring visits, and their frequency. The monitoring will address program compliance with contract provisions, including to but not limited to national objective, financial management, the requirements of HCDA, 24 CFR Part 85, 24 CFR 570 Part I, and all applicable federal overlay requirements.

29. Inspections of Grant Activity

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

A. The Grantee shall inspect any grant activity performed by contractors and subrecipients hereunder to ensure that the grant activity(ies) is being and/or has been performed in accordance with the applicable federal, State and/or local requirements and this Agreement.

B. The Grantee agrees to require that all grant activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor, subcontractor, or subrecipient, respectively, until it is so corrected.

30. Access

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

31. Audit/Retention and Inspection of Records

A. The Grantee must have intact, auditable fiscal and program records at all times. If the Grantee is found to have missing audit reports from the California State Controller's Office (SCO) during the term of this Agreement, the Grantee will be required to submit a plan to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Grantee will be subject to termination of this Agreement and dis-encumbrance of the funds awarded. The Grantee's audit completion plan is subject to prior review and approval by the Department.

B. The Grantee agrees that the Department or its designee will have the right to review, obtain, and copy all records pertaining to performance of this Agreement. The Grantee agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR

1896.60 et seq. The Grantee further agrees to maintain such records for a minimum period of five (5) years after the Department notifies Grantee that the HUD/HCD contract has been closed. The Grantee shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.

C. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Grantee. Expenditures for grant activity(ies) not described in Exhibit A shall be deemed authorized if the performance of such grant activity(ies) is approved in writing by the Department prior to the commencement of such grant activity(ies).

D. Absent fraud or mistake on the part of the Department, the determination by the Department of the allowance of any expenditure shall be final for the purposes of annual audits under OMB Circular A-133, Grantee shall use the Federal Catalog number 14.228 for the State CDBG Program.

E. Pursuant to OMB Circular A-133, the Grantee shall perform an annual audit at the close of each fiscal year in which this Agreement is in effect. Audit costs for this Agreement are general administration expenses and are subject to the general administration expenditure limits associated with this Agreement. The costs of the CDBG-related portion of the audit may be charged to the Program in accordance with Public Law 98-502, OMB Circular A-133, and Section 7122 of Title 25 CCR.

F. Notwithstanding the foregoing, the Department will not reimburse the Grantee for any audit cost incurred after the expenditure deadline of this Agreement.

- 1) The audit shall be performed by a qualified State, department, local or independent auditor. The agreement/contract for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- 2) If there are audit findings, the Grantee must submit a detailed response to the Department for each audit finding. The Department will review the response and, if it agrees with the response, the audit process ends and the Department will notify the Grantee in writing. If the Department is not in agreement, the Grantee will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.
- 3) The Department shall not approve reimbursement for any expenditures for the audit, prior to submitting an acceptable audit report.
- 4) If so directed by the Department upon termination of this Agreement, the Grantee shall cause all records, accounts, documentation and all other materials relevant to the grant activity(ies) to be delivered to the Department as depository.

32. Signs

If the Grantee places signs stating that the 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.

33. Citizen Participation

The Grantee is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 9L105 and 91.115.

34. Flood Disaster Protection

A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3(a) of said Act, for use in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to FDPA, Section 102(d) of said Act.

B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.

C. Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by FEMA as having special flood areas and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001et seq.

D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

35. Procurement

The Grantee shall comply with the procurement provisions in 24 CFR, Part 85.36, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

36. Program Income

PI means gross income earned by the Grantee from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR, Part 570.489(e) – Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 85 - Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Grantee record receipt and expenditure of PI as part of the financial transactions of the grant activity(ies). Grantees are also subject to all provisions in Exhibit A, Item 6.

37. PI Reuse Agreement

The Grantee must adopt and submit the most current Reuse Agreement provided by the Department. The Reuse Agreement is not in effect until it has been executed by the Department.

38. Obligations of Grantee with Respect to Certain Third Party Relationships

The Grantee shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the program with respect to which assistance is being provided under this Agreement to the Grantee. The Grantee shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Grantee, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 [4 u.s.c. 5304(g)].

39. Energy Policy and Conservation Act

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