SCO ID:

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
18-MITRIP-23020	

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR NAME

Town of Paradise

2. The term of this Agreement is:

START DATE

Upon HCD Approval

THROUGH END DATE

09/01/2032

3. The maximum amount of this Agreement is:

$8,668,086.50

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Authority, Purpose, and Scope of Work	7
Exhibit B	Budget and Payment Provisions	7
Exhibit C *	State of California General Terms and Conditions	GTC 02/2025
Exhibit D	CDBG - MIT MIT-RIP Terms and Conditions	34
Exhibit E	Special Terms and Conditions	1
Exhibit F	Detailed Scope of Work, Budget, and Application	24
Exhibit G	Subrecipient Profile- Town of Paradise	4

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Town of Paradise

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
5555 Skyway	Paradise	CA	95969

PRINTED NAME OF PERSON SIGNING	TITLE
Jennifer Macarthy	Town Manager
CONTRACTOR AUTHORIZED SIGNATURE	**DATE SIGNED**
Jennifer Macarthy	8-24-26

SCO ID:

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18-MITRIP-23020	

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME			
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT			
CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
651 Bannon Street, Suite 400	Sacramento	CA	95811
PRINTED NAME OF PERSON SIGNING	TITLE		
Synthia Rhinehart	Contract Services Section Manager		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		
Synthia Rhinehart	8/28/2026		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)		
	Exempt per; SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)		

EXHIBIT A

AUTHORITY, PURPOSE, AND SCOPE OF WORK

1. Authority & Purpose

The California Department of Housing and Community Development (hereinafter "Department") is the lead and responsible entity for administering the Community Development Block Grant – Mitigation (hereinafter CDBG-MIT) funds appropriated under Public Law 116-20 and allocated to the State of California by the U.S. Department of Housing and Urban Development (hereinafter "HUD"). CDBG-MIT is used by the State of California to assist local Jurisdictions and Tribal Entities with Mitigation-related infrastructure needs to support risk reduction from the three primary hazards (wildfire, flooding, and earthquake) as established within the Mitigation Needs Assessment (MNA) of the CDBG-MIT Action Plan. MIT-RIP is funded by CDBG-MIT to assist communities with mitigation related infrastructure projects that will increase community resilience, reduce the risk of loss of life, and lessen the impact of future natural disasters in the Most Impacted and Distressed (MID) Areas.

2. Scope of Agreement

A. Grant Funds

Subject to the terms and conditions of this Standard Agreement (hereinafter "Agreement"), the Department has allocated and agrees to provide grant funds up to the maximum amount identified in the Standard Agreement STD 213 Form to the subrecipient identified as "Contractor" on page 1, Section 1 of the STD 213 form (hereinafter "Subrecipient") for all Work (defined below) identified in this Agreement. All payments made to the Subrecipient will adhere to the provisions described in Exhibit B, Section 6 (Method of Payment) herein. In no instance shall the Department be liable for any costs in excess of the approved CDBG-MIT budget as shown in the Budget section in Exhibit F, nor for any unauthorized or ineligible costs or expenses.

This Agreement governs the Subrecipient Award and the Project proposed by the Subrecipient and approved by the Department ("Approved Activity",).

B. Implementation of Agreement

EXHIBIT A

By entering into this Agreement and thereby accepting the Award of grant funds, the Subrecipient agrees to comply with and implement this Agreement in a manner satisfactory to the Department and HUD and consistent with all applicable laws, regulations, policies and procedures that may be required as a condition of the Department providing the grant funds, including but not limited to, all applicable MIT-RIP Administration and Compliance requirements set forth by this Agreement, and in accordance with the 2017/2018 CDBG-MIT Planning and Public Services and Resilient Infrastructure Program NOFA Application (hereinafter "Application") documentation previously provided by the Subrecipient, attached to Exhibit F, and made a part hereof. The Department's providing of grant funds under this Agreement is specifically conditioned on Subrecipient's compliance with this provision and all terms and conditions of this Agreement, the most recently published version of the Department's CDBG-DR Grant Administration Manual for 2017 and 2018 Disasters (www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-grant-administration-and-reporting) and 2018 CDBG MIT-RIP Policies and Procedures Manual (www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/infrastructure-and-resilient-infrastructure-programs), and any amendments thereto, related Federal Register notices (including future Federal Notices), and the requirements of the authorities cited above, as the same may be amended from time to time.

This Agreement is subject to written modification and termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All other modifications must be in written form and approved by both parties.

3. <u>Subrecipient Scope of Work</u>

The Subrecipient scope of work (hereinafter "Work") for this Agreement shall consist of the following:

The Subrecipient shall perform the funded activities described in the Work, as detailed in Exhibit F.

All written materials or alterations submitted as addenda to the original Application, and which are approved in writing by the Department are hereby incorporated as part of the Application. The Department reserves the right to require the Subrecipient to modify any or all parts of the Application to comply

EXHIBIT A

with CDBG-MIT or state program requirements. The Department reserves the right to monitor all Work to be performed by the Subrecipient, its contractors, and subgrantees in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department and will require an amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.

A. For the purposes of performing the Work, the Department agrees to provide the amount(s) identified in Exhibit F, Budget Worksheets. Unless amended in writing, the Department shall not be liable for any costs more than the total approved MIT-RIP budget identified herein. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs.

B. Approved Activities must meet a CDBG-MIT National Objective. MIT-RIP, as defined in the 2018 DR-INFRA Policies and Procedures Manual (www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/infrastructure-and-resilient-infrastructure-programs) shall meet the following CDBG-MIT National Objectives:

   1) Benefit to Low/Moderate Income Persons (LMI)

   2) Urgent Need Mitigation (UNM)

C. Subrecipient shall meet all project milestones, project-specific special conditions, budgetary and otherwise, and other requirements, as set forth in this Standard Agreement.

D. Subrecipient shall comply with all Project closeout procedures, timely and accurately, including responding to the Department's requests for additional information in support of Project closeout in reasonable timeframe.

E. Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Section 24 of Exhibit D herein. For reports due on a monthly basis, the first report is due following the first full month following the effective date of this Agreement.

F. The Subrecipient shall monitor all Approved Activities in accordance with the requirements of the Subrecipient Monitoring Responsibilities outlined in the MIT-RIP Policies and Procedures Manual.

4. <u>Effective Date and Commencement of Work</u>

EXHIBIT A

A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213 Form (the "Effective Date").

B. Subrecipient agrees that prior to execution of this Agreement by the Department, no Work toward the implementation of the project activities, shall commence, nor shall any costs be paid with CDBG-MIT funds incurred or obligated by any party.

5. Term of Agreement and Performance Milestones

A. Term of Agreement:

All grant funds must be expended at least ninety (90) days prior to the Agreement expiration date.

This Agreement will expire as set forth in Section 2 of the STD 213.

B. Performance Milestones:

Subrecipient shall adhere to the performance milestones as captured in Exhibit F. Time is of the essence with respect to all such milestones.

1) Execution of AUGF by 16 Months from the STD 213 execution.

2) Activity Initiation: 4 Months from the Execution date of AUGF. Activity Initiation is defined as releasing RFQ for environmental design.

3) First Financial Report submission requesting reimbursement of grant funds by 1 Month from STD 213 execution.

4) Project achieves fifty (50) percent completion within 24 months from STD 213 execution. This shall be measured by release for construction bids.

5) Project reaches seventy-five (75) percent of grant funds submitted to the Department for reimbursement by 33 months from STD 213 execution, based on 50% construction progress.

6) Project reaches construction completion by 39 months from STD 213 execution. This shall be defined by final construction invoice paid and all infrastructure installed.

7) Subrecipient must submit Final Financial Report and Close-Out Documents to the Department for final approval by the Department

EXHIBIT A

at least one hundred and twenty (120) days prior to the Agreement Expiration Date.

8) Agreement Expiration Date is the date set forth in the STD 213.

C. Failure to meet Performance Milestones

1) If any performance milestones listed above are not met or not on target to be met, in addition to any other rights and remedies it has hereunder, the Department reserves the right to withhold further payments to Subrecipient (including, but not limited to, reimbursements for Activity Delivery costs) until such time as satisfactory progress is made toward meeting the performance measures.

2) The Department has full discretion to determine if the Subrecipient is on target to meet the performance milestones. Subrecipient shall diligently work with the Department's MIT/RIP staff to promptly submit to the Department:

i. a written mitigation plan specifying the reason(s) for the delay;

ii. the actions to be taken to complete the task that is the subject of the missed measure deadline; and

iii. the date by which the completion of said task will occur.

3) The Department, in its sole and absolute discretion, reserves the right to reallocate unspent grant funds from this contract if the Department determines the Subrecipient is unable to meet the performance milestones in a timely manner following the failure to meet said milestones. The Department reserves all rights and remedies available to it in case of a default by Subrecipient of its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.

4) The Subrecipient and its contractors, as applicable, shall adhere to all performance milestones as established above.

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D. Any changes to the Work set forth in this Agreement must be approved in writing by the Department. Requests for revisions to the Work must be submitted in writing for review and approval by the Department in its discretion. Any approval shall not be presumed unless such approval is made by the Department in writing.

6. MIT-RIP Program Contract Management

A. Department Contract Manager: The Department Contract Manager for this Agreement is the MIT-RIP Manager or the Program Manager's designee. Written communication regarding this Agreement shall be directed to the Department Contract Manager at the following address:

CA Department of Housing and Community Development
Division of Financial Assistance – MIT-RIP
Attn: Contract Manager
P.O. Box 952054
Sacramento, CA 94252-2054 or,
electronic mail at: MIT-RIP@hcd.ca.gov

B. Contract Management: Day-to-day administration of this Agreement shall take place via Grants Network, including but not limited to:

1) Financial Reports (Funds Requests)

2) Activity Reports

3) Risk Assessments and Due Diligence documents

4) Other Reports, as required

5) Submittal of any and all requested supporting documentation

6) Standard Agreement Issuance and Amendments

C. Subrecipient Contract Administrator: The Subrecipient Contract Administrator (must be a Subrecipient employee) is identified in Exhibit G, Subrecipient Profile. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be

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directed via Grants Network or written to the Subrecipient's Contract Administrator at the contact information identified in Exhibit G.

EXHIBIT B

BUDGET AND PAYMENT PROVISIONS

1. Budget

All approved budget amounts are specified by line item in Exhibit F, Budget Worksheets section.

2. Cost Classification

Subrecipient must classify costs on the budget by distinguishing between Activity Costs and Activity Delivery Costs.

3. Other Funding Sources

All other sources of funding required to complete the Approved Activity must be identified, committed, and documented prior to, and as a condition of this Agreement. If at any time, those identified and secured sources change, the Subrecipient must notify the Department within ten (10) calendar days of the Subrecipient's knowledge that funding sources are changing. The terms and conditions of all financing shall be subject to the Department's review and approval. The Department must review a Project application at any time there is a change in the amount of, or the material terms and conditions of, any third-party funding for the Work.

4. Availability of Funds

A. The Department's provision of funding to Subrecipient pursuant to this Agreement is contingent on the availability of MIT-RIP funds subject to the requirements that the Department must spend 50% of program funds to benefit the MID and must meet the requirement of 50% of grant-wide funds for LMI benefit, but should strive for 100%, and continued federal and state authorization for MIT-RIP activities. All funding hereunder is subject to amendment or termination due to lack of funds or authorization. Requirements for MID and LMI benefit can be found in greater detail in published MIT-RIP Policies and Procedures.

B. The Department shall be relieved of any obligation for reimbursing the Subrecipient if funds allocated to the State by HUD cease to be available for any reason or there is any limitation on, or withdrawal of, the Department's authority to administer the CDBG-MIT program or any portion thereof.

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5. Expenditure of Funds

A. Activity Costs

No Activity costs may be incurred, or funds reimbursed, until and unless Subrecipient provides documented compliance with the National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321, et seq. and California Environmental Quality Act (CEQA); California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 – 15387 as referenced in Exhibit D, section 14.

Activity Delivery Costs may be incurred prior to documented NEPA and CEQA compliance. See Section 6(A)(2) below for reimbursement requirements of Activity Delivery costs.

B. Priority of Funds

The Grantee agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available. To the extent available, the Subrecipient must first disburse funds available to the Approved Activity from, among other sources, Subrecipient funding, third-party loans or grants, contract settlements, audit recoveries, and interest earned on such funds before requesting or receiving MIT-RIP funds.

C. Withholding Funds

The Department reserves the right to withhold payments pending timely delivery of activity reports or documents as may be required under this Agreement, and for defaults by the Subrecipient, as noted in Exhibit D.

D. Disencumbering of Surplus Funds

The Subrecipient agrees that funds determined by the Department to be surplus upon completion of the Approved Activity or that have not been spent on eligible costs prior to the agreement expiration deadline, will be subject to disencumbrance by the Department.

E. Indirect Costs

The Department will consider reimbursement of indirect cost expenditures from Subrecipients that have an approved Indirect Cost Rate Proposal

EXHIBIT B

from the Department, HUD, or other cognizant federal agency. If Subrecipient does not have an approved Indirect Cost Rate Proposal, Subrecipient may utilize the de minimis rate as allowable per 2 CFR 200.414 which may be used indefinitely or until the Subrecipient chooses to negotiate for a new rate based on an indirect cost proposal. prior to submission of Financial Reports for reimbursement of indirect cost expenditures. Procedures for establishing an indirect cost rate can be found at 2 CFR 200.414. All indirect costs that may be reimbursed with grant funds should be shown separately on Exhibit F, Budget Worksheet.

F. **Compliance with the OMB Uniform Guidance Audit Requirements**

Grant funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as described in the OMB Uniform Guidance and 2 CFR Part 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.

G. **Grant Administration**

The Subrecipient agrees to administer this Agreement in accordance with the State Community Development Block Grant Program Grant Administration provisions found at Title 25 of the California Code of Regulations ("CCR") Sections 7097 through and including Section 7126.

6. <u>Method of Payment</u>

Payments will be made directly to the Subrecipient as reimbursements based on the documented and satisfactory completion of agreed upon performance milestones detailed in Subrecipient Scope of Work as indicated in Exhibit A, and confirmation of Subrecipient's compliance with the terms of this Agreement. No funds will be advanced to the Subrecipient by the Department.

Financial Reports must be submitted electronically through Grants Network. The Department will not authorize payments or reimbursements unless it has determined that the activities indicated in the Financial Report have been performed in compliance with the terms of this Agreement and any other agreements executed by the parties in connection herewith. Except for the Final Financial Report (see Section 6.8 below), Financial Reports shall be submitted by the Subrecipient to the Department no less frequently than monthly by the 10th

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of each month or as indicated in the 2018 Program's Policies and Procedures manual.

A. **Reimbursements for Costs Incurred**

1) The Subrecipient may use grant funds for reimbursement by the Department for Eligible Expenses as defined herein and used for Approved Activities. Eligible Expenses include costs associated with project implementation, delivery, and completion.

2) Activity Delivery Costs expenditures shall be paid only after such costs are expended for approved Work satisfactorily completed, provided the Department determines that the Project Performance Milestones in this Agreement are on track.

3) To receive reimbursement for Approved Activities, the Subrecipient must timely submit all required Department forms and necessary supporting documentation via Grants Network. Financial Reports must include the level of documentation specified by the Department in the Department's CDBG-DR Grant Administration Manual for 2017 and 2018 disasters, and any associated Financial Management memos (which may be amended from time to time) to be reviewed and processed. These documents are located on HCD's website here: found at Disaster Grant Administration & Reporting | California Department of Housing and Community Development (https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-grant-administration-and-reporting)

B. **Final Financial Reports**

1) The Final Financial Report for the Subrecipient Award must be submitted to the Department at least one hundred and twenty (120) days prior to the agreement expiration date of this Agreement.

2) If the Final Financial Report for funds expended during the term of this Agreement has not been received by the Department by the deadline cited in Section 6.B.1 of this Exhibit, the Department may disencumber any funds remaining in which case grant funds will no longer be available to the Subrecipient.

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7. Recapture of Funds

A Subrecipient may be required to repay all, or a portion of the funds received from the Department, including Activity Delivery, pursuant to this Agreement if the Subrecipient, among other things, does not fulfill its obligations under this Agreement or fails to meet applicable federal requirements. The reasons for a recapture of funds by the Department include, but are not limited to, the following:

A. The Subrecipient does not comply with the terms of this Agreement, or any agreement executed by the Subrecipient and the Department in connection herewith.

B. The Subrecipient withdraws from the program prior to completion of the Project(s) or Activity(ies).

C. The Subrecipient fails to meet a National Objective.

The potential recapture of funds pursuant to this provision is in addition to, and not in lieu of, any other rights and remedies of the Department under this Agreement.

8. Project Budget Revisions and Amendments

Budget line-item adjustments may be made in accordance with the following:

A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total activity budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:

1) Adjustments that reallocate funds between budget line items.

2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items, without increasing or decreasing the scope of work and without changing the overall budget.

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Budget Revisions must be approved by the Department prior to implementation. Approval shall be provided either through the online grant management system, or in writing, as appropriate. If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement. Project budget revisions must be submitted through Grants Network and subsequently approved by the Department prior to implementation. Approval shall be provided through Grants Network.

B. Agreement Budget Amendments: Adjustments to the Subrecipient Award that result in an increased or a reduced total award amount shall require an Agreement amendment. Agreement amendments must be fully executed by both the Subrecipient and the Department prior to implementation.

9. <u>Approved Activity Closeout Procedures</u>

Once the Approved Activity is completed, the Subrecipient must submit the following to the Department at least one hundred and twenty (120) days prior to the Agreement Expiration Date.

1) Per Section 6.B of this Exhibit, the Final Activity Report (Project Completion Report) shall be submitted at least one hundred and twenty (120) days prior to the Agreement Expiration Date the Final Activity Report must include all required reporting data for the Activity including but not limited to eligible activities, costs, beneficiaries, and National Objective;

2) If applicable, a copy of the produced plan;

3) If applicable, Final Labor Standards Report as described in Exhibit D(18)(A) herein;

4) Signed Closeout Memo asserting all conditions have been met;

5) Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement; and

6) A resolution from the governing body of the Subrecipient acknowledging the accomplishments of the Approved Activity and confirming that the Approved Activity is complete and that all Financial Reports have been submitted.

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Upon receipt and approval of the above documentation, the Department will close the Activity and finalize the activity in DRGR for final reporting to HUD.

10. Document Retention Policy

Subrecipient shall 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 Subrecipient that the applicable grant agreement between HUD and the State of California has been closed.

EXHIBIT D

CDBG-MIT MIT-RIP TERMS AND CONDITIONS

1. **Definitions**

Activity Costs – means any reasonable and necessary costs that are directly related to labor and/or direct construction and/or direct Program implementation costs which will meet a National Objective as defined in 42 U.S.C. 5304(b)(3), as amended and 24 CFR 570.483.

Activity Delivery Costs (ADCs) - means related allowable, reasonable, and necessary costs incurred for implementing and carrying out the eligible MIT-RIP. See the MIT-RIP Policies and Procedures Manual about how ADCs are defined for infrastructure activities.

Activity Reports – Monthly reports submitted by the Subrecipient that describe Approved Activity progress and/or beneficiaries served during a given reporting period. Activity Reports must be submitted by the 10th of each month.

Approved Activity– An Activity that has been submitted to the Department through the Notice of Funding Availability solicitation and reviewed and approved to receive a Subrecipient Award by the Department.

Area Median Income (AMI) –means the median household income for specific geographic areas, adjusted for household size, as calculated by HUD, and published annually by the Department at https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml. .

Authority to Use Grant Funds (AUGF) – is the written notification from HCD to the Subrecipient, indicating that a specific Project has met HCD's prerequisites, including all applicable environmental clearances, and authorizing the Subrecipient to expend CDBG-MIT funds on that specific Project.

CDBG-MIT – means the Community Development Block Grant – Mitigation funds which is the funding source for the Approved Activity(ies) the Department has agreed to fund via this Agreement.

California Environmental Quality Act (CEQA) - is a state statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

Department – means the California Department of Housing and Community Development.

EXHIBIT D

Disaster Recovery Grant Reporting System (DRGR) – The electronic system primarily used by the Department to access grant funds from HUD and report performance accomplishments for grant-funded activities to HUD. The DRGR system is used by HUD to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor program compliance.

Duplication of Benefits (DOB) - Financial assistance received from another source that is provided for the same purpose as the MIT-RIP funds, in accordance with Federal Register Notices 84 FR 28836 and 84 FR 28848.

Eligible Activity Costs– Those necessary and reasonable costs under 2 CFR 200.400 through 475, and applicable notices and waivers, and as identified in Section 2.3 of the MIT-RIP Policies and Procedures Manual, and as approved by the Department. Eligible Activity Costs do not include any costs which are disallowed or otherwise deemed ineligible by the State of California and/or HUD.

Financial Reports (Funds Requests) – Monthly reports submitted by the Subrecipient that include the forms and processes required by the Department for a Subrecipient to use to request grant funds during a given reporting period. Financial reports must be submitted by the 10th of each month.

Grant Funds – The CDBG-MIT funds allocated to the Subrecipient for the implementation of the MIT-RIP Project. Grant Funds can be used under this Agreement to reimburse for Activity costs, Activity Delivery Costs, and Indirect Costs.

Household - all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status. (24 CFR 570.3). Note: An individual may be considered a smaller household if the living situation is temporary or transitional. Aging out of foster care, temporarily homeless and formerly incarcerated are examples of individuals that may be temporarily part of a larger household than what will be considered in a “household income calculation”.

HUD – The United States Department of Housing and Urban Development.

Indirect Costs - means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

EXHIBIT D

Indirect Cost Rate Proposal - means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate as further defined in 2 CFR 200.56 and 2 CFR 200.57.

Low- to Moderate- Income (LMI) – Low to moderate income people are those having incomes not more than the "moderate-income" level (80% Area Median Income) set by the federal government for HUD-assisted programs. This income standard changes from year to year and varies by Household size, county, and the metropolitan statistical area.

Mitigation Needs Assessment (MNA): Analysis of historical data and institutional knowledge provided in state and local Hazard Mitigation Plans and from prior disasters to determine risks of impacts of disasters on housing and infrastructure.

National Environmental Policy Act (NEPA) – The federal law and associated regulations which establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action.

Project: Project means any activity or series of activities undertaken by a Federal Agency or with Federal financial assistance received or anticipated in any phase of an undertaking in accordance with the Federal funding Agency guidelines pursuant to 49 CFR 24.2(a)(22)]

Standard Agreement ("Agreement") – The contractual arrangement between the Department and the Subrecipient which sets forth the terms and conditions by which MIT-RIP funds must be utilized with regards to the Approved Activity.

Subrecipient – a public or private nonprofit agency, authority, or organization receiving a direct award of grant funds from the Department for the purpose to undertake an Approved Activity that meet a National Objective.

Work – the scope of work required of the Subrecipient as set forth in Section 3 of Exhibit A, of this Agreement.

Subrecipient Award – The amount of grant funds allocated to the Subrecipient for an Approved Activity.

Urgent Need Mitigation (UNM) – The UNM National Objective requires that projects provide documentation that demonstrates a measurable and verifiable

EXHIBIT D

impact on reducing risks at the completion of the activity. UNM Projects must meet the following:

1) Address the current and future risks as identified in the Mitigation Needs Assessment.

2) Result in a measurable and verifiable reduction in the risk of loss of life and property.

2. **National Objectives**

In accordance with 24 CFR 570.208, Section 104(b)(3) of the Housing and Community Development Act of 1974, all CDBG-MIT funded activities must meet a National Objective. Under Section 101(c) of the authorizing Act (42 U.S.C. 5301), all CDBG-MIT Activities must satisfy that one of the named National Objectives. The qualifying National Objectives in MIT-RIP are:

1) Benefit to low-and moderate-income persons (LMI)

2) Urgent Need Mitigation (UNM)

Subrecipient must document how CDBG-MIT expenditures benefit LMI persons in accordance with the MIT-RIP and Procedures Manual, as may be amended and by using the current HUD income limits at the time of beneficiary applications, in a user-friendly format. Subrecipients are expected to maintain clear and accurate records of activity participants to show how the National Objective is met.

Subrecipient must document how CDBG-MIT expenditures meet the UNM National Objective in accordance with the MIT-RIP Policies and Procedures Manual.

Upon completion of the Approved Activity funded under this Agreement and prior to the funding expiration date of this Agreement, whichever comes first, the Subrecipient must document that the Approved Activity met a National Objective. The Department shall review the actual National Objective achievements of the Subrecipient. If the Subrecipient does not or cannot satisfactorily document the National Objective achievement of an Approved Activity, the Approved Activity may be deemed ineligible, and repayment of funds may be required of the Subrecipient.

3. **Duplication of Benefits**

A Duplication of Benefits (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. The

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amount of the duplication is the amount of assistance provided in excess of the total need for the same purpose. It is the Department's responsibility to ensure that CDBG-MIT funding provides assistance only to the extent that the mitigation need has not been fully met by funds that have already been paid, or will be paid, from another source.

The Subrecipient must report all funds obtained for the same Approved Activity from any source from the date of the disaster until the Activity is completed.

The Subrecipient agrees to repay to the Department immediately upon demand any assistance later received for the same purpose as the CDBG-MIT MIT-RIP funds and that exceeds the total need for the particular recovery purpose.

4. **Remedies and Termination for Noncompliance**

A. Remedies for Noncompliance: In addition to any other rights and remedies the Department may have under this Agreement, at law, or in equity, the Department may initiate remedies for noncompliance as identified in 2 CFR 200.339 at any time it has been determined that the Subrecipient is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination. Such remedies for noncompliance with a federal statute or regulation, a state statute or regulation, an assurance, in a state plan or application, or elsewhere may include, as appropriate:

1) Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient.

2) Disallow all or part of the cost of the action not in compliance.

3) Wholly or partly suspend or terminate the Subrecipient's grant funds.

4) Withhold further and/or future awards for CDBG-MIT funds and/or any other funds administered by the Department.

5) Request that the Federal Awarding Agency initiate suspension or debarment proceedings.

6) Take other remedies that may be legally available, such as:

In the case of costs incurred without meeting a National Objective, require repayment of all funds reimbursed and/or paid to the Subrecipient, including Activity Delivery, as appropriate.

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In the case of Duplication of Benefits, require repayment of all CDBG-MIT MIT-RIP funds reimbursed and/or paid to the Subrecipient where other financial assistance was received for the same purpose or in excess of the recovery need.

In taking an action to remedy noncompliance, the Department will provide the Subrecipient an opportunity for such hearing, appeal, or other administrative proceeding to which the Subrecipient is entitled

under any statute or regulation applicable to the action involved as per 2 CFR 200.342. Such appeal shall be governed by, and conducted in accordance with, the appeal processes and procedures set forth in Section 5 herein.

B. Effects of Suspension and Termination. Subrecipient costs resulting from obligations incurred by the Subrecipient or any of the Subrecipient's contractors during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in a written notice or as allowable in 2 CFR 200.343. The enforcement remedies identified in this Section do not preclude a Subrecipient or any of the Subrecipient's contractors from being subject to 2 CFR Part 2424. CDBG-MIT funds may not be provided to excluded or disqualified persons pursuant to 24 CFR 570.489(l) and 2 CFR 200.339.

The remedies available to the Department under this Agreement are cumulative and not exclusive.

C. Termination for Noncompliance: Grant funds provided by this Agreement may be terminated in whole or in part as per federal regulation at 2 CFR 200.340 by HUD or by the Department if Subrecipient fails to comply with the terms and conditions of the Agreement that include the terms and conditions of the federal award. All terminations shall include written notification setting forth the reason(s) for such termination, the effective date, and the portion to be terminated in the case of partial terminations and will follow termination notification requirements identified in 2 CFR 200.341.

D. Termination Without Cause: This Agreement may be terminated by the Department in whole or in part at any time without cause only with the consent of the Subrecipient. In the case of a termination of the whole Agreement, the parties shall agree upon termination conditions, including the effective date. In the case of a partial termination, the parties shall

agree upon termination conditions, including the portion to be terminated and the effective date.

E. Termination With Cause: This Agreement may be terminated by the Department in whole or in part at any time for cause by giving at least 14 days' prior written notice to the Subrecipient. Termination with cause includes termination prior to the end of the period of performance for failure to comply with the terms and conditions of this Agreement, and pursuant to 2 CFR 200.340(c), such termination shall be reported to the appropriate federal program integrity and performance system accessible through the System for Award Management. Termination with cause also

includes, without limitation, a failure by Subrecipient to comply with the Project Schedule, Activity Performance Milestones, Reporting Requirements, and/or Special Conditions issued for an Activity to use CDBG-MIT funds.

5. **Appeals Process for Noncompliance**: If Subrecipient disagrees with a finding and/or corrective action and/or sanction of noncompliance and/or any accompanying remedy and/or termination that are associated with such issue, the Subrecipient may appeal the disputed issue to the Department no later than thirty (30) calendar days from the date of the Department's issuance of the disputed decision. All appeals must be carried out in accordance with the Department's Monitoring Plan, Exhibit 16, "Appeal Process". The Monitoring Plan is posted on HCD's website here: Disaster Grant Administration & Reporting | California Department of Housing and Community Development

6. **Severability**

A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity may 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 Subrecipient 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.

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,

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the provisions of this Agreement or to require, at any time, performance by the Subrecipient 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. All waivers by the Department must be in writing to be valid.

8. **Uniform Administrative Requirements**

The Subrecipient, its agencies or instrumentalities, shall comply with the policies, guidelines, and Administrative Requirements of 2 CFR Part 200, et seq., as

applicable, as they relate to the cost principles, audit requirements, acceptance, and use of federal funds under this part.

A. Single Audit Compliance: Funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.

B. Accounting Standards: The Subrecipient agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300, et seq., and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

C. Suspension and Debarment: By executing this Agreement, Subrecipient verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs. Subrecipient further agrees to verify that its Contractors have not been suspended or debarred from participating or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs.

9. **Compliance with State and Federal Laws and Regulations**

A. The Subrecipient, its agencies or instrumentalities and contractors shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and procedures established by the Department for the administration of MIT-RIP, as the same may be amended from time to time.

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B. The Subrecipient shall comply with the requirements of 24 CFR 570, the HUD regulations concerning Community Development Block Grants, 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, adopted by HUD at 2 CFR 2400, and all federal regulations, rules, and policies issued pursuant to these regulations. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

10. **Authority to Impose Additional Special Conditions**

In accordance with 2 CFR 200.208, Department reserves the right and authority to impose additional specific conditions issued under this Standard Agreement under any of the following circumstances:

A. When, in the Department's sole discretion, the Department finds that Subrecipient has a history of failure to comply with the general or specific terms and conditions applicable to the MIT-RIP funds allocated under this agreement or to other awards of federally funded grant or loan assistance passed through the Department

B. When Subrecipient fails to meet expected performance goals under this agreement.

C. When Subrecipient poses an increased risk for noncompliance based on factors including, but not limited to, financial stability, quality of management systems, history of performance under Federal awards, history of timeliness under Federal awards, history of conformance with terms and conditions of previous federal awards, and reports and findings from audits.

D. When, in the Department's sole discretion, such conditions are necessary to ensure timely and compliant performance under the federal award.

Such specific conditions, or special conditions, may include, withholding of authority to proceed to the next phase of an Approved Activity until receipt of evidence of acceptable performance within a given period of performance, requiring additional detailed financial reports, requiring additional Activity monitoring, requiring the Subrecipient to obtain technical or management assistance, establishing additional prior approvals, or any other condition the Department deems reasonable and necessary to safeguard Federal funds.

11. **Equal Opportunity Requirements and Responsibilities**

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The obligations undertaken by Subrecipient include, but are not limited to, the obligation to comply with all federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following, among other things, as the same may be amended from time to time:

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 promote 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 [42 U.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 persons age 55 or older.

F. **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.

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G. **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.

H. **The Americans with Disabilities Act of 1990 (ADA):** This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination
I. 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.

I. **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.

J. **Executive Order 12259:** 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.

K. **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.

L. **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.

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M. **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.

N. **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. **Relocation, Displacement, and Acquisition**

The Subrecipient shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and regulations adopted to implement the Act in 24 CFR Part 42, 49 CFR Part 24, and Section 104(d)of the Housing and Community Development Act of 1974 as they apply to the performance of this Agreement.

13. **Economic Opportunities for Low- and Very Low-Income Persons (Section 3)**

A. The Subrecipient and the Subrecipient's contractors and Developers shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulation at 24 CFR, Part 75. The responsibilities outlined in 24 CFR Part 75.19 include:

- Employment and Training: Implementing procedures designed to notify Section 3 workers 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.

- Contracting: Notifying potential contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts in excess of $100,000 as required at 24 CFR 75.27.

Section 3 Clause

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other

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economic opportunities generated by HUD assistance or HUD-assisted Activity covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR. Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

The contractor acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is

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selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

The contractor agrees to submit, and shall require its subcontractors to submit to them, regular reports detailing the total number of labor hours worked on the Section 3 Project, the total

number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.

The contractor agrees to facilitate the training and employment of Section 3 workers and the award of contracts to Section 3 business concerns by undertaking activities such as described in Section 75.25(b) as appropriate, to reach the goals set forth in Section 75.23 and in Federal Register Vol. 85, No. 189, page 60909, until superseded by HUD in a subsequent publication. As of September 29, 2020, the minimum Section 3 benchmark is twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

The contractor agrees to document actions taken to comply with the foregoing requirements, the results of those actions taken and impediments, if any.

14. **Environmental Compliance**

A. The Subrecipient shall comply with the California Environmental Quality Act (CEQA) requirements as they apply to this Activity.

B. The Subrecipient shall comply with the 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

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requirements specified in said Section 114 of the Clean Air Act and Section 308 of the Clean Water Act, and all regulations and guidelines issued thereunder.

C. The Subrecipient shall comply with the requirements of the Clean Air Act, 42 U.S.C. 1857, et seq., as amended.

D. The Subrecipient shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Parts 15 and 50, as amended.

E. The Subrecipient shall comply 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, that 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).

F. The Subrecipient shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. 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 poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.

G. The Subrecipient shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), 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. The Subrecipient shall also comply with Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation

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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.

H. Subrecipient shall comply with all National Environmental Policy Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR 1500 – 1508. Subrecipient shall not receive authority to incur activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

The subrecipient understands and agrees that this Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of

environmental review and receipt by the Department of an approval of the request for release of funds and certification from HUD or the Department under 24 CFR Part 58. The provision of any funds to the Activity is expressly conditioned on the Department's determination to proceed with, modify or cancel the Activity based on the results of the environmental review.

15. **Procurement**

The Subrecipient shall comply with the procurement provisions in 2 CFR Part 200.318 – 200.326, Procurement Standards as well as all other Administrative Requirements for Subrecipient and Cooperative Agreements to State, local and federally recognized Indian tribal governments as set forth in 2 CFR 200, et seq., as applicable. All procurements must be conducted in a fair, open, and competitive manner in compliance with both the spirit and the letter of applicable federal laws. See the Procurement and Contracts section of HCD's website at Disaster Grant Administration & Reporting | California Department of Housing and Community Development

16. **Procurement of Recovered Materials**

In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the contractor determines that such items: (1) are not reasonably available in a reasonable

period of time; (2) fail to meet reasonable performance standards, which shall be determined based on the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

Pursuant to 30 CFR 247.2, this clause shall apply to items purchased under this Agreement where: (1) the contractor purchases in excess of $10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of $10,000 of the item both under and outside that contract.

17. **Construction Standards**

The Subrecipient shall ensure that all Approved Activities comply with the following requirements, as applicable:

The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157)

The Architectural Barriers Act (ABA) stands as the first measure by Congress to ensure access to the built environment for people with disabilities. The law requires that buildings or facilities that were designed, built, or altered with federal dollars or leased by federal agencies after August 12, 1968, be accessible.

California Green Buildings Standards Code (CALGreen) (Title 24, Part 11 of the California Code of Regulations)

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate California Green Buildings Standards Code (CALGreen).

Sustainability Requirements

All rehabilitation, reconstruction, and new construction must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the Subrecipient, Subrecipient's and contractors must follow best practices, such as those provided by the U.S. Department of Energy.

National Floodplain Elevation Standards

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Subrecipients and contractors must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

Wildland-Urban Interface Building Codes (WUI Codes)

All Approved Activities that are located in a CAL FIRE high fire zone must comply with applicable WUI Codes, found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design, and construction standards to maximize ignition- resistance.

18. **Federal Labor Standards Provisions**

The Subrecipient shall always comply, and cause all Activity contractors to comply, with applicable federal labor standards, including without limitation, the following:

A. DavisBacon Act (40 U.S.C. §§ 31413148), which 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. "AntiKickback Act of 1986" (41 U.S.C. §§ 5158), which 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 is 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), which requires that workers receive "overtime" compensation at a rate of one and one half (11/2) 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 5, which are the regulations and procedures issued by the Secretary of

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Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Subrecipient 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. Subrecipient shall be responsible for monitoring Developer, contractors, and subcontractors, as applicable, for compliance with these provisions.

19. **State Prevailing Wages**

A. The Subrecipient shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 [LC Section 17201743] 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 Subrecipient and a licensed building contractor, the Subrecipient shall serve as the "awarding body" as that term is defined in the LC. Where the Subrecipient 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.

C. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in LC Section 1770-1784 or the Davis-Bacon Wage Determination.

20. **Agreements with Contractors**

A. The Subrecipient shall not enter into any agreement, written or oral, with any contractor or other party without the prior determination that the contractor or other party is eligible to receive federal funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible contractors.

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The terms “other party” is defined as public or private nonprofit agencies or organizations and certain (limited) private for-profit entities who receive grant funds from a Subrecipient to undertake Approved Activities.

B. An agreement between the Subrecipient and any contractor or other party shall require:

1) Compliance with all State and federal requirements described in this Agreement including without limitation those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug Free Workplace, and 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 Approved Activities.

3) Maintenance, as 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 Approved Activities.

4) Compliance with the applicable Equal Opportunity Requirements described in Section 10 of this Exhibit.

C. Contractors shall:

Perform the Approved Activities in accordance with federal, state, and local regulations, as are applicable.

D. Contractors and Subcontractors: Drug-Free Workplace Act of 1988

1) <u>Publish and give a policy statement</u> 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) <u>Establish a drug-free awareness program</u> to make employees aware of a) the dangers of drug abuse in the workplace; b) the

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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 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 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 drugfree workplace by meeting the requirements of the act.

21. **Rights to Inventions Made Under a Contract or Agreement**

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

22. **Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention**

A. Use of Explosives: When the use of explosives is necessary for the prosecution of the work, the contractor shall observe all local, state, and federal laws in purchasing and handling explosives. The contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced, and the material shall be covered with suitable timber, steel, or rope mats.

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The contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer does not in any way reduce the responsibility of the contractor or his Surety for damages that may be caused by such use.

B. Danger Signals and Safety Devices: The contractor shall make all necessary precautions to guard against damages to property and injury to persons. The contractor shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades, and other devices necessary to protect the public.

C. Protection of Lives and Health: The contractor shall exercise proper precaution at all times for the protection of persons and property and shall

be responsible for all damages to persons or property, either on or off the worksite, which occur as a result of prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971, Title 29 - LABOR, shall be observed and the contractor shall take or cause to be taken, such additional safety and health measures as the Developer may determine to be reasonably necessary.

23. **Prohibition Against Payments of Bonus or Commission**

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

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

B. 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.

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24. **Reporting Requirements**

A. Subrecipient must timely submit the reports prescribed below. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, in the formats provided by the Department, and via the Department's online Grants Network portal unless otherwise specified at the discretion of the Department. The Subrecipient's performance under this Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.

1) Monthly Activity Report: Subrecipient must submit a Monthly Activity Report which shall contain the following: (1) a description of the current status of the Work; (2) a description of activities to be undertaken in the next reporting period, if the Department requests this; (3) a description of problems or delays encountered in Work and course of action taken to address them, if applicable; (4) performance metrics as requested by the Department and dependent on the type of Activity and (5) a summary of the Work's fiscal status, including award amount, funds drawn, and remaining balance. (6) A summary of all Section 3 training opportunities or jobs provided, as applicable for covered projects.

Unless otherwise waived in writing by the Department, Monthly Activity Reports must be submitted starting on the 10th calendar day of the first full month following execution of this Agreement and must continue through the receipt and approval by the Department of the Activity Completion Report, detailed below.

2) Semi-Annual Labor Standards Report: During the term of construction for each Approved Activity, each April 1st and October 1st, the Subrecipient must submit the Labor Standards Cover Memo, the HUD Form 4710 and the Davis Bacon Labor Standards Report 5.7 (if applicable). These forms are located on the Department's website and are also available upon request.

3) Activity Completion Report: At the completion of the CDBG-MIT funded portion of a Program, the Subrecipient must submit an Activity Completion Report as set forth in Exhibit B. The performance metrics are identified in Exhibit F.

4) For Financial Reports, see Section 6 of Exhibit B.

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25. **Fiscal Controls**

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

A. Deposit of Funds: Subrecipient shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG-MIT funds and Program Income. Deposits in minority banks are encouraged.

B. Fiscal Liability: Subrecipients shall be liable for all amounts which are determined to be due by the Department, including but not limited to, disallowed or ineligible costs which are the result of Subrecipient's or its contractor's conduct under this Agreement. Subrecipients shall also be liable for the repayment of all amounts it has received under this Agreement and which HUD is seeking reimbursement for from the

Department. Subrecipient's obligation to repay the foregoing amounts to the Department shall survive indefinitely the expiration or earlier termination of this Agreement. Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.

C. Fiscal Records: All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 7 herein.

26. **Monitoring Requirements**

During the term of this Agreement, the Department may perform fiscal and/or program monitoring of the Subrecipient and Approved Activities to ensure compliance with federal and state requirements and timely Approved Activity completion. The Department monitors its Subrecipients based upon an assessment of risk posed by the Subrecipient as well as in accordance with specific monitoring criteria per 2 CFR 200.332. The Subrecipient shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. In the event the Subrecipient disagrees with a finding and/or any accompanying corrective actions or sanction(s) that are associated with such finding, the Subrecipient shall follow an appeals process located in the CDBG-DR Grant Administration Manual for 2017 and 2018 disasters, XVI. Monitoring and Compliance, Section K. (www.hcd.ca.gov/grants-

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and-funding/disaster-recovery-and-mitigation/disaster-grant-administration-and-reporting)

27. **Audit/Retention and Inspection of Records**

A. The Subrecipient must have intact, auditable fiscal and program records at all times. If the Subrecipient is found to have missing audit reports from the California State Controller's Office (SCO) during the term of this Agreement, the Subrecipient will be required to submit a plan to the State for submitting the audit to the SCO. If the deadlines are not met, the Department may initiate remedies for noncompliance in accordance with Section 4 herein. The Subrecipient's audit completion plan is subject to prior review and approval by the Department.

B. The Subrecipient 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 Subrecipient 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., and other requirements of this Agreement. The Subrecipient further agrees to maintain such records for a minimum period of five (5) years after the Department notifies Subrecipient that the HUD/the Department contract has been closed according to the record retention requirements at 2 CFR 200.334. The Subrecipient shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code Section 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 Subrecipient.

D. Absent fraud or material error on the part of the Department, the determination by the Department of the allowability or validity of any expenditure shall be final and conclusive.

E. For the purposes of annual audits, Subrecipient shall comply with 2 CFR Part 200 Subpart F. Pursuant to 2 CFR Part 200 Subpart F, the Subrecipient shall perform an annual audit at the close of each fiscal year

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in which this Agreement is in effect. The costs of the MIT-RIP related portion of the audit may be charged to the program in accordance with Public Law 98-502, 2 CFR Part 200 Subpart F, and Title 25 CCR Section 7122.

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 Subrecipient 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 Subrecipient in writing. If the Department is not in agreement, the Subrecipient will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.

3) The Department shall not approve reimbursement for any expenditures for the audit, prior to receiving an acceptable audit report.

4) If so, directed by the Department upon termination of this Agreement, the Subrecipient shall cause all records, accounts, documentation, and all other materials relevant to the grant activity(ies) to be delivered to the Department as depository.

F. Notwithstanding the foregoing, the Department will not reimburse the Subrecipient for any audit cost incurred after the expiration of this Agreement.

28. **Signs**

If the Subrecipient places signs stating that the Approved 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 Approved Activity that the Department is a source of financing through the MIT-RIP.

29. **Insurance and Bonding**

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A. The Grantee shall have and maintain in full force and effect prior to the start of work, and at all times during the term of this Agreement 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 E and pursuant to 2 CFR 200 sections on bonding and insurance requirements. Prior to the commencement of any work, Grantee shall provide to the Department acceptable proof(s) of insurance confirming the required insurance coverages are in effect and naming the Department as an additional insured, where applicable. No insurance policy may be cancellable on less than thirty (30) calendar days prior notice to the insured and the Department. Grantees are responsible for requiring sufficient insurance, including but not limited to liability and workers compensation insurance, from all contractors and subrecipients. Grantees are recommended to be listed as an additional insured on policies held by contractors or subrecipients for the implementation of this award. Where a Grantee insurance policy is required to be purchased specifically for the execution or implementation of the activity funded through this award, the Department must be listed as an additional insured on the declarations page of the policy.

B. Additional Coverages. In the event that Grantee and/or any of its Subrecipients or Contractors will be engaging in any Hazardous Activity as part of the Collective Work contemplated by this Agreement, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on any Subrecipient and/or Contractor pursuant to the Subrecipient Agreement or Contract. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal, storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required permits, licenses, consents, and approvals that are required for the lawful conduct of such activities and shall provide adequate written proof thereof to the Department. No Hazardous Activity work may be commenced, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Department.

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30. **Indemnification**

Subrecipient, at its sole cost and expense, shall indemnify, defend, and hold the Department and its employees, appointees, representatives, attorneys, agents, and their respective successors, heirs, and assigns harmless from and against any and all claims, demands, actions, costs, losses, damages, and liabilities, whether direct or indirect, and regardless of their nature or source, which in any way relate to or arise from the actions or inactions of Subrecipient and/or its contractors, subcontractors, employees, owners, agents, and representatives in connection with this Agreement and any agreement or instruments executed in connection herewith. The obligations of Subrecipient under this Section shall survive indefinitely the closeout of Approved Activity and the expiration or earlier termination of this Agreement.

31. **Anti-Lobbying Certification**

The Subrecipient shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with the Approved Activity(ies) and 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 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.

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32. **Conflict of Interest**

Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the Subrecipient, or its designees or agents, no member of the governing body of the locality in which the Approved Activity is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to MIT-RIP 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, including members and delegates to the Congress of the United States, may obtain a financial interest or benefit from a MIT-RIP assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a MIT-RIP assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for 1 year thereafter. The Subrecipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

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

The Subrecipient 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 Work with respect to which assistance is being provided under this Agreement to the Subrecipient. The Subrecipient shall comply with all lawful requirements of the Department necessary to ensure that the Work, with respect to which assistance is being provided under this Agreement to the Subrecipient, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 (42 U.S.C. § 5304(g)).

34. **Energy Policy and Conservation Act**

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the federal Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

35. **State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03)**:

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A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a 30-day cancellation clause and the following provisions:

1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.

3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the Program, this contract shall be amended to reflect any reduction in funds.

4) The Department has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.

B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.

C. Gov. Code § 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.

36. **Fraud, Waste, and Abuse**

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

B. Detecting, Preventing, and Reporting Fraud - Fraud is a white-collar crime that has a devastating effect on the CDBG-DR program because the

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CDBG-DR program beneficiaries are victims of this crime when the CDBG-DR program is abused. The Department wants to stop any criminal assault on the CDBG-DR program it administers, and in doing so ensure all CDBG-DR funds go to people it was designed to help and improve their living conditions.

C. Combatting Fraud - The HUD Office of Inspector General (OIG) is committed to protecting HUD's programs, operations, and beneficiaries from dishonest individuals and organizations. HUD cannot combat fraud alone; they rely on Department and DR Workforce Development NOFA Applicants to combat CDB-DR program fraud. HUD also relies on Applicants for and people receiving HUD benefits, such as: tenants receiving rental assistance, borrowers with HUD insured loans, or citizens having their communities restored using HUD grants. The HUD OIG Hotline number is **1-800-347-3735**. This is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or Whistleblower related matters for the CDBG-DR program to the OIG.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG-DR program from HUD employees, anyone administering the CDGB-DR program, anyone working in the CDBG-DR program, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or program participants. Fraud, Waste and Abuse in the CDBG-DR program and its operation may be reported in one of the following four (4) ways:

1) By email to: hotline@hudoig.gov
2) By phone: Call toll free: 1-800-347-3735
3) By fax: 202-708-4829
4) By mail: Department of Housing & Urban Development
Office of Inspector General Hotline Manager
400 Virginia Avenue, SW, Suite 120
Washington, DC 20024

37. **Whistleblower Protections**

A. Federal Whistleblower Protection Act (5 U.S.C Section 2302(b)(8))

The Federal Whistleblower Protection Act (WPA) protects employees from retaliation for making protected disclosures. The WPA also provides penalties for supervisors who retaliate against Whistleblowers.

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1) A disclosure is protected under the WPA if the employee discloses information the employee reasonably believes to be evidence of:

   a) a violation of any law, rule, or regulation,

   b) gross mismanagement,

   c) a gross waste of funds,

   d) an abuse of authority, or

   e) a substantial and specific danger to public health or safety.

2) In general, an employee or applicant may make a protected disclosure to anyone, including non-governmental audiences, unless the information is classified or specifically prohibited by law from release. Options for making a protected disclosure include:

   a) Informing a supervisor or someone higher up in management,

   b) Submitting a complaint to the OIG by emailing the OIG at oig@ftc.gov,

   c) Filing a complaint with the Office of Special Counsel (OSC) http://www.osc.gov/

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

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

   a) Violates any state or federal law or regulation,
   b) Violates an Executive Order of the Governor, a California Rule of Court, or any policy or procedure required by the State Administrative Manual or State Contracting Manual, or

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c) Is economically wasteful or involves gross misconduct, incompetency, or inefficiency. Complaints received by the State Auditor are confidential, and the identity of the complainant may not be revealed without the complainant's permission, aside from to an appropriate law enforcement agency conducting a criminal investigation.

2) There are many ways to file a complaint:

a) By Telephone

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

b) By Mail or Facsimile

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

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

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

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

c) Online

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

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

i. A clear and concise statement of what you are alleging to be improper activity and why you believe it is improper.

ii. The name or other information that clearly identifies the person you are alleging has acted improperly and the department where that person works.

iii. The names and contact information for any witnesses who can confirm the truth of what you are saying.

iv. Copies of any documents that will support what you are saying. (You should not submit original documents, as they cannot be returned.)

38. <u>Authority to Post Remediated Versions of Agreement</u>

Subrecipient hereby understands and acknowledges that the Department is obligated under federal law to post on the Department's website copies of all CDBG-DR executed contracts. As posted, such contracts must be compliant with federal and state law accessibility laws, including the California Government Code Section 11546.7 (2017 Assembly Bill 434) and the federal Americans with Disability Act, Section 508. The state law is most stringent of the two, so all posted documents must meet Web Content Accessibility Guidelines 2.0 (WCAG 2.0) accessibility level.

To comply, the Department must utilize document remediation tools that provide the compliant formatting. All remediation will only change formatting, color schemes, and update any tables so that screen readers can properly read out the content of the table. Thus, during remediation, the appearance of this Agreement may change, but under no circumstances shall any terms or tenets of the Agreement be changed in anyway.

Additionally, the Department shall offer website visitors the option to receive a scanned, un-remediated copy of this Agreement via email, which option Subrecipient also consents to.

The foregoing Subrecipient authorizations apply to both this original Standard Agreement as well as any and all subsequent amendments thereto.

EXHIBIT E

SPECIAL TERMS AND CONDITIONS

1. Due Diligence Review

Subrecipient has provided, or will provide, the Department with information about the Subrecipient's experience, processes, policies, and procedures related to the management of federal funding by the Subrecipient. These submissions, in addition to discussions with the Subrecipient, have been used to inform this Agreement and are being materially relied upon by the Department in agreeing to enter into this Agreement.

Should there be substantive changes to the organization, key personnel, methods, capacity, policies, or processes of the Subrecipient that impact the implementation of this Agreement, the Subrecipient shall promptly notify the Department of said changes.

Subrecipient agrees to timely provide documents and information to the Department in order for the Department to facilitate its Subrecipient due diligence as required by Federal Register Notice 85 FR 4681. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's due diligence and maintain the capacity to carry out disaster recovery activities in a timely and compliant manner at all times during the term hereof.

2. Risk Assessment

During the term of this Agreement, Subrecipient agrees to timely provide documents and information to facilitate the Department's Subrecipient risk assessment process. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's risk assessment, including participation in Subrecipient monitoring events.

3. Special Conditions

Pursuant to Exhibit A, Section 3, Subrecipient Scope of Work, and the Due Diligence and Risk Assessment as referenced above, Subrecipient agrees to adhere to the following Special Conditions: None

EXHIBIT F

DETAILED SCOPE OF WORK, BUDGET, AND APPLICATION

Name of Project: Storm Drain Resiliency Project Phase 2

Grants Network Unique Identifier (Contract Number): 18-MITRIP-23020

1. Program Overview

THE CDBG-MIT ELIGIBLE ACTIVITY(IES): Installation of Public Facilities and Improvements

THE NATIONAL OBJECTIVE TO BE ACHIEVED FOR EACH ACTIVITY AS A RESULT OF THIS PROJECT: Urgent Need Mitigation (UNM)

THE METHOD OF MEASURING NATIONAL OBJECTIVE, IF LMI: N/A

THE NUMBER OF INDIVIDUALS BENEFITTING FOR EACH ACTIVITY AS A RESULT OF THIS PROJECT:

- Total beneficiaries: 19,515
- Total low/mod beneficiaries: 9,070

2. Activity Scope of Work ("Work")

Following adoption of the Town of Paradise's Storm Drain Master Plan in 2022, Paradise Public Works has identified a comprehensive project to improve the Town's vulnerability to localized flooding through installation of new infrastructure as well as addressing chronically undersized systems. In the storm drain resiliency project, multiple locations across the Town of Paradise will have existing drainage systems resized to better handle larger flows and therefore mitigate future flooding. In the case of other locations that don't have any existing drainage systems, new pipe systems will be added to fix an existing or potential problem. This project is needed because across Paradise many of the drainage systems are outdated, inadequate, and not ready to handle any potential flooding/full capacity runoff in the future. This project will benefit all the residents in the Town of Paradise. As stated before, this project will be done by adding additional features to facilitate proper drainage (installing drain inlets, dike) and resizing existing pipes or installing new ones (18-inch reinforced concrete pipe resized to 24 inches).

The proposed Storm Drain Resiliency Project holds significant benefits not only for adjacent property owners but for all residents of the Town of Paradise. By enhancing the town's storm drainage infrastructure, the project will mitigate the risk of localized flooding, thereby safeguarding properties, public infrastructure, and community assets throughout the town. Here's how the proposed improvements will benefit all town

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residents: Reduced Flood Risk, Enhanced Road Safety, Improved Quality of Life, Protection of Natural Resources, Community Cohesion and Resilience.

3. Budget Worksheets (attached)

The Project budget is included below as Attachments 1 and 2.

Attachment 1 – Grants Network Budget Worksheet is the high level, official budget for the Project. Any adjustments of this budget will result in either a budget revision or amendment.

Attachment 2 – Total Activity Budget Worksheet is the overall, detailed project budget submitted with the application. This budget provides a breakdown of the Grants Network Budget Worksheet. Only changes to the Total Activity Budget Worksheet that impact the Grants Network Budget Worksheet will result in either a budget revision or amendment.

When applicable, documentation that supports the indirect cost rate and ADCs is included as Attachment 6.

4. Performance Measures

The following performance measures, included as Attachment 3, have been determined to be required for the monthly activity report, at the discretion of HCD and they are in bold below. Each month the Subrecipient will report on how the Project has progress on reaching the target numbers. The proposed target numbers are based on information provided by the Subrecipient and the Work Deliverable is identified per Activity performance measure. Projects are not required to report on the non-bolded items.

5. Project Schedule

The Project Schedule for the Project is included below as Attachment 4.

6. Application (attached)

In addition to the above detail, the Application is included as Attachment 5 for further details. In the event of a direct conflict between Exhibit F language above and the Application, this Exhibit F supersedes the Application, to the extent of the conflict.

EXHIBIT F

Attachments:

1. Grants Network Budget Worksheet
2. Total Activity Budget Worksheet
3. Performance Measures
4. Project Schedule
5. Application

Attachment 1: Grants Network Budget Worksheet

Passthrough Agency: California Department of Housing and Community Development
Program: 2018 CDBG-MIT RIP Allocation Project Application
Project Name/Title: Storm Drain Resiliency Project Phase 2
Org Name: Town of Paradise
Stage: Pre-Award

Report Date: 02/24/2026
Requested By: Marc Mattox
mmattox@townofparadise.com

Budget Items

Category	Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	GL Account	Cost Share	Type
Activity										
Activity Total			2	$6,365,136.95	$6,365,136.95	$6,365,136.95	$0.00		$0.00	
General Administration										
General Administration Total			0	$0.00	$0.00	$0.00	$0.00		$0.00	
Activity Delivery										
Activity Delivery Total			4	$2,302,949.55	$2,302,949.55	$2,302,949.55	$0.00		$0.00	

Other

Category	Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	GL Account	Cost Share	Type
Other										
Other Total			0	$0.00	$0.00	$0.00	$0.00		$0.00	
Grant Total			6	$8,668,086.50	$8,668,086.50	$8,668,086.50	$0.00		$0.00	

Budget Report, Created by Marc Mattox, mmattox@townofparadise.com, 02/24/2026
Source: Euna™ Portal
http://www.ecivis.com/

Grants Network Budget Narrative

Passthrough Agency: California Department of Housing and Community Development
Program: 2018 CDBG-MIT RIP Allocation Project Application
Project Name/Title: Storm Drain Resiliency Project Phase 2
Org Name: Town of Paradise
Stage: Pre-Award

Report Date: 02/24/2026
Requested By: Marc Mattox
mmattox@townofparadise.com

Narrative

The Storm Drain Resiliency Project Phase 2 covers 11 locations that addresses flooding and inadequate drainage. Locations that have a higher priority in being fixed and if needed the lower priority locations can be scoped out to ensure the highest priority locations are completed. Although there would be less locations in this scenario it wouldn't decrease the amount of beneficiaries as these locations are spread out over all of the Town of Paradise. The Storm Drain Resiliency Project Phase 2 focuses on the engineering design, environmental clearance and permitting, and construction engineering components of the budget. During these different aspects of the Storm Drain Resiliency Project Phase 2, several key activities will occur to ensure the project will be completed correctly and in a timely manner. Each of these items are described in further details below. The project covers 11 different locations, the locations vary from areas that have much more work to be done and cover a large stretch of a major road and the other locations still has a decent amount of work to be done but are located along a non major road. These projects differ in project classification because in some locations the current pipe needs to be resized while the other locations involves the new construction of a pipe system. Some rough preliminary work has been done on these locations but a full and updated design will be needed for this project. This design can be done by the same engineering firm and will take approximately 18 months. Environmental Permitting/Documents: The Town will need to obtain environmental permits from certain state and federal agencies. Because obtaining these permits is often very complex and time consuming, they are usually handled as separate activities during the design phase. Because the Storm Drain Resiliency Project Phase 2 locations occur within the Town of Paradise, in areas that have already been developed, it is likely that no significant environmental permits will be needed for that component. Multiple locations crosses/interferes with a water body (creek) which will likely trigger the need to obtain environmental permits from the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Fish and Wildlife, and the Central Valley Regional Water Quality Control Board. This environmental permitting/document process will take approximately 12 months. Construction Engineering:Considering most locations take place on busy and frequented streets, lots of coordination and preparation will need to take place for this project. Actions such as clearing and grubbing of the land, traffic control, public relation/communication, and the actual construction of each of the storm drain projects will be the main focus of this activity. As construction takes place our construction inspectors will be diligently checking on the projects daily and communicating with staff to solve any problems. The same contractor can likely be hired to work on all locations and it will take an estimated 14 months.

Attachment 2: Total Activity Budget Worksheet

AGENCY: Town of Paradise - Storm Drain Resiliency Project Phase 2
PROGRAM: 2018 CDBG-DR MIT-RIP
STAGE: Application
REPORT DATE: 11/19/2025
REQUESTED BY: HCD

ACTIVITY COSTS

Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	Funding Source
Site Work Construction	Site Preperation and Construction of the project components - Installation and preparation of needed drainage improvements.	1	$ 6,306,199.98		$ 6,306,199.98	$ -	CDBG-MIT-RIP
Right of Way	Cost to acquire right of way for the project.		$ 58,936.97	$ -	$ 58,936.97	$ -	CDBG-MIT-RIP
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			ACTIVITY COST TOTALS:	**$0.00**	**$6,365,136.95**	**$0.00**	

ACTIVITY DELIVERY COSTS

Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	Funding Source
Project Approval & Environmental Document	Town management costs and consultant fees to prepare the CEQA/NEPA document, associated technical studies, and 35% design and cost estimate	1	$ 1,024,022.87		$ 1,024,022.87		CDBG-MIT-RIP
Plans Specifications & Estimate	Town management costs and consultant fees to prepare final design plans, specifications, and estimate and identify right of way requirements	1	$ 551,057.88		$ 551,057.88		CDBG-MIT-RIP
Right of Way	Town management costs and consultant fees for right of way support costs and purchase property	1	$ 176,810.91		$ 176,810.91		CDBG-MIT-RIP
Construction Engineering	Town management costs and consultant fees to provide construction management, oversight, and inspection.	1	$ 551,057.89		$ 551,057.89		CDBG-MIT-RIP
			ACTIVITY DELIVERY COST TOTALS:	**$0.00**	**$2,302,949.55**	**$0.00**	

	Extended Cost	Direct Cost	Indirect Cost
GRANT TOTALS:	**$0.00**	**$8,668,086.50**	**$0.00**

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
National Objective	**# Extremely Low Income (0-30% HAMFI)**	
	# Low-Income (30-50% HAMFI)	
	# Moderate Income (50-80% HAMFI)	
	# Above Moderate Income (80-100% HAMFI)	
Hispanic Ethnicity Plus Race of Beneficiaries	**# American Indian/Alaska Native + Hispanic**	
	# American Indian/Alaska Native and Black/African American + Hispanic	
	# American Indian/Alaska Native and White + Hispanic	
	# Asian	
	# Asian and White	
	# Asian and Black/African American	
	# Asian and Black/African American and White	
	# Native Hawaiian/Other Pacific Islander	
	# Other Multi-Racial + Hispanic	
	# White	
	# Unknown Race	
	# Female Head of Household	
Non-Hispanic Ethnicity Plus Race of Beneficiaries	**# American Indian/Alaska Native**	
	# American Indian/Alaska Native and Black	
	# American Indian/Alaska Native and White	
	# Asian	
	# Asian and White	
	# Asian and Black/African American	
	# Asian and Black/African American and White	
	# Native Hawaiian/Other Pacific Islander	
	# Other Multi-Racial	

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
	# White	
	# Unknown Race	
	# Female Head of Household	
Targeted Section 3 Labor Hours	**Number of Total Labor Hours**	
	Number of Section 3 Labor Hours	
	Number of Targeted Section 3 Hours	
Public Facilities and Improvements – Covered and Non-Covered Projects	% reduction in loss of service	
	% reduction in emergency maintenance costs	
	# of non-invasive species trees planted on project sites	
	# of acres green infrastructure created	
	# cubic feet of stormwater storage added	
	# acres of newly added or improved green space	
	# of Linear miles of Public Improvement	
	% reduction in energy costs	
	# of public facilities	
	# of Linear Feet of Public Improvement	**13,120**
	# of green infrastructure projects constructed	
	# of acres of native vegetation planted	
	# of fewer outages of critical facilities and utilities	
	# of buildings (non-residential)	
	# of vacant lots repurposed	
	# of acres green space created	
	# of Non-business Organizations benefitting	
	# of water control structures repaired/replaced	**127**
	# of acres with improved multiple hazard risk mapping	
	# or % Other	
	0%	
	Pre-Construction	

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
Project Status: Phase active this reporting period, enter 1.	**Construction Started**	
	Construction 50% Completed	
	Construction 100% Completed	
	Closed-Out	
Expenditure Status: Phase active this reporting period, enter 1.	**0% expended**	
	1-25% expended	
	26-50% expended	
	51-75% expended	
	76-99% expended	
	100% expended	
Contract Milestones: Phase active this reporting period, enter 1	***1: Execution of AUGF***	
	2: Activity Initiation.	
	3: First Financial Report submission	
	4: 50 percent project completion	
	5: Reimbursement for 75 percent of grant funds submitted to HCD	
	6: Construction Complete	
	7: Submission of Final Financial Report and Close-Out Documents	
	8. Contract Expiration	
Household Demographics	**# Disabled**	
	# Senior	
	# Homeless	
	# Foster Youth	
	# Single-Parent Household	
	# Veterans	
	# of Limited English speaking	
	# Other	

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
Activity Report Narrative Request:	**In the narrative section please include:** **1. Summary of work completed in the reporting period including reference to specific deliverables as indicated in scope of work** **2. Report problems or delays during the reporting period or anticipated problems/delays.** **3. UNM Only: Measurable impacts narrative:** **a. Status update on how the subrecipient is preparing/planning to collect measurable mitigation impacts from the project**	

Attachment 4: Project Schedule

A. Term of Agreement:

All grant funds must be expended at least ninety (90) days prior to the Agreement expiration date.

This Agreement will expire as set forth in Section 2 of the STD 213.

B. Performance Milestones:

Subrecipient shall adhere to the performance milestones as captured in Exhibit F. Time is of the essence with respect to all such milestones.

1) Execution of AUGF by 16 Months from the STD 213 execution.

2) Activity Initiation: 4 Months from the Execution date of AUGF. Activity Initiation is defined as releasing RFQ for environmental design.

3) First Financial Report submission requesting reimbursement of grant funds by 1 Month from STD 213 execution.

4) Project achieves fifty (50) percent completion within 24 months from STD 213 execution. This shall be measured by release for construction bids.

5) Project reaches seventy-five (75) percent of grant funds submitted to the Department for reimbursement by 33 months from STD 213 execution, based on 50% construction progress.

6) Project reaches construction completion by 39 months from STD 213 execution. This shall be defined by final construction invoice paid and all infrastructure installed.

7) Subrecipient must submit Final Financial Report and Close-Out Documents to the Department for final approval by the Department at least one hundred and twenty (120) days prior to the Agreement Expiration Date.

8) Agreement Expiration Date is the date set forth in the STD 213.

Applications: Town of Paradise Storm Drain Resiliency Project Phase 2

A. General Information

Profile
mmattox@townofparadise.com

Project Title

Below, please enter the Project Title for your application. This will be used by HCD to track the project.

Project Title Format: [Jurisdiction Name] - [Project Name]
Ex: Sacramento, City of – Community Food Bank

1. Project Title
Town of Paradise Storm Drain Resiliency Project Phase 2

Applicant Information

2. Select Applicant
Town of Paradise

2a. Please type applicant name as captured in question 2.
Town of Paradise

3. Applicant Street Address
5555 Skyway

4. Applicant City
Paradise

5. Applicant State
CA

6. Applicant Zip Code
95969

B. Census Data

Project census location: The census information in this section will be used for legislative and congressional district tracking.

Please use the census information of your primary facility or the designated address of the responsible organization. If you are doing a LMA activity, you will be asked to provide additional census information specific to your service area. It is ok if the information is duplicative.

Use the HUD LMSI mapping tool located at Low- and Moderate-Income Area Data, based on 2011-2015 ACS (https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd) to gather the required census tract information as identified by the address below. For instructions on using the mapping tool visit (link) Identify the census location data for the administrative entity of this application (if this is a county use the County Administration building, if this is a city use City Hall or an administrative facility).

1. Will this project impact more than one census block group?
Yes

2. Enter project census block group(s)
Tract 18-22 (All groups), Tract 23 (Groups 1-4)

C. Project Scope of Work

Project Location

If the project will occur in more than one place or doesn't have a physical address, please use the organization address for reference below.

1. Project Street Address
Various Locations

2. Project City
Paradise

3. Project State
CA

4. Project Zip Code
95969

Project Description

Enter a detailed description of your activity which should include at a minimum: what the activity is, why it is needed, who the beneficiaries will be, where it will take place, how it will be done and when it will be completed. This should be a similar description provided for the NEPA. By completing the narratives below the applicant is demonstrating a knowledge of need for the activity and the steps needed to achieve the desired outcome.

5. Project Description

Following adoption of the Town of Paradise's Storm Drain Master Plan in 2022, Paradise Public Works has identified a comprehensive project to improve the Town's vulnerability to localized flooding through installation of new infrastructure as well as addressing chronically undersized systems. In the Storm Drain Resiliency Project Phase 2, multiple locations across the Town of Paradise will have existing drainage systems resized to better handle larger flows and therefore mitigate future flooding. In the case of other locations that don't have any existing drainage systems, new pipe systems will be added to fix an existing or potential problem. This project is needed because across Paradise many of the drainage systems are outdated, inadequate, and not ready to handle any potential flooding/full capacity runoff in the future. This project will benefit all the residents in the Town of Paradise. As stated before, this project will be done by adding additional features to facilitate proper drainage (installing drain inlets, dike) and resizing existing pipes or installing new ones (18-inch reinforced concrete pipe resized to 24 inches, etc).

The proposed Storm Drain Resiliency Project holds significant benefits not only for adjacent property owners but for all residents of the Town of Paradise. By enhancing the town's storm drainage infrastructure, the project will mitigate the risk of localized flooding, thereby safeguarding properties, public infrastructure, and community assets throughout the town. Here's how the proposed improvements will benefit all town residents:

Reduced Flood Risk: Improved storm drainage infrastructure will mitigate the risk of localized flooding in various neighborhoods across the town, regardless of their proximity to the proposed work. This reduction in flood risk translates to enhanced safety and protection for all residents, their homes, and businesses.

Enhanced Road Safety: Properly functioning storm drains prevent water accumulation on roads during heavy rainfall, reducing the risk of hydroplaning and accidents for all motorists, pedestrians, and cyclists traveling throughout the town.

Preservation of Public Infrastructure: By minimizing the occurrence of flooding, the Storm Drain Resiliency Project will help preserve public infrastructure such as roads, sidewalks, and utilities. This ensures the continued functionality and longevity of essential amenities for all residents, promoting overall community well-being.

Improved Quality of Life: Flooding can disrupt daily routines, damage property, and cause significant inconvenience for residents. By reducing the frequency and severity of flooding events, the project contributes to a higher quality of life for all residents, fostering a sense of security and peace of mind.

Protection of Natural Resources: Proper stormwater management helps protect local waterways and natural habitats from pollution and erosion caused by runoff. By implementing resilient storm drainage solutions, the project contributes to the preservation of the town's natural environment for the enjoyment and benefit of all residents.

Community Cohesion and Resilience: Investing in storm drainage infrastructure demonstrates a commitment to the well-being and resilience of the entire community. By collectively addressing flood risk, residents can build a stronger sense of community cohesion and solidarity, fostering resilience in the face of future challenges.

If approved for funding award, the Town of Paradise will apply all standard project development principles and practices to complete necessary environmental reviews, permitting, design and construction. A consultant team would be procured to complete necessary environmental studies and clearances in addition to field surveys and design work. By nature, these storm drain projects will require significant environmental review efforts and permitting coordination. A separate contractor would need to be procured for the physical course of construction. Using standard timelines for projects of this size, project delivery is estimated in 2028.

D. Subrecipient Grantee

Eligible Applicants may work with a Grantee, called a Subrecipient Grantee, to assist them in implementation of their proposed project. A Subrecipient Grantee is a local government, special district, Tribal Entity, or other similar entity.

1. Does the application include a Subrecipient Grantee? (Unit of local government, special district or similar entity)

No

E. Eligible Activity

Eligible CDBG-MIT activities include, but are not limited to, the acquisition, reconstruction, rehabilitation or installation of public facilities and improvements (HCDA Section 105(a)(2) – Public Facilities and Improvements and MIT-RIP P&P 1.2). Choose all eligible type activities that apply to your project.

Choose your eligible activity category from the list. Eligible activities are defined by 24 CFR 570.482 et. Seq.

https://www.law.cornell.edu/cfr/text/24/570.482 Please check all that apply.

1. Eligible Activity Category
Installation of Public Facilities and Improvements

2. Explain how your project meets the definition(s) of each of the eligible type activities that you selected in the question above
The project meets the definitions of Installation of Public Facilities and Improvements as defined in the Community Development Block Grant Program. "Public Improvements" are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. Public improvements include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and other aesthetic improvements. The proposed project of storm water resiliency improvements in the public right of way is a critical safety feature to handle seasonal storm events in addition to now presently more common increased intensity storm events. This type of improvement is only provided by local governments, such as the Town of Paradise.

HUD defines mitigation as: Activities that increase resilience and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters. See (MIT-PPS P&Ps Section 2.5 or MIT-RIP section 1.2.3)

3. Provide a detailed description of how the project will meet the definition of mitigation.
All storm drain projects that are set to be done within the Storm Drain Resiliency Project Phase 2 will help solve and prevent future flooding, drainage, and erosion problems. Most project location currently struggles with flooding and drainage issues due to inadequate sized pipes and/or the lack of inlets and pipes in general. This issues have caused massive trenches on each side of the road that pose a potential hazard for drivers and pedestrians in some of the locations within phase 2. As for the other project locations, new and improved pipes in both design and size will better facilitate the flow of Paradise's main creek through town therefore prevent further flooding and drainage issues for the parcels located in the area around the creek.

F. Operations and Maintenance Plan (O&M)

HUD requires all Mitigation projects include an Operation and Maintenance Plan (O&M).

Each subrecipients must plan for the long-term operation and maintenance of infrastructure and public facility projects funded with CDBG–MIT funds. The subrecipients must describe in its maintenance plan how it will fund long-term operation and maintenance for CDBG– MIT projects. Funding options might include State or local resources, borrowing authority or retargeting of existing financial resources. If operations and maintenance plans are reliant on any proposed changes to existing taxation policies or tax collection practices, those changes and relevant milestones should be expressly included in the maintenance plan. Additionally, the subrecipient must describe any State or local resources that have been identified for the operation and maintenance costs of projects assisted with CDBG–MIT funds.

1. Please describe how you will plan for long term operations and maintenance of the proposed project
The new drainage facility will be operated and maintained with the Town maintenance crews which are funded through Gas Tax dollars. Town crews have experience and equipment to maintain many existing structures of this nature. This system will reduce the required costly maintenance and repair of the existing ditches and cross culverts currently performed by the Town maintenance crews. This will not increase any existing maintenance operations the town currently performs but rather reduce required maintenance operations. The maintenance crews will inspect the system annually before the start of the rainy season to remove debris, repair structures, grates and inlets. The town also uses an online reporting program (GovWell) that the public can use to report any issues they observe. The concern is reported immediately to maintenance crews, and they will respond to any submissions to determine the required restoration. The response time and resolutions are tracked and reported through the program to help address issues in a timely manner.

G. Most Impacted and Distressed Area (MID)

Projects must benefit the area designated by HUD as the most impacted and distressed areas, or “MID,” within the disaster declared impacted counties under DR-4382 and DR-4407. See MIT-RIP Policies and Procedures Section 1.2.2.

1. Is the project located in a 2018 MID area?
Yes

2. Which 2018 MID area(s) is the project located in or will the project benefit?
Butte County

3. Upload map(s) of project service area in relation to the MID area(s).
MID Area Map (Paradise Town Limits).pdf

H. HMGP Match

Projects that are approved for FEMA HMGP Match are eligible for non-federal, local match funding under this Program.

1. Is the application being submitted as a FEMA HMGP match project?
No

I. Performance Measures

Choose a projected performance measure(s) the project intends to meet. Select all that apply (There are no wrong answers).

1. Infrastructure Performance Measures
# of linear feet of Public Improvement, # of water control structures repaired/replaced

2. Based on the projected performance measure(s) selected above please provide an estimated percent or number this project intends to meet. Example: A community food bank project proposes to serve 200 households. Performance Measure: # of households reached Answer: 200 households reached.
The Storm Drain Resiliency Project Phase 2 proposes to reach 5,387 linear feet of public improvement and repair/replace a total of 57 water control structures.

J. National Objective & Beneficiary Data

Choose the national objective from the list. Criteria for national objectives can be located at 24 CFR 570.483 https://www.law.cornell.edu/cfr/text/24/570.483 and MIT-RIP P&Ps section 1.2

1. National Objective
Urgent Need Mitigation (UNM)

2. What is the total number of beneficiaries for the project?
10000

3. What is the number of total LMI beneficiaries for the project?
6000

4. Projected LMI beneficiary percentage:
0.60

UNM

HUD has created a new National Objective - Urgent Need Mitigation (UNM) for CDBG-MIT programs. Projects using the UNM national objective must provide documentation that demonstrates a measurable and verifiable impact on reducing risks at the completion of the activity.

5. How will the project address current and future risks as identified in the Mitigation Needs Assessment. Explain what and how data will be collected to support the risks.
The project to improve the Town's vulnerability to localized flooding, as outlined in the Storm Drain Master Plan, will address current and future risks identified in the Mitigation Needs Assessment. By enhancing storm drainage infrastructure and addressing chronically undersized systems, the project aims to reduce the risk of flooding and its associated impacts on lives and property.

Data collection to support the identified risks will involve monitoring various parameters related to stormwater management, including rainfall intensity, water levels, and flood occurrences. This data will be collected through a combination of automated monitoring systems, field surveys, and historical records. By analyzing this data, we can assess the effectiveness of the project in reducing flood risks and improving stormwater management practices.

6. How will the project result in a measurable and verifiable reduction in the risk of loss of life and property? Explain what and how data will be collected to support the risk.
The project to improve the Town's vulnerability to localized flooding will result in a measurable and verifiable reduction in the risk of loss of life and property during flooding events. By installing new infrastructure and addressing chronically undersized systems, the project aims to mitigate the impact of flooding and enhance the Town's resilience to such hazards.

Data collection to support the identified risks will involve monitoring changes in flood frequency, duration, and severity before and after the implementation of the project. This data will be collected through a combination of floodplain mapping, hydrological modeling, and historical flood event analysis. Additionally, feedback from residents and emergency responders will be collected to assess the project's effectiveness in reducing the risk of loss of life and property during flooding events.

K. HCD Thresholds

Projects must meet one HCD Program Threshold. Details on HCD program threshold compliance documentation, including, when applicable, lists of qualifying geographic areas and maps, are provided in the program Policies and Procedures Appendix B.

Please note:
-If your project is captured as LMI in Section J above it will automatically meet the benefit low-income community threshold. Please select Benefit Low-Income Communities below.
-If your project is LMC and will benefit a presumed clientele of elderly persons, it will automatically meet the benefit senior citizens thresholds. Please select Benefit Senior Citizens below.
-If your project is LMC and will benefit a presumed clientele of severely disabled adults, it will automatically meet the benefit persons with disabilities thresholds. Please select Benefit Persons with Disabilities Below.
-If your project is an HMGP match project it will automatically meet the leverage threshold. Please select Leverage CalOES, CalFire, or other Funding Source below.

1. Select the HCD Program Threshold the project will meet:
Benefit low resource communities

Threshold: Benefit Low Resource Communities

To meet the HCD program threshold "Benefit Low Resource Communities" the project must qualify under the following definition (See Appendix C of Policies and Procedures):

Project must be located in a census tract with:
A Social Vulnerability Index (SVI) of greater than 0.5 or a local to state median income ratio of less than 0.8;
AND
A total hazard risk percentile greater than 0.6 OR a single hazard percentile greater than 0.8.

2. Enter the low resource community census tract(s) the project is located in or will benefit.
Butte County 18-23

3. Upload map of project location/service area and selected Census Tract(s)
SVI Risk Map Census Tracts.pdf

L. Milestones

Milestones provided in this section will become part of the Standard Agreement. Complete the milestones by providing a length of time to complete each. For example: “90 days from STD 213 execution.”

Please note: Milestone #1 must be completed no later than 60 days after execution for the STD 213.

Additional milestones are optional.

1. Enter proposed length of time to meet Milestone #1 - Execution of Authority to Use Grant Funds (AUGF)
16 months

2. Enter proposed length of time to meet Milestone #2 - Construction Initiation
3 months

3. Enter proposed length of time to meet Milestone #3 - First financial report submission
1 month

4. Enter proposed length of time to meet Milestone #4 - 50 percent project completion
2 months

5. Enter proposed length of time to meet Milestone #5 – Reimbursement for 75 percent of grant funds submitted
1 month

6. Enter proposed length of time to meet Milestone #6 – Construction Complete
1 month

Final financial report and closeout documents must be submitted to HCD following completion of the project and at least 120 days prior to contract expiration to allow time for HCD to complete review, processing, and closeout activities.

7. Enter proposed length of time to meet Milestone #7 – Submission of final financial report and close-out documents
3 months

The final milestone is the contract expiration date, which is the date by which all project activity, reporting, monitoring, and closeout activities must be completed. The contract expiration date is 72 months from execution of the STD 213.

8. Enter proposed length of time to meet Final Milestone: contract expiration
3 months

9. If you would like to add additional milestones, please detail them below.

M. Project Budget

HCD must review projects submitted for funding in terms of cost reasonableness, in accordance with federal regulations found at 2 CFR 200. To fulfill this requirement all projects must be able to support the CDBG-MIT funding request with an explanation of how the amount was determined.

Additionally, projects submitted for CDBG-MIT funding, where CDBG-MIT funding will not fund 100% of the project, must demonstrate that other funds are committed and available to complete the project. The Total Project Budget template found in the application files must be completed to demonstrate the total project cost as well as any other sources of funding.

Funded projects will use Grants Network to submit financial drawdown/reimbursement requests; therefore, the linked eCivis budget must be completed.

1. CDBG-MIT Funding Amount Requested
$8668086.50

2. Provide a basis for the requested funding amount (select all that apply)
Cost Estimate

3. Does the CDBG-MIT funding request equal the total budget amount?
Yes

Total Project Budget (Excel) – must be uploaded using the Workbook Template provided in the application files. The workbook must include the amount requested for this program as well as all other sources. Reminder, the eCivis Budget must also be completed.

4. Upload the Total Project Budget (Excel template)
SDRP Phase 2 2018 MIT-RIP Total Project Budget FINAL.xlsx

CDBG-MIT budgets found in the Grants Network portal are required at application submission. Required budget information includes direct costs only. Direct costs for activity must be completed and clearly identified. Do not include any information on indirect cost, match, or cost share. Applications submitted without a complete Grants Network budget will be disqualified without exception or appeal.

5. Have you completed and submitted your CDBG-MIT budget in eCivis?
Yes

Budget narrative should include information about activity viability if the project is only partially funded. For instance, can the project scope be reduced the number of beneficiaries be reduced, can the project be scaled to the amount of funding available. Include budget information that describes your

activity budget as uploaded. Make sure the budget narrative has a relationship to the tasks and deliverables described in the application. Applications submitted without a complete Grants Network budget narrative will be disqualified without exception or appeal.

6. Have you completed a detailed narrative of your activity budget within the Grants Network budget template?
Yes

N. Supplemental Application Information

If there is any supplemental information you would like to provide, please use the following field to provide any additional information in a single file upload. Note: this is not a required field.

1. Supplemental Upload
Max Project Cap Waiver - SDRP Phase 2-signed.pdf

Budget Worksheet

View Budget Worksheet
https://portal.ecivis.com/#/peerBudget/A2A000DB-E24A-4EE3-BFB2-C393F5AF28D8

Average Score
0.00

Application Goals

View Application Goals
https://portal.ecivis.com/#/peerGoals/1C3A7A6D-ABDF-4A8F-B06A-084347E90E84

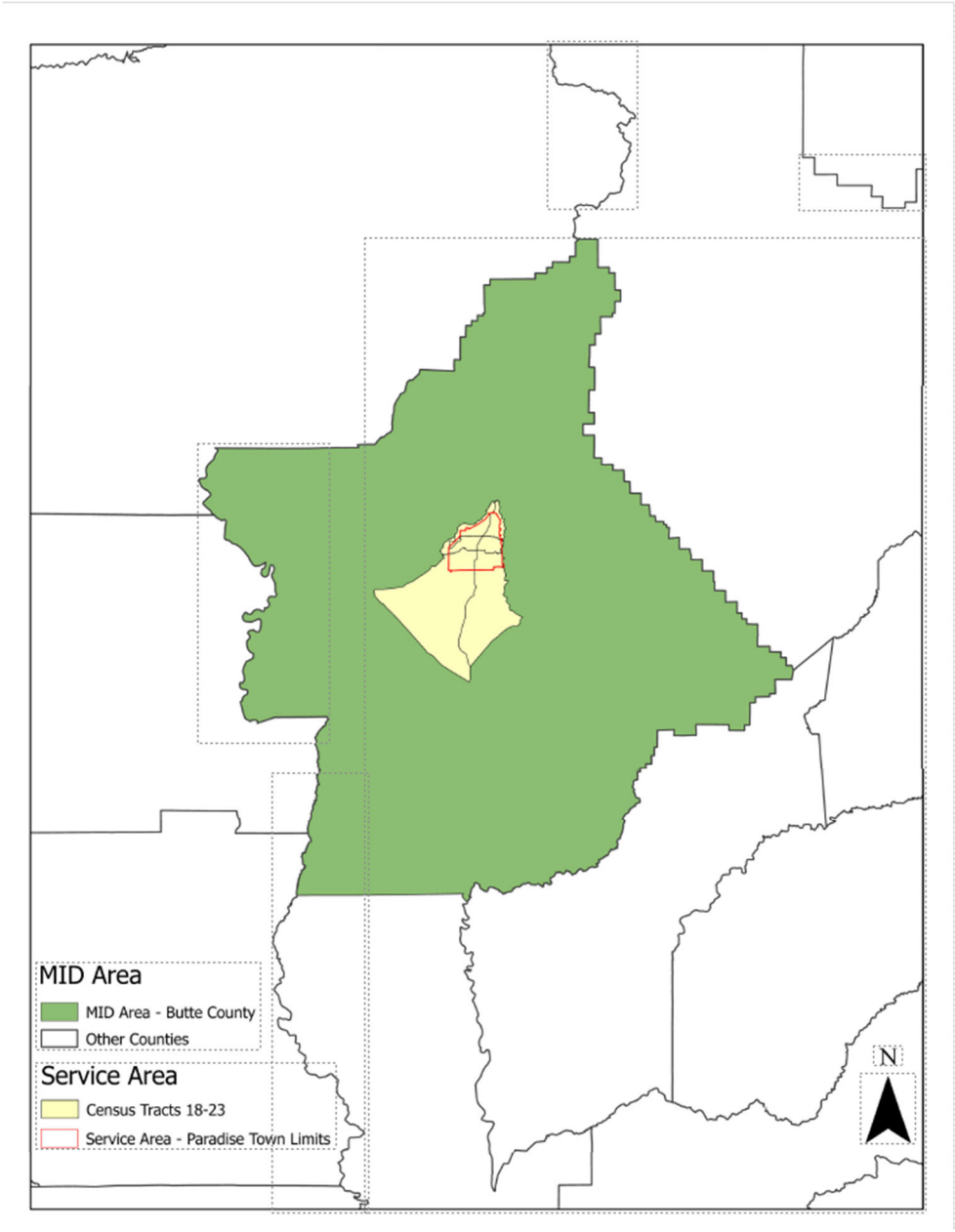
# of Reviews
1

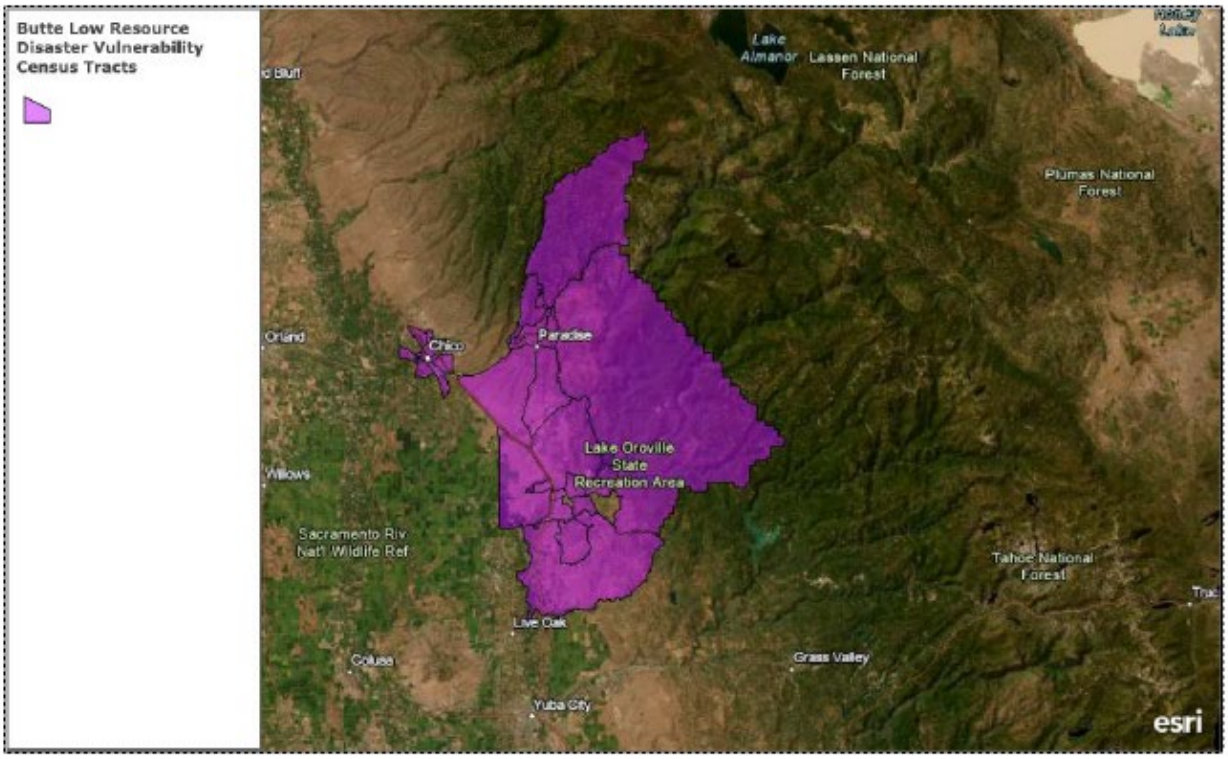
# of Denials
0

Applications: File Attachments

3. Upload map(s) of project service area in relation to the MID area(s).
MID Area Map (Paradise Town Limits).pdf

3. Upload map of project location/service area and selected Census Tract(s)
SVI Risk Map Census Tracts.pdf


MID Area
MID Area - Butte County
Other Counties
Service Area
Census Tracts 18-23
Service Area - Paradise Town Limits
N


Butte Low Resource
Disaster Vulnerability
Census Tracts
Lake
Almanor
Lassen National
Forest
Plumas National
Forest
Orland
Chico
Paradise
Lake Oroville
State
Recreation Area
Willows
Sacramento Riv
Nat'l Wildlife Ref
Tahoe National
Forest
Live Oak
Colusa
Grass Valley
Yuba City
esri

Organization Name: Town of Paradise **Program Name:** CDBG-DR MIT-RIP

DUPLICATION OF BENEFITS AFFIDAVIT

INSTRUCTIONS

The affidavit is divided into three (3) components:

1. Funding Sources
2. Attachments
3. Signature of Authorized Representative

Read each component in full and provide the accurate information.

Part 1. Funding Sources

This affidavit must be completed by all applicant(s) that have applied for and/or received any assistance from the CDBG-DR funded State of California 2017/2018 CDBG-MIT Planning and Public Services and Resilient Infrastructure Program being offered by the California Department of Housing and Community Development (HCD) and signed by the Authorized Representative. The information within this affidavit will provide the California Department of Housing and Community Development (HCD) with vital information for processing the application required by the Stafford Act Section 312 on Duplication of Benefits.

In the table below, indicate with an "X" the program(s) for which you are applying AND any program you have received funds from. Also state the purpose of the assistance and status of the funds.

Source **INSTRUCTION NOTE: Please add further sources as necessary if they are not listed below (REMOVE THIS UPON COMPLETION)**	**Purpose of Assistance** *Ex: Economic Development public services, Rehabilitation & improvements of public facilities*	**Current Status of Funds** *Ex: Obligated from FEMA, Pending Approval, etc.*	**Amount Received ($)**
☐ U.S. Department of Housing and Urban Development			
☐ FEMA National Flood Insurance			
☐ FEMA Individual Assistance or Public Assistance			
☐ FEMA Hazard Mitigation Grant Program (HMGP)			
☐ Small Business Administration			
☐ U.S. Army Corps of Engineers			
☐ U.S. Department of Transportation			

☐ Federal Economic Development Agency			
☐ CARES Act / American Rescue Plan Act			
☐ State and Local Level Housing Department			
☐ State and Local Emergency Management Agency			
☐ State and Local Department of Transportation			
☐ Insurance			
☐ Philanthropic Funds			
☐ Utility Settlement			
☐ Budgeted Local Funds			
☐ Other: _____			
☐ Other: _____			

Part 2. Attachments

Attached to this affidavit are copies of any and all acceptable document for each of the above referenced sources of funds identified as a result of the October 2017, December 2017, August 2018 and/or November 2018 fires, identified as presidentially declared disasters, DR-4344, DR-4353, DR-4382 and/or DR-4407.

Part 3. Signature(s)

I certify that the information provided in this affidavit is true and accurate to the best of my knowledge. I understand that if this information is not correct, it may affect the amount of any funds I may receive or may lead to the recapture of disbursed funds by HCD and/or HUD.

Jim Goodwin
Authorized Representative Printed Name

Town of Paradise
Organization

Authorized Representative Signature

03/26/2024
Date

WARNING: The information provided on this form is subject to verification by the State of California and the U.S. Department of Housing and Urban Development (HUD) at any time. Title 18, Section 1001 of the U.S. Code states that knowingly and willingly making a false or fraudulent statement to a department of the United States Government can result in termination of assistance and civil and criminal penalties.

EXHIBIT G

SUBRECIPIENT PROFILE: TOWN OF PARADISE

Applicant Information

Tell us about you.

Linked Applicant

mmattox@townofparadise.com

First name

Marc

Last name

Mattox

Email

mmattox@townofparadise.com

Title

Public Works Director / Town Engineer

Company

Town of Paradise

Company Website

www.townofparadise.com

City

Paradise

State

US-CA

EXHIBIT G

Organization Information

Tell us about your organization.

Organization Name

Town of Paradise

Employer Identification Number (EIN)

94-2621899

DUNS

362314890

Authorized Representative

Jim Goodwin, Town Manager

Business/Finance Representative

Aimee Beleu, Finance Director

Organization Address

Address

5555 Skyway

Address 2

City

Paradise

EXHIBIT G

State

US-CA

County

Butte County

Congressional District/Region

1

Zip

95969

Phone

530-872-6291

Phone Extension

Fax

Authorized Representative (if different from above)

Name

Title

Email

EXHIBIT G

Phone

Business/Finance Contact (if required)

Name

Title

Email

Phone

EXHIBIT A

AUTHORITY, PURPOSE, AND SCOPE OF WORK

1. Authority & Purpose

The California Department of Housing and Community Development (hereinafter "Department") is the lead and responsible entity for administering the Community Development Block Grant – Mitigation (hereinafter CDBG-MIT) funds appropriated under Public Law 116-20 and allocated to the State of California by the U.S. Department of Housing and Urban Development (hereinafter "HUD"). CDBG-MIT is used by the State of California to assist local Jurisdictions and Tribal Entities with Mitigation-related infrastructure needs to support risk reduction from the three primary hazards (wildfire, flooding, and earthquake) as established within the Mitigation Needs Assessment (MNA) of the CDBG-MIT Action Plan. MIT-RIP is funded by CDBG-MIT to assist communities with mitigation related infrastructure projects that will increase community resilience, reduce the risk of loss of life, and lessen the impact of future natural disasters in the Most Impacted and Distressed (MID) Areas.

2. Scope of Agreement

A. Grant Funds

Subject to the terms and conditions of this Standard Agreement (hereinafter "Agreement"), the Department has allocated and agrees to provide grant funds up to the maximum amount identified in the Standard Agreement STD 213 Form to the subrecipient identified as "Contractor" on page 1, Section 1 of the STD 213 form (hereinafter "Subrecipient") for all Work (defined below) identified in this Agreement. All payments made to the Subrecipient will adhere to the provisions described in Exhibit B, Section 6 (Method of Payment) herein. In no instance shall the Department be liable for any costs in excess of the approved CDBG-MIT budget as shown in the Budget section in Exhibit F, nor for any unauthorized or ineligible costs or expenses.

This Agreement governs the Subrecipient Award and the Project proposed by the Subrecipient and approved by the Department ("Approved Activity",).

B. Implementation of Agreement

EXHIBIT A

By entering into this Agreement and thereby accepting the Award of grant funds, the Subrecipient agrees to comply with and implement this Agreement in a manner satisfactory to the Department and HUD and consistent with all applicable laws, regulations, policies and procedures that may be required as a condition of the Department providing the grant funds, including but not limited to, all applicable MIT-RIP Administration and Compliance requirements set forth by this Agreement, and in accordance with the 2017/2018 CDBG-MIT Planning and Public Services and Resilient Infrastructure Program NOFA Application (hereinafter "Application") documentation previously provided by the Subrecipient, attached to Exhibit F, and made a part hereof. The Department's providing of grant funds under this Agreement is specifically conditioned on Subrecipient's compliance with this provision and all terms and conditions of this Agreement, the most recently published version of the Department's CDBG-DR Grant Administration Manual for 2017 and 2018 Disasters (www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-grant-administration-and-reporting) and 2018 CDBG MIT-RIP Policies and Procedures Manual (www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/infrastructure-and-resilient-infrastructure-programs), and any amendments thereto, related Federal Register notices (including future Federal Notices), and the requirements of the authorities cited above, as the same may be amended from time to time.

This Agreement is subject to written modification and termination as necessary by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All other modifications must be in written form and approved by both parties.

3. <u>Subrecipient Scope of Work</u>

The Subrecipient scope of work (hereinafter "Work") for this Agreement shall consist of the following:

The Subrecipient shall perform the funded activities described in the Work, as detailed in Exhibit F.

All written materials or alterations submitted as addenda to the original Application, and which are approved in writing by the Department are hereby incorporated as part of the Application. The Department reserves the right to require the Subrecipient to modify any or all parts of the Application to comply

EXHIBIT A

with CDBG-MIT or state program requirements. The Department reserves the right to monitor all Work to be performed by the Subrecipient, its contractors, and subgrantees in relation to this Agreement. Any proposed revision to the Work must be submitted in writing for review and approval by the Department and will require an amendment to this Agreement. Approval shall not be presumed unless such approval is made by the Department in writing.

A. For the purposes of performing the Work, the Department agrees to provide the amount(s) identified in Exhibit F, Budget Worksheets. Unless amended in writing, the Department shall not be liable for any costs more than the total approved MIT-RIP budget identified herein. The Department shall not, under any conditions, be liable for any unauthorized or ineligible costs.

B. Approved Activities must meet a CDBG-MIT National Objective. MIT-RIP, as defined in the 2018 DR-INFRA Policies and Procedures Manual (www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/infrastructure-and-resilient-infrastructure-programs) shall meet the following CDBG-MIT National Objectives:

   1) Benefit to Low/Moderate Income Persons (LMI)

   2) Urgent Need Mitigation (UNM)

C. Subrecipient shall meet all project milestones, project-specific special conditions, budgetary and otherwise, and other requirements, as set forth in this Standard Agreement.

D. Subrecipient shall comply with all Project closeout procedures, timely and accurately, including responding to the Department's requests for additional information in support of Project closeout in reasonable timeframe.

E. Subrecipient shall collect data and submit reports to the Department in accordance with the reporting requirements detailed in Section 24 of Exhibit D herein. For reports due on a monthly basis, the first report is due following the first full month following the effective date of this Agreement.

F. The Subrecipient shall monitor all Approved Activities in accordance with the requirements of the Subrecipient Monitoring Responsibilities outlined in the MIT-RIP Policies and Procedures Manual.

4. <u>Effective Date and Commencement of Work</u>

EXHIBIT A

A. This Agreement is effective upon approval by the Department representative's signature on page one of the fully executed Standard Agreement, STD 213 Form (the "Effective Date").

B. Subrecipient agrees that prior to execution of this Agreement by the Department, no Work toward the implementation of the project activities, shall commence, nor shall any costs be paid with CDBG-MIT funds incurred or obligated by any party.

5. Term of Agreement and Performance Milestones

A. Term of Agreement:

All grant funds must be expended at least ninety (90) days prior to the Agreement expiration date.

This Agreement will expire as set forth in Section 2 of the STD 213.

B. Performance Milestones:

Subrecipient shall adhere to the performance milestones as captured in Exhibit F. Time is of the essence with respect to all such milestones.

1) Execution of AUGF by 16 Months from the STD 213 execution.

2) Activity Initiation: 4 Months from the Execution date of AUGF. Activity Initiation is defined as releasing RFQ for environmental design.

3) First Financial Report submission requesting reimbursement of grant funds by 1 Month from STD 213 execution.

4) Project achieves fifty (50) percent completion within 24 months from STD 213 execution. This shall be measured by release for construction bids.

5) Project reaches seventy-five (75) percent of grant funds submitted to the Department for reimbursement by 33 months from STD 213 execution, based on 50% construction progress.

6) Project reaches construction completion by 39 months from STD 213 execution. This shall be defined by final construction invoice paid and all infrastructure installed.

7) Subrecipient must submit Final Financial Report and Close-Out Documents to the Department for final approval by the Department

EXHIBIT A

at least one hundred and twenty (120) days prior to the Agreement Expiration Date.

8) Agreement Expiration Date is the date set forth in the STD 213.

B. Failure to meet Performance Milestones:

1) If any performance milestones listed above are not met or not on target to be met, in addition to any other rights and remedies it has hereunder, the Department reserves the right to withhold further payments to Subrecipient (including, but not limited to, reimbursements for Activity Delivery costs) until such time as satisfactory progress is made toward meeting the performance measures.

2) The Department has full discretion to determine if the Subrecipient is on target to meet the performance milestones. Subrecipient shall diligently work with the Department's MIT/RIP staff to promptly submit to the Department:

i. a written mitigation plan specifying the reason(s) for the delay;

ii. the actions to be taken to complete the task that is the subject of the missed measure deadline; and

iii. the date by which the completion of said task will occur.

3) The Department, in its sole and absolute discretion, reserves the right to reallocate unspent grant funds from this contract if the Department determines the Subrecipient is unable to meet the performance milestones in a timely manner following the failure to meet said milestones. The Department reserves all rights and remedies available to it in case of a default by Subrecipient of its responsibilities and obligations under the terms of this Agreement. All remedies available to the Department are cumulative and not exclusive.

4) The Subrecipient and its contractors, as applicable, shall adhere to all performance milestones as established above.

EXHIBIT A

C. Any changes to the Work set forth in this Agreement must be approved in writing by the Department. Requests for revisions to the Work must be submitted in writing for review and approval by the Department in its discretion. Any approval shall not be presumed unless such approval is made by the Department in writing.

6. MIT-RIP Program Contract Management

A. Department Contract Manager: The Department Contract Manager for this Agreement is the MIT-RIP Manager or the Program Manager's designee. Written communication regarding this Agreement shall be directed to the Department Contract Manager at the following address:

CA Department of Housing and Community Development
Division of Financial Assistance – MIT-RIP
Attn: Contract Manager
P.O. Box 952054
Sacramento, CA 94252-2054 or,
electronic mail at: MIT-RIP@hcd.ca.gov

B. Contract Management: Day-to-day administration of this Agreement shall take place via Grants Network, including but not limited to:

1) Financial Reports (Funds Requests)

2) Activity Reports

3) Risk Assessments and Due Diligence documents

4) Other Reports, as required

5) Submittal of any and all requested supporting documentation

6) Standard Agreement Issuance and Amendments

C. Subrecipient Contract Administrator: The Subrecipient Contract Administrator (must be a Subrecipient employee) is identified in Exhibit G, Subrecipient Profile. Unless otherwise directed by the Department, any notice, report, or other communication required by this Agreement shall be

EXHIBIT A

directed via Grants Network or written to the Subrecipient's Contract Administrator at the contact information identified in Exhibit G.

EXHIBIT B

BUDGET AND PAYMENT PROVISIONS

1. Budget

All approved budget amounts are specified by line item in Exhibit F, Budget Worksheets section.

2. Cost Classification

Subrecipient must classify costs on the budget by distinguishing between Activity Costs and Activity Delivery Costs.

3. Other Funding Sources

All other sources of funding required to complete the Approved Activity must be identified, committed, and documented prior to, and as a condition of this Agreement. If at any time, those identified and secured sources change, the Subrecipient must notify the Department within ten (10) calendar days of the Subrecipient's knowledge that funding sources are changing. The terms and conditions of all financing shall be subject to the Department's review and approval. The Department must review a Project application at any time there is a change in the amount of, or the material terms and conditions of, any third-party funding for the Work.

4. Availability of Funds

A. The Department's provision of funding to Subrecipient pursuant to this Agreement is contingent on the availability of MIT-RIP funds subject to the requirements that the Department must spend 50% of program funds to benefit the MID and must meet the requirement of 50% of grant-wide funds for LMI benefit, but should strive for 100%, and continued federal and state authorization for MIT-RIP activities. All funding hereunder is subject to amendment or termination due to lack of funds or authorization. Requirements for MID and LMI benefit can be found in greater detail in published MIT-RIP Policies and Procedures.

B. The Department shall be relieved of any obligation for reimbursing the Subrecipient if funds allocated to the State by HUD cease to be available for any reason or there is any limitation on, or withdrawal of, the Department's authority to administer the CDBG-MIT program or any portion thereof.

EXHIBIT B

5. Expenditure of Funds

A. Activity Costs

No Activity costs may be incurred, or funds reimbursed, until and unless Subrecipient provides documented compliance with the National Environmental Protection Act (NEPA) requirements established in 24 CFR 50, 24 CFR 58, and 42 USC 4321, et seq. and California Environmental Quality Act (CEQA); California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 – 15387 as referenced in Exhibit D, section 14.

Activity Delivery Costs may be incurred prior to documented NEPA and CEQA compliance. See Section 6(A)(2) below for reimbursement requirements of Activity Delivery costs.

B. Priority of Funds

The Grantee agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available. To the extent available, the Subrecipient must first disburse funds available to the Approved Activity from, among other sources, Subrecipient funding, third-party loans or grants, contract settlements, audit recoveries, and interest earned on such funds before requesting or receiving MIT-RIP funds.

C. Withholding Funds

The Department reserves the right to withhold payments pending timely delivery of activity reports or documents as may be required under this Agreement, and for defaults by the Subrecipient, as noted in Exhibit D.

D. Disencumbering of Surplus Funds

The Subrecipient agrees that funds determined by the Department to be surplus upon completion of the Approved Activity or that have not been spent on eligible costs prior to the agreement expiration deadline, will be subject to disencumbrance by the Department.

E. Indirect Costs

The Department will consider reimbursement of indirect cost expenditures from Subrecipients that have an approved Indirect Cost Rate Proposal

EXHIBIT B

from the Department, HUD, or other cognizant federal agency. If Subrecipient does not have an approved Indirect Cost Rate Proposal, Subrecipient may utilize the de minimis rate as allowable per 2 CFR 200.414 which may be used indefinitely or until the Subrecipient chooses to negotiate for a new rate based on an indirect cost proposal. prior to submission of Financial Reports for reimbursement of indirect cost expenditures. Procedures for establishing an indirect cost rate can be found at 2 CFR 200.414. All indirect costs that may be reimbursed with grant funds should be shown separately on Exhibit F, Budget Worksheet.

F. **Compliance with the OMB Uniform Guidance Audit Requirements**

Grant funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as described in the OMB Uniform Guidance and 2 CFR Part 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.

G. **Grant Administration**

The Subrecipient agrees to administer this Agreement in accordance with the State Community Development Block Grant Program Grant Administration provisions found at Title 25 of the California Code of Regulations ("CCR") Sections 7097 through and including Section 7126.

6. <u>Method of Payment</u>

Payments will be made directly to the Subrecipient as reimbursements based on the documented and satisfactory completion of agreed upon performance milestones detailed in Subrecipient Scope of Work as indicated in Exhibit A, and confirmation of Subrecipient's compliance with the terms of this Agreement. No funds will be advanced to the Subrecipient by the Department.

Financial Reports must be submitted electronically through Grants Network. The Department will not authorize payments or reimbursements unless it has determined that the activities indicated in the Financial Report have been performed in compliance with the terms of this Agreement and any other agreements executed by the parties in connection herewith. Except for the Final Financial Report (see Section 6.8 below), Financial Reports shall be submitted by the Subrecipient to the Department no less frequently than monthly by the 10th

EXHIBIT B

of each month or as indicated in the 2018 Program's Policies and Procedures manual.

A. **Reimbursements for Costs Incurred**

1) The Subrecipient may use grant funds for reimbursement by the Department for Eligible Expenses as defined herein and used for Approved Activities. Eligible Expenses include costs associated with project implementation, delivery, and completion.

2) Activity Delivery Costs expenditures shall be paid only after such costs are expended for approved Work satisfactorily completed, provided the Department determines that the Project Performance Milestones in this Agreement are on track.

3) To receive reimbursement for Approved Activities, the Subrecipient must timely submit all required Department forms and necessary supporting documentation via Grants Network. Financial Reports must include the level of documentation specified by the Department in the Department's CDBG-DR Grant Administration Manual for 2017 and 2018 disasters, and any associated Financial Management memos (which may be amended from time to time) to be reviewed and processed. These documents are located on HCD's website here: found at Disaster Grant Administration & Reporting | California Department of Housing and Community Development (https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/disaster-grant-administration-and-reporting)

B. **Final Financial Reports**

1) The Final Financial Report for the Subrecipient Award must be submitted to the Department at least one hundred and twenty (120) days prior to the agreement expiration date of this Agreement.

2) If the Final Financial Report for funds expended during the term of this Agreement has not been received by the Department by the deadline cited in Section 6.B.1 of this Exhibit, the Department may disencumber any funds remaining in which case grant funds will no longer be available to the Subrecipient.

EXHIBIT B

7. Recapture of Funds

A Subrecipient may be required to repay all, or a portion of the funds received from the Department, including Activity Delivery, pursuant to this Agreement if the Subrecipient, among other things, does not fulfill its obligations under this Agreement or fails to meet applicable federal requirements. The reasons for a recapture of funds by the Department include, but are not limited to, the following:

A. The Subrecipient does not comply with the terms of this Agreement, or any agreement executed by the Subrecipient and the Department in connection herewith.

B. The Subrecipient withdraws from the program prior to completion of the Project(s) or Activity(ies).

C. The Subrecipient fails to meet a National Objective.

The potential recapture of funds pursuant to this provision is in addition to, and not in lieu of, any other rights and remedies of the Department under this Agreement.

8. Project Budget Revisions and Amendments

Budget line-item adjustments may be made in accordance with the following:

A. Budget Revisions: Adjustments to the Budget that do not require an increase or reduction of total activity budget, a change in National Objective, or a change in the type or a reduction in number of beneficiaries assisted may be completed as a Budget Revision. Budget Revisions shall include but not be limited to:

1) Adjustments that reallocate funds between budget line items.

2) Adjustments that increase or decrease the detail included in the submitted lined item budgets, including adding and removing budget line items, without increasing or decreasing the scope of work and without changing the overall budget.

EXHIBIT B

Budget Revisions must be approved by the Department prior to implementation. Approval shall be provided either through the online grant management system, or in writing, as appropriate. If approved, Budget Revisions shall automatically be deemed a part of, and incorporated into, this Agreement. Project budget revisions must be submitted through Grants Network and subsequently approved by the Department prior to implementation. Approval shall be provided through Grants Network.

B. Agreement Budget Amendments: Adjustments to the Subrecipient Award that result in an increased or a reduced total award amount shall require an Agreement amendment. Agreement amendments must be fully executed by both the Subrecipient and the Department prior to implementation.

9. <u>Approved Activity Closeout Procedures</u>

Once the Approved Activity is completed, the Subrecipient must submit the following to the Department at least one hundred and twenty (120) days prior to the Agreement Expiration Date.

1) Per Section 6.B of this Exhibit, the Final Activity Report (Project Completion Report) shall be submitted at least one hundred and twenty (120) days prior to the Agreement Expiration Date the Final Activity Report must include all required reporting data for the Activity including but not limited to eligible activities, costs, beneficiaries, and National Objective;

2) If applicable, a copy of the produced plan;

3) If applicable, Final Labor Standards Report as described in Exhibit D(18)(A) herein;

4) Signed Closeout Memo asserting all conditions have been met;

5) Evidence, satisfactory to the Department, of compliance with any other Special Conditions of this Agreement; and

6) A resolution from the governing body of the Subrecipient acknowledging the accomplishments of the Approved Activity and confirming that the Approved Activity is complete and that all Financial Reports have been submitted.

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Upon receipt and approval of the above documentation, the Department will close the Activity and finalize the activity in DRGR for final reporting to HUD.

10. Document Retention Policy

Subrecipient shall 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 Subrecipient that the applicable grant agreement between HUD and the State of California has been closed.

EXHIBIT D

CDBG-MIT MIT-RIP TERMS AND CONDITIONS

1. **Definitions**

Activity Costs – means any reasonable and necessary costs that are directly related to labor and/or direct construction and/or direct Program implementation costs which will meet a National Objective as defined in 42 U.S.C. 5304(b)(3), as amended and 24 CFR 570.483.

Activity Delivery Costs (ADCs) - means related allowable, reasonable, and necessary costs incurred for implementing and carrying out the eligible MIT-RIP. See the MIT-RIP Policies and Procedures Manual about how ADCs are defined for infrastructure activities.

Activity Reports – Monthly reports submitted by the Subrecipient that describe Approved Activity progress and/or beneficiaries served during a given reporting period. Activity Reports must be submitted by the 10th of each month.

Approved Activity– An Activity that has been submitted to the Department through the Notice of Funding Availability solicitation and reviewed and approved to receive a Subrecipient Award by the Department.

Area Median Income (AMI) –means the median household income for specific geographic areas, adjusted for household size, as calculated by HUD, and published annually by the Department at https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml. .

Authority to Use Grant Funds (AUGF) – is the written notification from HCD to the Subrecipient, indicating that a specific Project has met HCD's prerequisites, including all applicable environmental clearances, and authorizing the Subrecipient to expend CDBG-MIT funds on that specific Project.

CDBG-MIT – means the Community Development Block Grant – Mitigation funds which is the funding source for the Approved Activity(ies) the Department has agreed to fund via this Agreement.

California Environmental Quality Act (CEQA) - is a state statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.

Department – means the California Department of Housing and Community Development.

EXHIBIT D

Disaster Recovery Grant Reporting System (DRGR) – The electronic system primarily used by the Department to access grant funds from HUD and report performance accomplishments for grant-funded activities to HUD. The DRGR system is used by HUD to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor program compliance.

Duplication of Benefits (DOB) - Financial assistance received from another source that is provided for the same purpose as the MIT-RIP funds, in accordance with Federal Register Notices 84 FR 28836 and 84 FR 28848.

Eligible Activity Costs– Those necessary and reasonable costs under 2 CFR 200.400 through 475, and applicable notices and waivers, and as identified in Section 2.3 of the MIT-RIP Policies and Procedures Manual, and as approved by the Department. Eligible Activity Costs do not include any costs which are disallowed or otherwise deemed ineligible by the State of California and/or HUD.

Financial Reports (Funds Requests) – Monthly reports submitted by the Subrecipient that include the forms and processes required by the Department for a Subrecipient to use to request grant funds during a given reporting period. Financial reports must be submitted by the 10th of each month.

Grant Funds – The CDBG-MIT funds allocated to the Subrecipient for the implementation of the MIT-RIP Project. Grant Funds can be used under this Agreement to reimburse for Activity costs, Activity Delivery Costs, and Indirect Costs.

Household - all persons occupying a housing unit. The occupants may be a family, as defined in 24 CFR 5.403; two or more families living together; or any other group of related or unrelated persons who share living arrangements, regardless of actual or perceived, sexual orientation, gender identity, or marital status. (24 CFR 570.3). Note: An individual may be considered a smaller household if the living situation is temporary or transitional. Aging out of foster care, temporarily homeless and formerly incarcerated are examples of individuals that may be temporarily part of a larger household than what will be considered in a “household income calculation”.

HUD – The United States Department of Housing and Urban Development.

Indirect Costs - means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

EXHIBIT D

Indirect Cost Rate Proposal - means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate as further defined in 2 CFR 200.56 and 2 CFR 200.57.

Low- to Moderate- Income (LMI) – Low to moderate income people are those having incomes not more than the "moderate-income" level (80% Area Median Income) set by the federal government for HUD-assisted programs. This income standard changes from year to year and varies by Household size, county, and the metropolitan statistical area.

Mitigation Needs Assessment (MNA): Analysis of historical data and institutional knowledge provided in state and local Hazard Mitigation Plans and from prior disasters to determine risks of impacts of disasters on housing and infrastructure.

National Environmental Policy Act (NEPA) – The federal law and associated regulations which establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action.

Project: Project means any activity or series of activities undertaken by a Federal Agency or with Federal financial assistance received or anticipated in any phase of an undertaking in accordance with the Federal funding Agency guidelines pursuant to 49 CFR 24.2(a)(22)]

Standard Agreement ("Agreement") – The contractual arrangement between the Department and the Subrecipient which sets forth the terms and conditions by which MIT-RIP funds must be utilized with regards to the Approved Activity.

Subrecipient – a public or private nonprofit agency, authority, or organization receiving a direct award of grant funds from the Department for the purpose to undertake an Approved Activity that meet a National Objective.

Work – the scope of work required of the Subrecipient as set forth in Section 3 of Exhibit A, of this Agreement.

Subrecipient Award – The amount of grant funds allocated to the Subrecipient for an Approved Activity.

Urgent Need Mitigation (UNM) – The UNM National Objective requires that projects provide documentation that demonstrates a measurable and verifiable

EXHIBIT D

impact on reducing risks at the completion of the activity. UNM Projects must meet the following:

1) Address the current and future risks as identified in the Mitigation Needs Assessment.

2) Result in a measurable and verifiable reduction in the risk of loss of life and property.

2. **National Objectives**

In accordance with 24 CFR 570.208, Section 104(b)(3) of the Housing and Community Development Act of 1974, all CDBG-MIT funded activities must meet a National Objective. Under Section 101(c) of the authorizing Act (42 U.S.C. 5301), all CDBG-MIT Activities must satisfy that one of the named National Objectives. The qualifying National Objectives in MIT-RIP are:

1) Benefit to low-and moderate-income persons (LMI)

2) Urgent Need Mitigation (UNM)

Subrecipient must document how CDBG-MIT expenditures benefit LMI persons in accordance with the MIT-RIP and Procedures Manual, as may be amended and by using the current HUD income limits at the time of beneficiary applications, in a user-friendly format. Subrecipients are expected to maintain clear and accurate records of activity participants to show how the National Objective is met.

Subrecipient must document how CDBG-MIT expenditures meet the UNM National Objective in accordance with the MIT-RIP Policies and Procedures Manual.

Upon completion of the Approved Activity funded under this Agreement and prior to the funding expiration date of this Agreement, whichever comes first, the Subrecipient must document that the Approved Activity met a National Objective. The Department shall review the actual National Objective achievements of the Subrecipient. If the Subrecipient does not or cannot satisfactorily document the National Objective achievement of an Approved Activity, the Approved Activity may be deemed ineligible, and repayment of funds may be required of the Subrecipient.

3. **Duplication of Benefits**

A Duplication of Benefits (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. The

EXHIBIT D

amount of the duplication is the amount of assistance provided in excess of the total need for the same purpose. It is the Department's responsibility to ensure that CDBG-MIT funding provides assistance only to the extent that the mitigation need has not been fully met by funds that have already been paid, or will be paid, from another source.

The Subrecipient must report all funds obtained for the same Approved Activity from any source from the date of the disaster until the Activity is completed.

The Subrecipient agrees to repay to the Department immediately upon demand any assistance later received for the same purpose as the CDBG-MIT MIT-RIP funds and that exceeds the total need for the particular recovery purpose.

4. **Remedies and Termination for Noncompliance**

A. Remedies for Noncompliance: In addition to any other rights and remedies the Department may have under this Agreement, at law, or in equity, the Department may initiate remedies for noncompliance as identified in 2 CFR 200.339 at any time it has been determined that the Subrecipient is no longer meeting the terms and conditions of this Agreement. Remedies for noncompliance may be required in addition to, in lieu of, or prior to termination. Such remedies for noncompliance with a federal statute or regulation, a state statute or regulation, an assurance, in a state plan or application, or elsewhere may include, as appropriate:

1) Temporarily withhold cash payments pending correction of the deficiency by the Subrecipient.

2) Disallow all or part of the cost of the action not in compliance.

3) Wholly or partly suspend or terminate the Subrecipient's grant funds.

4) Withhold further and/or future awards for CDBG-MIT funds and/or any other funds administered by the Department.

5) Request that the Federal Awarding Agency initiate suspension or debarment proceedings.

6) Take other remedies that may be legally available, such as:

In the case of costs incurred without meeting a National Objective, require repayment of all funds reimbursed and/or paid to the Subrecipient, including Activity Delivery, as appropriate.

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In the case of Duplication of Benefits, require repayment of all CDBG-MIT MIT-RIP funds reimbursed and/or paid to the Subrecipient where other financial assistance was received for the same purpose or in excess of the recovery need.

In taking an action to remedy noncompliance, the Department will provide the Subrecipient an opportunity for such hearing, appeal, or other administrative proceeding to which the Subrecipient is entitled

under any statute or regulation applicable to the action involved as per 2 CFR 200.342. Such appeal shall be governed by, and conducted in accordance with, the appeal processes and procedures set forth in Section 5 herein.

B. Effects of Suspension and Termination. Subrecipient costs resulting from obligations incurred by the Subrecipient or any of the Subrecipient's contractors during a suspension or after termination of an Agreement are not allowable unless otherwise authorized by the Department in a written notice or as allowable in 2 CFR 200.343. The enforcement remedies identified in this Section do not preclude a Subrecipient or any of the Subrecipient's contractors from being subject to 2 CFR Part 2424. CDBG-MIT funds may not be provided to excluded or disqualified persons pursuant to 24 CFR 570.489(l) and 2 CFR 200.339.

The remedies available to the Department under this Agreement are cumulative and not exclusive.

C. Termination for Noncompliance: Grant funds provided by this Agreement may be terminated in whole or in part as per federal regulation at 2 CFR 200.340 by HUD or by the Department if Subrecipient fails to comply with the terms and conditions of the Agreement that include the terms and conditions of the federal award. All terminations shall include written notification setting forth the reason(s) for such termination, the effective date, and the portion to be terminated in the case of partial terminations and will follow termination notification requirements identified in 2 CFR 200.341.

D. Termination Without Cause: This Agreement may be terminated by the Department in whole or in part at any time without cause only with the consent of the Subrecipient. In the case of a termination of the whole Agreement, the parties shall agree upon termination conditions, including the effective date. In the case of a partial termination, the parties shall

agree upon termination conditions, including the portion to be terminated and the effective date.

E. Termination With Cause: This Agreement may be terminated by the Department in whole or in part at any time for cause by giving at least 14 days' prior written notice to the Subrecipient. Termination with cause includes termination prior to the end of the period of performance for failure to comply with the terms and conditions of this Agreement, and pursuant to 2 CFR 200.340(c), such termination shall be reported to the appropriate federal program integrity and performance system accessible through the System for Award Management. Termination with cause also

includes, without limitation, a failure by Subrecipient to comply with the Project Schedule, Activity Performance Milestones, Reporting Requirements, and/or Special Conditions issued for an Activity to use CDBG-MIT funds.

5. **Appeals Process for Noncompliance**: If Subrecipient disagrees with a finding and/or corrective action and/or sanction of noncompliance and/or any accompanying remedy and/or termination that are associated with such issue, the Subrecipient may appeal the disputed issue to the Department no later than thirty (30) calendar days from the date of the Department's issuance of the disputed decision. All appeals must be carried out in accordance with the Department's Monitoring Plan, Exhibit 16, "Appeal Process". The Monitoring Plan is posted on HCD's website here: Disaster Grant Administration & Reporting | California Department of Housing and Community Development

6. **Severability**

A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity may 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 Subrecipient 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.

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,

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the provisions of this Agreement or to require, at any time, performance by the Subrecipient 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. All waivers by the Department must be in writing to be valid.

8. **Uniform Administrative Requirements**

The Subrecipient, its agencies or instrumentalities, shall comply with the policies, guidelines, and Administrative Requirements of 2 CFR Part 200, et seq., as

applicable, as they relate to the cost principles, audit requirements, acceptance, and use of federal funds under this part.

A. Single Audit Compliance: Funds will not be disbursed to any Subrecipient identified by the State Controller's Office (SCO) as noncompliant with the Federal Single Audit Act, as described in the Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards at 2 CFR 200 Sub-Part F. No funds may be disbursed until compliance with the Uniform Guidance is demonstrated to the satisfaction of the Department.

B. Accounting Standards: The Subrecipient agrees to comply with, and administer the activity in conformance with, 2 CFR Part 200.300, et seq., and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

C. Suspension and Debarment: By executing this Agreement, Subrecipient verifies and affirms that it has not been suspended or debarred from participating in or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs. Subrecipient further agrees to verify that its Contractors have not been suspended or debarred from participating or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs.

9. **Compliance with State and Federal Laws and Regulations**

A. The Subrecipient, its agencies or instrumentalities and contractors shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and procedures established by the Department for the administration of MIT-RIP, as the same may be amended from time to time.

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B. The Subrecipient shall comply with the requirements of 24 CFR 570, the HUD regulations concerning Community Development Block Grants, 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance, adopted by HUD at 2 CFR 2400, and all federal regulations, rules, and policies issued pursuant to these regulations. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

10. **Authority to Impose Additional Special Conditions**

In accordance with 2 CFR 200.208, Department reserves the right and authority to impose additional specific conditions issued under this Standard Agreement under any of the following circumstances:

A. When, in the Department's sole discretion, the Department finds that Subrecipient has a history of failure to comply with the general or specific terms and conditions applicable to the MIT-RIP funds allocated under this agreement or to other awards of federally funded grant or loan assistance passed through the Department

B. When Subrecipient fails to meet expected performance goals under this agreement.

C. When Subrecipient poses an increased risk for noncompliance based on factors including, but not limited to, financial stability, quality of management systems, history of performance under Federal awards, history of timeliness under Federal awards, history of conformance with terms and conditions of previous federal awards, and reports and findings from audits.

D. When, in the Department's sole discretion, such conditions are necessary to ensure timely and compliant performance under the federal award.

Such specific conditions, or special conditions, may include, withholding of authority to proceed to the next phase of an Approved Activity until receipt of evidence of acceptable performance within a given period of performance, requiring additional detailed financial reports, requiring additional Activity monitoring, requiring the Subrecipient to obtain technical or management assistance, establishing additional prior approvals, or any other condition the Department deems reasonable and necessary to safeguard Federal funds.

11. **Equal Opportunity Requirements and Responsibilities**

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The obligations undertaken by Subrecipient include, but are not limited to, the obligation to comply with all federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following, among other things, as the same may be amended from time to time:

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 promote 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 [42 U.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 persons age 55 or older.

F. **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.

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G. **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.

H. **The Americans with Disabilities Act of 1990 (ADA):** This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination
I. 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.

I. **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.

J. **Executive Order 12259:** 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.

K. **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.

L. **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.

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M. **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.

N. **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. **Relocation, Displacement, and Acquisition**

The Subrecipient shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and regulations adopted to implement the Act in 24 CFR Part 42, 49 CFR Part 24, and Section 104(d)of the Housing and Community Development Act of 1974 as they apply to the performance of this Agreement.

13. **Economic Opportunities for Low- and Very Low-Income Persons (Section 3)**

A. The Subrecipient and the Subrecipient's contractors and Developers shall comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulation at 24 CFR, Part 75. The responsibilities outlined in 24 CFR Part 75.19 include:

- Employment and Training: Implementing procedures designed to notify Section 3 workers 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.

- Contracting: Notifying potential contractors for Section 3 covered projects of the requirements of Part 75, Subpart C and incorporating the Section 3 clause set forth below in all solicitations and contracts in excess of $100,000 as required at 24 CFR 75.27.

Section 3 Clause

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other

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economic opportunities generated by HUD assistance or HUD-assisted Activity covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR. Part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75.

The contractor acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is

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selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

The contractor agrees to submit, and shall require its subcontractors to submit to them, regular reports detailing the total number of labor hours worked on the Section 3 Project, the total

number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 workers and Targeted Section 3 workers.

The contractor agrees to facilitate the training and employment of Section 3 workers and the award of contracts to Section 3 business concerns by undertaking activities such as described in Section 75.25(b) as appropriate, to reach the goals set forth in Section 75.23 and in Federal Register Vol. 85, No. 189, page 60909, until superseded by HUD in a subsequent publication. As of September 29, 2020, the minimum Section 3 benchmark is twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

The contractor agrees to document actions taken to comply with the foregoing requirements, the results of those actions taken and impediments, if any.

14. **Environmental Compliance**

A. The Subrecipient shall comply with the California Environmental Quality Act (CEQA) requirements as they apply to this Activity.

B. The Subrecipient shall comply with the 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

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requirements specified in said Section 114 of the Clean Air Act and Section 308 of the Clean Water Act, and all regulations and guidelines issued thereunder.

C. The Subrecipient shall comply with the requirements of the Clean Air Act, 42 U.S.C. 1857, et seq., as amended.

D. The Subrecipient shall comply with Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Parts 15 and 50, as amended.

E. The Subrecipient shall comply 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, that 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).

F. The Subrecipient shall comply with the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act of 1971. 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 poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.

G. The Subrecipient shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), 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. The Subrecipient shall also comply with Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation

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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.

H. Subrecipient shall comply with all National Environmental Policy Act (NEPA) requirements as applicable to the performance of this Agreement as found in 24 CFR Part 50, 24 CFR Part 58, as applicable, and 40 CFR 1500 – 1508. Subrecipient shall not receive authority to incur activity costs until they have successfully documented compliance with the applicable NEPA requirements, including public noticing and publishing.

The subrecipient understands and agrees that this Agreement does not constitute a commitment of funds or site approval, and the commitment of funds or approval may occur only upon satisfactory completion of

environmental review and receipt by the Department of an approval of the request for release of funds and certification from HUD or the Department under 24 CFR Part 58. The provision of any funds to the Activity is expressly conditioned on the Department's determination to proceed with, modify or cancel the Activity based on the results of the environmental review.

15. **Procurement**

The Subrecipient shall comply with the procurement provisions in 2 CFR Part 200.318 – 200.326, Procurement Standards as well as all other Administrative Requirements for Subrecipient and Cooperative Agreements to State, local and federally recognized Indian tribal governments as set forth in 2 CFR 200, et seq., as applicable. All procurements must be conducted in a fair, open, and competitive manner in compliance with both the spirit and the letter of applicable federal laws. See the Procurement and Contracts section of HCD's website at Disaster Grant Administration & Reporting | California Department of Housing and Community Development

16. **Procurement of Recovered Materials**

In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the contractor determines that such items: (1) are not reasonably available in a reasonable

period of time; (2) fail to meet reasonable performance standards, which shall be determined based on the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

Pursuant to 30 CFR 247.2, this clause shall apply to items purchased under this Agreement where: (1) the contractor purchases in excess of $10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of $10,000 of the item both under and outside that contract.

17. **Construction Standards**

The Subrecipient shall ensure that all Approved Activities comply with the following requirements, as applicable:

The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157)

The Architectural Barriers Act (ABA) stands as the first measure by Congress to ensure access to the built environment for people with disabilities. The law requires that buildings or facilities that were designed, built, or altered with federal dollars or leased by federal agencies after August 12, 1968, be accessible.

California Green Buildings Standards Code (CALGreen) (Title 24, Part 11 of the California Code of Regulations)

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate California Green Buildings Standards Code (CALGreen).

Sustainability Requirements

All rehabilitation, reconstruction, and new construction must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the Subrecipient, Subrecipient's and contractors must follow best practices, such as those provided by the U.S. Department of Energy.

National Floodplain Elevation Standards

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Subrecipients and contractors must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

Wildland-Urban Interface Building Codes (WUI Codes)

All Approved Activities that are located in a CAL FIRE high fire zone must comply with applicable WUI Codes, found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design, and construction standards to maximize ignition- resistance.

18. **Federal Labor Standards Provisions**

The Subrecipient shall always comply, and cause all Activity contractors to comply, with applicable federal labor standards, including without limitation, the following:

A. DavisBacon Act (40 U.S.C. §§ 31413148), which 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. "AntiKickback Act of 1986" (41 U.S.C. §§ 5158), which 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 is 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), which requires that workers receive "overtime" compensation at a rate of one and one half (11/2) 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 5, which are the regulations and procedures issued by the Secretary of

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Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Subrecipient 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. Subrecipient shall be responsible for monitoring Developer, contractors, and subcontractors, as applicable, for compliance with these provisions.

19. **State Prevailing Wages**

A. The Subrecipient shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 [LC Section 17201743] 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 Subrecipient and a licensed building contractor, the Subrecipient shall serve as the "awarding body" as that term is defined in the LC. Where the Subrecipient 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.

C. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in LC Section 1770-1784 or the Davis-Bacon Wage Determination.

20. **Agreements with Contractors**

A. The Subrecipient shall not enter into any agreement, written or oral, with any contractor or other party without the prior determination that the contractor or other party is eligible to receive federal funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible contractors.

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The terms “other party” is defined as public or private nonprofit agencies or organizations and certain (limited) private for-profit entities who receive grant funds from a Subrecipient to undertake Approved Activities.

B. An agreement between the Subrecipient and any contractor or other party shall require:

1) Compliance with all State and federal requirements described in this Agreement including without limitation those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug Free Workplace, and 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 Approved Activities.

3) Maintenance, as 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 Approved Activities.

4) Compliance with the applicable Equal Opportunity Requirements described in Section 10 of this Exhibit.

C. Contractors shall:

Perform the Approved Activities in accordance with federal, state, and local regulations, as are applicable.

D. Contractors and Subcontractors: Drug-Free Workplace Act of 1988

1) <u>Publish and give a policy statement</u> 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) <u>Establish a drug-free awareness program</u> to make employees aware of a) the dangers of drug abuse in the workplace; b) the

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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 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 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 drugfree workplace by meeting the requirements of the act.

21. **Rights to Inventions Made Under a Contract or Agreement**

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

22. **Special Conditions Pertaining to Hazards, Safety Standards and Accident Prevention**

A. Use of Explosives: When the use of explosives is necessary for the prosecution of the work, the contractor shall observe all local, state, and federal laws in purchasing and handling explosives. The contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced, and the material shall be covered with suitable timber, steel, or rope mats.

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The contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer does not in any way reduce the responsibility of the contractor or his Surety for damages that may be caused by such use.

B. Danger Signals and Safety Devices: The contractor shall make all necessary precautions to guard against damages to property and injury to persons. The contractor shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades, and other devices necessary to protect the public.

C. Protection of Lives and Health: The contractor shall exercise proper precaution at all times for the protection of persons and property and shall

be responsible for all damages to persons or property, either on or off the worksite, which occur as a result of prosecution of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by Chapter XIII, Bureau of Labor Standards, Department of Labor, Part 1518, Safety and Health Regulations for Construction, as outlined in the Federal Register, Volume 36, No. 75, Saturday, April 17, 1971, Title 29 - LABOR, shall be observed and the contractor shall take or cause to be taken, such additional safety and health measures as the Developer may determine to be reasonably necessary.

23. **Prohibition Against Payments of Bonus or Commission**

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

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

B. 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.

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24. **Reporting Requirements**

A. Subrecipient must timely submit the reports prescribed below. The Department reserves the right to request additional detail and support for any report made. Reports must be made according to the dates identified, in the formats provided by the Department, and via the Department's online Grants Network portal unless otherwise specified at the discretion of the Department. The Subrecipient's performance under this Agreement will be assessed based in part on whether it has submitted the reports on a timely basis.

1) Monthly Activity Report: Subrecipient must submit a Monthly Activity Report which shall contain the following: (1) a description of the current status of the Work; (2) a description of activities to be undertaken in the next reporting period, if the Department requests this; (3) a description of problems or delays encountered in Work and course of action taken to address them, if applicable; (4) performance metrics as requested by the Department and dependent on the type of Activity and (5) a summary of the Work's fiscal status, including award amount, funds drawn, and remaining balance. (6) A summary of all Section 3 training opportunities or jobs provided, as applicable for covered projects.

Unless otherwise waived in writing by the Department, Monthly Activity Reports must be submitted starting on the 10th calendar day of the first full month following execution of this Agreement and must continue through the receipt and approval by the Department of the Activity Completion Report, detailed below.

2) Semi-Annual Labor Standards Report: During the term of construction for each Approved Activity, each April 1st and October 1st, the Subrecipient must submit the Labor Standards Cover Memo, the HUD Form 4710 and the Davis Bacon Labor Standards Report 5.7 (if applicable). These forms are located on the Department's website and are also available upon request.

3) Activity Completion Report: At the completion of the CDBG-MIT funded portion of a Program, the Subrecipient must submit an Activity Completion Report as set forth in Exhibit B. The performance metrics are identified in Exhibit F.

4) For Financial Reports, see Section 6 of Exhibit B.

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25. **Fiscal Controls**

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

A. Deposit of Funds: Subrecipient shall maintain separate accounts within established bookkeeping systems for the deposit of CDBG-MIT funds and Program Income. Deposits in minority banks are encouraged.

B. Fiscal Liability: Subrecipients shall be liable for all amounts which are determined to be due by the Department, including but not limited to, disallowed or ineligible costs which are the result of Subrecipient's or its contractor's conduct under this Agreement. Subrecipients shall also be liable for the repayment of all amounts it has received under this Agreement and which HUD is seeking reimbursement for from the

Department. Subrecipient's obligation to repay the foregoing amounts to the Department shall survive indefinitely the expiration or earlier termination of this Agreement. Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Department and HUD arising from this Agreement.

C. Fiscal Records: All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 7 herein.

26. **Monitoring Requirements**

During the term of this Agreement, the Department may perform fiscal and/or program monitoring of the Subrecipient and Approved Activities to ensure compliance with federal and state requirements and timely Approved Activity completion. The Department monitors its Subrecipients based upon an assessment of risk posed by the Subrecipient as well as in accordance with specific monitoring criteria per 2 CFR 200.332. The Subrecipient shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. In the event the Subrecipient disagrees with a finding and/or any accompanying corrective actions or sanction(s) that are associated with such finding, the Subrecipient shall follow an appeals process located in the CDBG-DR Grant Administration Manual for 2017 and 2018 disasters, XVI. Monitoring and Compliance, Section K. (www.hcd.ca.gov/grants-

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and-funding/disaster-recovery-and-mitigation/disaster-grant-administration-and-reporting)

27. **Audit/Retention and Inspection of Records**

A. The Subrecipient must have intact, auditable fiscal and program records at all times. If the Subrecipient is found to have missing audit reports from the California State Controller's Office (SCO) during the term of this Agreement, the Subrecipient will be required to submit a plan to the State for submitting the audit to the SCO. If the deadlines are not met, the Department may initiate remedies for noncompliance in accordance with Section 4 herein. The Subrecipient's audit completion plan is subject to prior review and approval by the Department.

B. The Subrecipient 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 Subrecipient 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., and other requirements of this Agreement. The Subrecipient further agrees to maintain such records for a minimum period of five (5) years after the Department notifies Subrecipient that the HUD/the Department contract has been closed according to the record retention requirements at 2 CFR 200.334. The Subrecipient shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code Section 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 Subrecipient.

D. Absent fraud or material error on the part of the Department, the determination by the Department of the allowability or validity of any expenditure shall be final and conclusive.

E. For the purposes of annual audits, Subrecipient shall comply with 2 CFR Part 200 Subpart F. Pursuant to 2 CFR Part 200 Subpart F, the Subrecipient shall perform an annual audit at the close of each fiscal year

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in which this Agreement is in effect. The costs of the MIT-RIP related portion of the audit may be charged to the program in accordance with Public Law 98-502, 2 CFR Part 200 Subpart F, and Title 25 CCR Section 7122.

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 Subrecipient 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 Subrecipient in writing. If the Department is not in agreement, the Subrecipient will be contacted in writing and informed what corrective actions must be taken. This action may include the repayment of disallowed costs or other remediation.

3) The Department shall not approve reimbursement for any expenditures for the audit, prior to receiving an acceptable audit report.

4) If so, directed by the Department upon termination of this Agreement, the Subrecipient shall cause all records, accounts, documentation, and all other materials relevant to the grant activity(ies) to be delivered to the Department as depository.

F. Notwithstanding the foregoing, the Department will not reimburse the Subrecipient for any audit cost incurred after the expiration of this Agreement.

28. **Signs**

If the Subrecipient places signs stating that the Approved 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 Approved Activity that the Department is a source of financing through the MIT-RIP.

29. **Insurance and Bonding**

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A. The Grantee shall have and maintain in full force and effect prior to the start of work, and at all times during the term of this Agreement 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 E and pursuant to 2 CFR 200 sections on bonding and insurance requirements. Prior to the commencement of any work, Grantee shall provide to the Department acceptable proof(s) of insurance confirming the required insurance coverages are in effect and naming the Department as an additional insured, where applicable. No insurance policy may be cancellable on less than thirty (30) calendar days prior notice to the insured and the Department. Grantees are responsible for requiring sufficient insurance, including but not limited to liability and workers compensation insurance, from all contractors and subrecipients. Grantees are recommended to be listed as an additional insured on policies held by contractors or subrecipients for the implementation of this award. Where a Grantee insurance policy is required to be purchased specifically for the execution or implementation of the activity funded through this award, the Department must be listed as an additional insured on the declarations page of the policy.

B. Additional Coverages. In the event that Grantee and/or any of its Subrecipients or Contractors will be engaging in any Hazardous Activity as part of the Collective Work contemplated by this Agreement, then the party(ies) engaging in any Hazard Activity(ies) shall provide to the Department, prior to commencement of any such activity(ies), such insurance coverages in such forms and in such amounts as the Department may require in its sole discretion. Such coverages are in addition to all other insurance coverages required by this Agreement and shall be imposed on any Subrecipient and/or Contractor pursuant to the Subrecipient Agreement or Contract. For purposes of the provision, the term "Hazardous Activity" includes the following: (a) the removal, storage, and/or transportation of any "hazardous material", as such term is defined under federal, state, or local law, ordinance, regulation, or guideline, (b) the removal, storage, or transportation of lead-based paint, (c) blasting, (d) any activity which by its nature is abnormally dangerous, and (d) any "ultrahazardous activity" as defined in California case law. In addition to providing proof of such required coverages, the party(ies) engaging in the Hazardous Activity(ies) shall procure, at its expense prior to the commencement of any work, all required permits, licenses, consents, and approvals that are required for the lawful conduct of such activities and shall provide adequate written proof thereof to the Department. No Hazardous Activity work may be commenced, or contracted for, prior to the provision of the required insurance coverages and licensure proof to the Department.

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30. **Indemnification**

Subrecipient, at its sole cost and expense, shall indemnify, defend, and hold the Department and its employees, appointees, representatives, attorneys, agents, and their respective successors, heirs, and assigns harmless from and against any and all claims, demands, actions, costs, losses, damages, and liabilities, whether direct or indirect, and regardless of their nature or source, which in any way relate to or arise from the actions or inactions of Subrecipient and/or its contractors, subcontractors, employees, owners, agents, and representatives in connection with this Agreement and any agreement or instruments executed in connection herewith. The obligations of Subrecipient under this Section shall survive indefinitely the closeout of Approved Activity and the expiration or earlier termination of this Agreement.

31. **Anti-Lobbying Certification**

The Subrecipient shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with the Approved Activity(ies) and 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 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.

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32. **Conflict of Interest**

Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the Subrecipient, or its designees or agents, no member of the governing body of the locality in which the Approved Activity is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to MIT-RIP 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, including members and delegates to the Congress of the United States, may obtain a financial interest or benefit from a MIT-RIP assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a MIT-RIP assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for 1 year thereafter. The Subrecipient shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this section.

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

The Subrecipient 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 Work with respect to which assistance is being provided under this Agreement to the Subrecipient. The Subrecipient shall comply with all lawful requirements of the Department necessary to ensure that the Work, with respect to which assistance is being provided under this Agreement to the Subrecipient, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974 (42 U.S.C. § 5304(g)).

34. **Energy Policy and Conservation Act**

This Agreement is subject to mandatory standards and policies relating to energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the federal Energy Policy and Conservation Act (Pub. L. 94163, 89 Stat. 871).

35. **State Contract Manual Requirements (Section 3.11, Federally Funded Contracts (Rev. 3/03)**:

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A. All contracts, except for State construction projects that are funded in whole or in part by the Federal government, must contain a 30-day cancellation clause and the following provisions:

1) It is mutually understood between the parties that this contract may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.

2) This contract is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the purpose of this Program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.

3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the Program, this contract shall be amended to reflect any reduction in funds.

4) The Department has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.

B. Exemptions from provisions A.1 through A.4 above may be granted by the Department of Finance provided that the director of the State agency can certify in writing that Federal funds are available for the term of the contract.

C. Gov. Code § 8546.4(e) provides that State agencies receiving Federal funds shall be primarily responsible for arranging for Federally required financial and compliance audits, and shall immediately notify the Director of Finance, the State Auditor, and the State Controller when they are required to obtain Federally required financial and compliance audits.

36. **Fraud, Waste, and Abuse**

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

B. Detecting, Preventing, and Reporting Fraud - Fraud is a white-collar crime that has a devastating effect on the CDBG-DR program because the

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CDBG-DR program beneficiaries are victims of this crime when the CDBG-DR program is abused. The Department wants to stop any criminal assault on the CDBG-DR program it administers, and in doing so ensure all CDBG-DR funds go to people it was designed to help and improve their living conditions.

C. Combatting Fraud - The HUD Office of Inspector General (OIG) is committed to protecting HUD's programs, operations, and beneficiaries from dishonest individuals and organizations. HUD cannot combat fraud alone; they rely on Department and DR Workforce Development NOFA Applicants to combat CDB-DR program fraud. HUD also relies on Applicants for and people receiving HUD benefits, such as: tenants receiving rental assistance, borrowers with HUD insured loans, or citizens having their communities restored using HUD grants. The HUD OIG Hotline number is **1-800-347-3735**. This is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or Whistleblower related matters for the CDBG-DR program to the OIG.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG-DR program from HUD employees, anyone administering the CDGB-DR program, anyone working in the CDBG-DR program, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or program participants. Fraud, Waste and Abuse in the CDBG-DR program and its operation may be reported in one of the following four (4) ways:

1) By email to: hotline@hudoig.gov
2) By phone: Call toll free: 1-800-347-3735
3) By fax: 202-708-4829
4) By mail: Department of Housing & Urban Development
Office of Inspector General Hotline Manager
400 Virginia Avenue, SW, Suite 120
Washington, DC 20024

37. **Whistleblower Protections**

A. Federal Whistleblower Protection Act (5 U.S.C Section 2302(b)(8))

The Federal Whistleblower Protection Act (WPA) protects employees from retaliation for making protected disclosures. The WPA also provides penalties for supervisors who retaliate against Whistleblowers.

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1) A disclosure is protected under the WPA if the employee discloses information the employee reasonably believes to be evidence of:

   a) a violation of any law, rule, or regulation,

   b) gross mismanagement,

   c) a gross waste of funds,

   d) an abuse of authority, or

   e) a substantial and specific danger to public health or safety.

2) In general, an employee or applicant may make a protected disclosure to anyone, including non-governmental audiences, unless the information is classified or specifically prohibited by law from release. Options for making a protected disclosure include:

   a) Informing a supervisor or someone higher up in management,

   b) Submitting a complaint to the OIG by emailing the OIG at oig@ftc.gov,

   c) Filing a complaint with the Office of Special Counsel (OSC) http://www.osc.gov/

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

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

   a) Violates any state or federal law or regulation,
   b) Violates an Executive Order of the Governor, a California Rule of Court, or any policy or procedure required by the State Administrative Manual or State Contracting Manual, or

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c) Is economically wasteful or involves gross misconduct, incompetency, or inefficiency. Complaints received by the State Auditor are confidential, and the identity of the complainant may not be revealed without the complainant's permission, aside from to an appropriate law enforcement agency conducting a criminal investigation.

2) There are many ways to file a complaint:

a) By Telephone

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

b) By Mail or Facsimile

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

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

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

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

c) Online

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

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

i. A clear and concise statement of what you are alleging to be improper activity and why you believe it is improper.

ii. The name or other information that clearly identifies the person you are alleging has acted improperly and the department where that person works.

iii. The names and contact information for any witnesses who can confirm the truth of what you are saying.

iv. Copies of any documents that will support what you are saying. (You should not submit original documents, as they cannot be returned.)

38. <u>Authority to Post Remediated Versions of Agreement</u>

Subrecipient hereby understands and acknowledges that the Department is obligated under federal law to post on the Department's website copies of all CDBG-DR executed contracts. As posted, such contracts must be compliant with federal and state law accessibility laws, including the California Government Code Section 11546.7 (2017 Assembly Bill 434) and the federal Americans with Disability Act, Section 508. The state law is most stringent of the two, so all posted documents must meet Web Content Accessibility Guidelines 2.0 (WCAG 2.0) accessibility level.

To comply, the Department must utilize document remediation tools that provide the compliant formatting. All remediation will only change formatting, color schemes, and update any tables so that screen readers can properly read out the content of the table. Thus, during remediation, the appearance of this Agreement may change, but under no circumstances shall any terms or tenets of the Agreement be changed in anyway.

Additionally, the Department shall offer website visitors the option to receive a scanned, un-remediated copy of this Agreement via email, which option Subrecipient also consents to.

The foregoing Subrecipient authorizations apply to both this original Standard Agreement as well as any and all subsequent amendments thereto.

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SPECIAL TERMS AND CONDITIONS

1. Due Diligence Review

Subrecipient has provided, or will provide, the Department with information about the Subrecipient's experience, processes, policies, and procedures related to the management of federal funding by the Subrecipient. These submissions, in addition to discussions with the Subrecipient, have been used to inform this Agreement and are being materially relied upon by the Department in agreeing to enter into this Agreement.

Should there be substantive changes to the organization, key personnel, methods, capacity, policies, or processes of the Subrecipient that impact the implementation of this Agreement, the Subrecipient shall promptly notify the Department of said changes.

Subrecipient agrees to timely provide documents and information to the Department in order for the Department to facilitate its Subrecipient due diligence as required by Federal Register Notice 85 FR 4681. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's due diligence and maintain the capacity to carry out disaster recovery activities in a timely and compliant manner at all times during the term hereof.

2. Risk Assessment

During the term of this Agreement, Subrecipient agrees to timely provide documents and information to facilitate the Department's Subrecipient risk assessment process. Subrecipient further agrees to comply with the requirements, requests, and results of the Department's risk assessment, including participation in Subrecipient monitoring events.

3. Special Conditions

Pursuant to Exhibit A, Section 3, Subrecipient Scope of Work, and the Due Diligence and Risk Assessment as referenced above, Subrecipient agrees to adhere to the following Special Conditions: None

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DETAILED SCOPE OF WORK, BUDGET, AND APPLICATION

Name of Project: Storm Drain Resiliency Project Phase 2

Grants Network Unique Identifier (Contract Number): 18-MITRIP-23020

1. Program Overview

THE CDBG-MIT ELIGIBLE ACTIVITY(IES): Installation of Public Facilities and Improvements

THE NATIONAL OBJECTIVE TO BE ACHIEVED FOR EACH ACTIVITY AS A RESULT OF THIS PROJECT: Urgent Need Mitigation (UNM)

THE METHOD OF MEASURING NATIONAL OBJECTIVE, IF LMI: N/A

THE NUMBER OF INDIVIDUALS BENEFITTING FOR EACH ACTIVITY AS A RESULT OF THIS PROJECT:

- Total beneficiaries: 19,515
- Total low/mod beneficiaries: 9,070

2. Activity Scope of Work ("Work")

Following adoption of the Town of Paradise's Storm Drain Master Plan in 2022, Paradise Public Works has identified a comprehensive project to improve the Town's vulnerability to localized flooding through installation of new infrastructure as well as addressing chronically undersized systems. In the storm drain resiliency project, multiple locations across the Town of Paradise will have existing drainage systems resized to better handle larger flows and therefore mitigate future flooding. In the case of other locations that don't have any existing drainage systems, new pipe systems will be added to fix an existing or potential problem. This project is needed because across Paradise many of the drainage systems are outdated, inadequate, and not ready to handle any potential flooding/full capacity runoff in the future. This project will benefit all the residents in the Town of Paradise. As stated before, this project will be done by adding additional features to facilitate proper drainage (installing drain inlets, dike) and resizing existing pipes or installing new ones (18-inch reinforced concrete pipe resized to 24 inches).

The proposed Storm Drain Resiliency Project holds significant benefits not only for adjacent property owners but for all residents of the Town of Paradise. By enhancing the town's storm drainage infrastructure, the project will mitigate the risk of localized flooding, thereby safeguarding properties, public infrastructure, and community assets throughout the town. Here's how the proposed improvements will benefit all town

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residents: Reduced Flood Risk, Enhanced Road Safety, Improved Quality of Life, Protection of Natural Resources, Community Cohesion and Resilience.

3. Budget Worksheets (attached)

The Project budget is included below as Attachments 1 and 2.

Attachment 1 – Grants Network Budget Worksheet is the high level, official budget for the Project. Any adjustments of this budget will result in either a budget revision or amendment.

Attachment 2 – Total Activity Budget Worksheet is the overall, detailed project budget submitted with the application. This budget provides a breakdown of the Grants Network Budget Worksheet. Only changes to the Total Activity Budget Worksheet that impact the Grants Network Budget Worksheet will result in either a budget revision or amendment.

When applicable, documentation that supports the indirect cost rate and ADCs is included as Attachment 6.

4. Performance Measures

The following performance measures, included as Attachment 3, have been determined to be required for the monthly activity report, at the discretion of HCD and they are in bold below. Each month the Subrecipient will report on how the Project has progress on reaching the target numbers. The proposed target numbers are based on information provided by the Subrecipient and the Work Deliverable is identified per Activity performance measure. Projects are not required to report on the non-bolded items.

5. Project Schedule

The Project Schedule for the Project is included below as Attachment 4.

6. Application (attached)

In addition to the above detail, the Application is included as Attachment 5 for further details. In the event of a direct conflict between Exhibit F language above and the Application, this Exhibit F supersedes the Application, to the extent of the conflict.

EXHIBIT F

Attachments:

1. Grants Network Budget Worksheet
2. Total Activity Budget Worksheet
3. Performance Measures
4. Project Schedule
5. Application

Attachment 1: Grants Network Budget Worksheet

Passthrough Agency: California Department of Housing and Community Development
Program: 2018 CDBG-MIT RIP Allocation Project Application
Project Name/Title: Storm Drain Resiliency Project Phase 2
Org Name: Town of Paradise
Stage: Pre-Award

Report Date: 02/24/2026
Requested By: Marc Mattox
mmattox@townofparadise.com

Budget Items

Category	Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	GL Account	Cost Share	Type
Activity										
Activity Total			2	$6,365,136.95	$6,365,136.95	$6,365,136.95	$0.00		$0.00	
General Administration										
General Administration Total			0	$0.00	$0.00	$0.00	$0.00		$0.00	
Activity Delivery										
Activity Delivery Total			4	$2,302,949.55	$2,302,949.55	$2,302,949.55	$0.00		$0.00	

Other

Category	Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	GL Account	Cost Share	Type
Other										
Other Total			0	$0.00	$0.00	$0.00	$0.00		$0.00	
Grant Total			6	$8,668,086.50	$8,668,086.50	$8,668,086.50	$0.00		$0.00	

Budget Report, Created by Marc Mattox, mmattox@townofparadise.com, 02/24/2026
Source: Euna™ Portal
http://www.ecivis.com/

Grants Network Budget Narrative

Passthrough Agency: California Department of Housing and Community Development
Program: 2018 CDBG-MIT RIP Allocation Project Application
Project Name/Title: Storm Drain Resiliency Project Phase 2
Org Name: Town of Paradise
Stage: Pre-Award

Report Date: 02/24/2026
Requested By: Marc Mattox
mmattox@townofparadise.com

Narrative

The Storm Drain Resiliency Project Phase 2 covers 11 locations that addresses flooding and inadequate drainage. Locations that have a higher priority in being fixed and if needed the lower priority locations can be scoped out to ensure the highest priority locations are completed. Although there would be less locations in this scenario it wouldn't decrease the amount of beneficiaries as these locations are spread out over all of the Town of Paradise. The Storm Drain Resiliency Project Phase 2 focuses on the engineering design, environmental clearance and permitting, and construction engineering components of the budget. During these different aspects of the Storm Drain Resiliency Project Phase 2, several key activities will occur to ensure the project will be completed correctly and in a timely manner. Each of these items are described in further details below. The project covers 11 different locations, the locations vary from areas that have much more work to be done and cover a large stretch of a major road and the other locations still has a decent amount of work to be done but are located along a non major road. These projects differ in project classification because in some locations the current pipe needs to be resized while the other locations involves the new construction of a pipe system. Some rough preliminary work has been done on these locations but a full and updated design will be needed for this project. This design can be done by the same engineering firm and will take approximately 18 months. Environmental Permitting/Documents: The Town will need to obtain environmental permits from certain state and federal agencies. Because obtaining these permits is often very complex and time consuming, they are usually handled as separate activities during the design phase. Because the Storm Drain Resiliency Project Phase 2 locations occur within the Town of Paradise, in areas that have already been developed, it is likely that no significant environmental permits will be needed for that component. Multiple locations crosses/interferes with a water body (creek) which will likely trigger the need to obtain environmental permits from the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Department of Fish and Wildlife, and the Central Valley Regional Water Quality Control Board. This environmental permitting/document process will take approximately 12 months. Construction Engineering:Considering most locations take place on busy and frequented streets, lots of coordination and preparation will need to take place for this project. Actions such as clearing and grubbing of the land, traffic control, public relation/communication, and the actual construction of each of the storm drain projects will be the main focus of this activity. As construction takes place our construction inspectors will be diligently checking on the projects daily and communicating with staff to solve any problems. The same contractor can likely be hired to work on all locations and it will take an estimated 14 months.

Attachment 2: Total Activity Budget Worksheet

AGENCY: Town of Paradise - Storm Drain Resiliency Project Phase 2
PROGRAM: 2018 CDBG-DR MIT-RIP
STAGE: Application
REPORT DATE: 11/19/2025
REQUESTED BY: HCD

ACTIVITY COSTS

Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	Funding Source
Site Work Construction	Site Preperation and Construction of the project components - Installation and preparation of needed drainage improvements.	1	$ 6,306,199.98		$ 6,306,199.98	$ -	CDBG-MIT-RIP
Right of Way	Cost to acquire right of way for the project.		$ 58,936.97	$ -	$ 58,936.97	$ -	CDBG-MIT-RIP
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			$ -	$ -	$ -	$ -	
			ACTIVITY COST TOTALS:	**$0.00**	**$6,365,136.95**	**$0.00**	

ACTIVITY DELIVERY COSTS

Title	Description	Units	Unit Cost	Extended Cost	Direct Cost	Indirect Cost	Funding Source
Project Approval & Environmental Document	Town management costs and consultant fees to prepare the CEQA/NEPA document, associated technical studies, and 35% design and cost estimate	1	$ 1,024,022.87		$ 1,024,022.87		CDBG-MIT-RIP
Plans Specifications & Estimate	Town management costs and consultant fees to prepare final design plans, specifications, and estimate and identify right of way requirements	1	$ 551,057.88		$ 551,057.88		CDBG-MIT-RIP
Right of Way	Town management costs and consultant fees for right of way support costs and purchase property	1	$ 176,810.91		$ 176,810.91		CDBG-MIT-RIP
Construction Engineering	Town management costs and consultant fees to provide construction management, oversight, and inspection.	1	$ 551,057.89		$ 551,057.89		CDBG-MIT-RIP
			ACTIVITY DELIVERY COST TOTALS:	**$0.00**	**$2,302,949.55**	**$0.00**	

	Extended Cost	Direct Cost	Indirect Cost
GRANT TOTALS:	**$0.00**	**$8,668,086.50**	**$0.00**

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
National Objective	**# Extremely Low Income (0-30% HAMFI)**	
	# Low-Income (30-50% HAMFI)	
	# Moderate Income (50-80% HAMFI)	
	# Above Moderate Income (80-100% HAMFI)	
Hispanic Ethnicity Plus Race of Beneficiaries	**# American Indian/Alaska Native + Hispanic**	
	# American Indian/Alaska Native and Black/African American + Hispanic	
	# American Indian/Alaska Native and White + Hispanic	
	# Asian	
	# Asian and White	
	# Asian and Black/African American	
	# Asian and Black/African American and White	
	# Native Hawaiian/Other Pacific Islander	
	# Other Multi-Racial + Hispanic	
	# White	
	# Unknown Race	
	# Female Head of Household	
Non-Hispanic Ethnicity Plus Race of Beneficiaries	**# American Indian/Alaska Native**	
	# American Indian/Alaska Native and Black	
	# American Indian/Alaska Native and White	
	# Asian	
	# Asian and White	
	# Asian and Black/African American	
	# Asian and Black/African American and White	
	# Native Hawaiian/Other Pacific Islander	
	# Other Multi-Racial	

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
	# White	
	# Unknown Race	
	# Female Head of Household	
Targeted Section 3 Labor Hours	**Number of Total Labor Hours**	
	Number of Section 3 Labor Hours	
	Number of Targeted Section 3 Hours	
Public Facilities and Improvements – Covered and Non-Covered Projects	% reduction in loss of service	
	% reduction in emergency maintenance costs	
	# of non-invasive species trees planted on project sites	
	# of acres green infrastructure created	
	# cubic feet of stormwater storage added	
	# acres of newly added or improved green space	
	# of Linear miles of Public Improvement	
	% reduction in energy costs	
	# of public facilities	
	# of Linear Feet of Public Improvement	**13,120**
	# of green infrastructure projects constructed	
	# of acres of native vegetation planted	
	# of fewer outages of critical facilities and utilities	
	# of buildings (non-residential)	
	# of vacant lots repurposed	
	# of acres green space created	
	# of Non-business Organizations benefitting	
	# of water control structures repaired/replaced	**127**
	# of acres with improved multiple hazard risk mapping	
	# or % Other	
	0%	
	Pre-Construction	

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
Project Status: Phase active this reporting period, enter 1.	**Construction Started**	
	Construction 50% Completed	
	Construction 100% Completed	
	Closed-Out	
Expenditure Status: Phase active this reporting period, enter 1.	**0% expended**	
	1-25% expended	
	26-50% expended	
	51-75% expended	
	76-99% expended	
	100% expended	
Contract Milestones: Phase active this reporting period, enter 1	***1: Execution of AUGF***	
	2: Activity Initiation.	
	3: First Financial Report submission	
	4: 50 percent project completion	
	5: Reimbursement for 75 percent of grant funds submitted to HCD	
	6: Construction Complete	
	7: Submission of Final Financial Report and Close-Out Documents	
	8. Contract Expiration	
Household Demographics	**# Disabled**	
	# Senior	
	# Homeless	
	# Foster Youth	
	# Single-Parent Household	
	# Veterans	
	# of Limited English speaking	
	# Other	

Attachment 3: Performance Measures		
Goal Title	**Subgoals**	**Work Deliverable**
Activity Report Narrative Request:	**In the narrative section please include:** **1. Summary of work completed in the reporting period including reference to specific deliverables as indicated in scope of work** **2. Report problems or delays during the reporting period or anticipated problems/delays.** **3. UNM Only: Measurable impacts narrative:** **a. Status update on how the subrecipient is preparing/planning to collect measurable mitigation impacts from the project**	

Attachment 4: Project Schedule

A. Term of Agreement:

All grant funds must be expended at least ninety (90) days prior to the Agreement expiration date.

This Agreement will expire as set forth in Section 2 of the STD 213.

B. Performance Milestones:

Subrecipient shall adhere to the performance milestones as captured in Exhibit F. Time is of the essence with respect to all such milestones.

1) Execution of AUGF by 16 Months from the STD 213 execution.

2) Activity Initiation: 4 Months from the Execution date of AUGF. Activity Initiation is defined as releasing RFQ for environmental design.

3) First Financial Report submission requesting reimbursement of grant funds by 1 Month from STD 213 execution.

4) Project achieves fifty (50) percent completion within 24 months from STD 213 execution. This shall be measured by release for construction bids.

5) Project reaches seventy-five (75) percent of grant funds submitted to the Department for reimbursement by 33 months from STD 213 execution, based on 50% construction progress.

6) Project reaches construction completion by 39 months from STD 213 execution. This shall be defined by final construction invoice paid and all infrastructure installed.

7) Subrecipient must submit Final Financial Report and Close-Out Documents to the Department for final approval by the Department at least one hundred and twenty (120) days prior to the Agreement Expiration Date.

8) Agreement Expiration Date is the date set forth in the STD 213.

Applications: Town of Paradise Storm Drain Resiliency Project Phase 2

A. General Information

Profile
mmattox@townofparadise.com

Project Title

Below, please enter the Project Title for your application. This will be used by HCD to track the project.

Project Title Format: [Jurisdiction Name] - [Project Name]
Ex: Sacramento, City of – Community Food Bank

1. Project Title
Town of Paradise Storm Drain Resiliency Project Phase 2

Applicant Information

2. Select Applicant
Town of Paradise

2a. Please type applicant name as captured in question 2.
Town of Paradise

3. Applicant Street Address
5555 Skyway

4. Applicant City
Paradise

5. Applicant State
CA

6. Applicant Zip Code
95969

B. Census Data

Project census location: The census information in this section will be used for legislative and congressional district tracking.

Please use the census information of your primary facility or the designated address of the responsible organization. If you are doing a LMA activity, you will be asked to provide additional census information specific to your service area. It is ok if the information is duplicative.

Use the HUD LMSI mapping tool located at Low- and Moderate-Income Area Data, based on 2011-2015 ACS (https://hud.maps.arcgis.com/home/item.html?id=ffd0597e8af24f88b501b7e7f326bedd) to gather the required census tract information as identified by the address below. For instructions on using the mapping tool visit (link) Identify the census location data for the administrative entity of this application (if this is a county use the County Administration building, if this is a city use City Hall or an administrative facility).

1. Will this project impact more than one census block group?
Yes

2. Enter project census block group(s)
Tract 18-22 (All groups), Tract 23 (Groups 1-4)

C. Project Scope of Work

Project Location

If the project will occur in more than one place or doesn't have a physical address, please use the organization address for reference below.

1. Project Street Address
Various Locations

2. Project City
Paradise

3. Project State
CA

4. Project Zip Code
95969

Project Description

Enter a detailed description of your activity which should include at a minimum: what the activity is, why it is needed, who the beneficiaries will be, where it will take place, how it will be done and when it will be completed. This should be a similar description provided for the NEPA. By completing the narratives below the applicant is demonstrating a knowledge of need for the activity and the steps needed to achieve the desired outcome.

5. Project Description

Following adoption of the Town of Paradise's Storm Drain Master Plan in 2022, Paradise Public Works has identified a comprehensive project to improve the Town's vulnerability to localized flooding through installation of new infrastructure as well as addressing chronically undersized systems. In the Storm Drain Resiliency Project Phase 2, multiple locations across the Town of Paradise will have existing drainage systems resized to better handle larger flows and therefore mitigate future flooding. In the case of other locations that don't have any existing drainage systems, new pipe systems will be added to fix an existing or potential problem. This project is needed because across Paradise many of the drainage systems are outdated, inadequate, and not ready to handle any potential flooding/full capacity runoff in the future. This project will benefit all the residents in the Town of Paradise. As stated before, this project will be done by adding additional features to facilitate proper drainage (installing drain inlets, dike) and resizing existing pipes or installing new ones (18-inch reinforced concrete pipe resized to 24 inches, etc).

The proposed Storm Drain Resiliency Project holds significant benefits not only for adjacent property owners but for all residents of the Town of Paradise. By enhancing the town's storm drainage infrastructure, the project will mitigate the risk of localized flooding, thereby safeguarding properties, public infrastructure, and community assets throughout the town. Here's how the proposed improvements will benefit all town residents:

Reduced Flood Risk: Improved storm drainage infrastructure will mitigate the risk of localized flooding in various neighborhoods across the town, regardless of their proximity to the proposed work. This reduction in flood risk translates to enhanced safety and protection for all residents, their homes, and businesses.

Enhanced Road Safety: Properly functioning storm drains prevent water accumulation on roads during heavy rainfall, reducing the risk of hydroplaning and accidents for all motorists, pedestrians, and cyclists traveling throughout the town.

Preservation of Public Infrastructure: By minimizing the occurrence of flooding, the Storm Drain Resiliency Project will help preserve public infrastructure such as roads, sidewalks, and utilities. This ensures the continued functionality and longevity of essential amenities for all residents, promoting overall community well-being.

Improved Quality of Life: Flooding can disrupt daily routines, damage property, and cause significant inconvenience for residents. By reducing the frequency and severity of flooding events, the project contributes to a higher quality of life for all residents, fostering a sense of security and peace of mind.

Protection of Natural Resources: Proper stormwater management helps protect local waterways and natural habitats from pollution and erosion caused by runoff. By implementing resilient storm drainage solutions, the project contributes to the preservation of the town's natural environment for the enjoyment and benefit of all residents.

Community Cohesion and Resilience: Investing in storm drainage infrastructure demonstrates a commitment to the well-being and resilience of the entire community. By collectively addressing flood risk, residents can build a stronger sense of community cohesion and solidarity, fostering resilience in the face of future challenges.

If approved for funding award, the Town of Paradise will apply all standard project development principles and practices to complete necessary environmental reviews, permitting, design and construction. A consultant team would be procured to complete necessary environmental studies and clearances in addition to field surveys and design work. By nature, these storm drain projects will require significant environmental review efforts and permitting coordination. A separate contractor would need to be procured for the physical course of construction. Using standard timelines for projects of this size, project delivery is estimated in 2028.

D. Subrecipient Grantee

Eligible Applicants may work with a Grantee, called a Subrecipient Grantee, to assist them in implementation of their proposed project. A Subrecipient Grantee is a local government, special district, Tribal Entity, or other similar entity.

1. Does the application include a Subrecipient Grantee? (Unit of local government, special district or similar entity)

No

E. Eligible Activity

Eligible CDBG-MIT activities include, but are not limited to, the acquisition, reconstruction, rehabilitation or installation of public facilities and improvements (HCDA Section 105(a)(2) – Public Facilities and Improvements and MIT-RIP P&P 1.2). Choose all eligible type activities that apply to your project.

Choose your eligible activity category from the list. Eligible activities are defined by 24 CFR 570.482 et. Seq.

https://www.law.cornell.edu/cfr/text/24/570.482 Please check all that apply.

1. Eligible Activity Category
Installation of Public Facilities and Improvements

2. Explain how your project meets the definition(s) of each of the eligible type activities that you selected in the question above
The project meets the definitions of Installation of Public Facilities and Improvements as defined in the Community Development Block Grant Program. "Public Improvements" are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. Public improvements include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and other aesthetic improvements. The proposed project of storm water resiliency improvements in the public right of way is a critical safety feature to handle seasonal storm events in addition to now presently more common increased intensity storm events. This type of improvement is only provided by local governments, such as the Town of Paradise.

HUD defines mitigation as: Activities that increase resilience and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters. See (MIT-PPS P&Ps Section 2.5 or MIT-RIP section 1.2.3)

3. Provide a detailed description of how the project will meet the definition of mitigation.
All storm drain projects that are set to be done within the Storm Drain Resiliency Project Phase 2 will help solve and prevent future flooding, drainage, and erosion problems. Most project location currently struggles with flooding and drainage issues due to inadequate sized pipes and/or the lack of inlets and pipes in general. This issues have caused massive trenches on each side of the road that pose a potential hazard for drivers and pedestrians in some of the locations within phase 2. As for the other project locations, new and improved pipes in both design and size will better facilitate the flow of Paradise's main creek through town therefore prevent further flooding and drainage issues for the parcels located in the area around the creek.

F. Operations and Maintenance Plan (O&M)

HUD requires all Mitigation projects include an Operation and Maintenance Plan (O&M).

Each subrecipients must plan for the long-term operation and maintenance of infrastructure and public facility projects funded with CDBG–MIT funds. The subrecipients must describe in its maintenance plan how it will fund long-term operation and maintenance for CDBG– MIT projects. Funding options might include State or local resources, borrowing authority or retargeting of existing financial resources. If operations and maintenance plans are reliant on any proposed changes to existing taxation policies or tax collection practices, those changes and relevant milestones should be expressly included in the maintenance plan. Additionally, the subrecipient must describe any State or local resources that have been identified for the operation and maintenance costs of projects assisted with CDBG–MIT funds.

1. Please describe how you will plan for long term operations and maintenance of the proposed project
The new drainage facility will be operated and maintained with the Town maintenance crews which are funded through Gas Tax dollars. Town crews have experience and equipment to maintain many existing structures of this nature. This system will reduce the required costly maintenance and repair of the existing ditches and cross culverts currently performed by the Town maintenance crews. This will not increase any existing maintenance operations the town currently performs but rather reduce required maintenance operations. The maintenance crews will inspect the system annually before the start of the rainy season to remove debris, repair structures, grates and inlets. The town also uses an online reporting program (GovWell) that the public can use to report any issues they observe. The concern is reported immediately to maintenance crews, and they will respond to any submissions to determine the required restoration. The response time and resolutions are tracked and reported through the program to help address issues in a timely manner.

G. Most Impacted and Distressed Area (MID)

Projects must benefit the area designated by HUD as the most impacted and distressed areas, or “MID,” within the disaster declared impacted counties under DR-4382 and DR-4407. See MIT-RIP Policies and Procedures Section 1.2.2.

1. Is the project located in a 2018 MID area?
Yes

2. Which 2018 MID area(s) is the project located in or will the project benefit?
Butte County

3. Upload map(s) of project service area in relation to the MID area(s).
MID Area Map (Paradise Town Limits).pdf

H. HMGP Match

Projects that are approved for FEMA HMGP Match are eligible for non-federal, local match funding under this Program.

1. Is the application being submitted as a FEMA HMGP match project?
No

I. Performance Measures

Choose a projected performance measure(s) the project intends to meet. Select all that apply (There are no wrong answers).

1. Infrastructure Performance Measures
# of linear feet of Public Improvement, # of water control structures repaired/replaced

2. Based on the projected performance measure(s) selected above please provide an estimated percent or number this project intends to meet. Example: A community food bank project proposes to serve 200 households. Performance Measure: # of households reached Answer: 200 households reached.
The Storm Drain Resiliency Project Phase 2 proposes to reach 5,387 linear feet of public improvement and repair/replace a total of 57 water control structures.

J. National Objective & Beneficiary Data

Choose the national objective from the list. Criteria for national objectives can be located at 24 CFR 570.483 https://www.law.cornell.edu/cfr/text/24/570.483 and MIT-RIP P&Ps section 1.2

1. National Objective
Urgent Need Mitigation (UNM)

2. What is the total number of beneficiaries for the project?
10000

3. What is the number of total LMI beneficiaries for the project?
6000

4. Projected LMI beneficiary percentage:
0.60

UNM

HUD has created a new National Objective - Urgent Need Mitigation (UNM) for CDBG-MIT programs. Projects using the UNM national objective must provide documentation that demonstrates a measurable and verifiable impact on reducing risks at the completion of the activity.

5. How will the project address current and future risks as identified in the Mitigation Needs Assessment. Explain what and how data will be collected to support the risks.
The project to improve the Town's vulnerability to localized flooding, as outlined in the Storm Drain Master Plan, will address current and future risks identified in the Mitigation Needs Assessment. By enhancing storm drainage infrastructure and addressing chronically undersized systems, the project aims to reduce the risk of flooding and its associated impacts on lives and property.

Data collection to support the identified risks will involve monitoring various parameters related to stormwater management, including rainfall intensity, water levels, and flood occurrences. This data will be collected through a combination of automated monitoring systems, field surveys, and historical records. By analyzing this data, we can assess the effectiveness of the project in reducing flood risks and improving stormwater management practices.

6. How will the project result in a measurable and verifiable reduction in the risk of loss of life and property? Explain what and how data will be collected to support the risk.
The project to improve the Town's vulnerability to localized flooding will result in a measurable and verifiable reduction in the risk of loss of life and property during flooding events. By installing new infrastructure and addressing chronically undersized systems, the project aims to mitigate the impact of flooding and enhance the Town's resilience to such hazards.

Data collection to support the identified risks will involve monitoring changes in flood frequency, duration, and severity before and after the implementation of the project. This data will be collected through a combination of floodplain mapping, hydrological modeling, and historical flood event analysis. Additionally, feedback from residents and emergency responders will be collected to assess the project's effectiveness in reducing the risk of loss of life and property during flooding events.

K. HCD Thresholds

Projects must meet one HCD Program Threshold. Details on HCD program threshold compliance documentation, including, when applicable, lists of qualifying geographic areas and maps, are provided in the program Policies and Procedures Appendix B.

Please note:
-If your project is captured as LMI in Section J above it will automatically meet the benefit low-income community threshold. Please select Benefit Low-Income Communities below.
-If your project is LMC and will benefit a presumed clientele of elderly persons, it will automatically meet the benefit senior citizens thresholds. Please select Benefit Senior Citizens below.
-If your project is LMC and will benefit a presumed clientele of severely disabled adults, it will automatically meet the benefit persons with disabilities thresholds. Please select Benefit Persons with Disabilities Below.
-If your project is an HMGP match project it will automatically meet the leverage threshold. Please select Leverage CalOES, CalFire, or other Funding Source below.

1. Select the HCD Program Threshold the project will meet:
Benefit low resource communities

Threshold: Benefit Low Resource Communities

To meet the HCD program threshold "Benefit Low Resource Communities" the project must qualify under the following definition (See Appendix C of Policies and Procedures):

Project must be located in a census tract with:
A Social Vulnerability Index (SVI) of greater than 0.5 or a local to state median income ratio of less than 0.8;
AND
A total hazard risk percentile greater than 0.6 OR a single hazard percentile greater than 0.8.

2. Enter the low resource community census tract(s) the project is located in or will benefit.
Butte County 18-23

3. Upload map of project location/service area and selected Census Tract(s)
SVI Risk Map Census Tracts.pdf

L. Milestones

Milestones provided in this section will become part of the Standard Agreement. Complete the milestones by providing a length of time to complete each. For example: “90 days from STD 213 execution.”

Please note: Milestone #1 must be completed no later than 60 days after execution for the STD 213.

Additional milestones are optional.

1. Enter proposed length of time to meet Milestone #1 - Execution of Authority to Use Grant Funds (AUGF)
16 months

2. Enter proposed length of time to meet Milestone #2 - Construction Initiation
3 months

3. Enter proposed length of time to meet Milestone #3 - First financial report submission
1 month

4. Enter proposed length of time to meet Milestone #4 - 50 percent project completion
2 months

5. Enter proposed length of time to meet Milestone #5 – Reimbursement for 75 percent of grant funds submitted
1 month

6. Enter proposed length of time to meet Milestone #6 – Construction Complete
1 month

Final financial report and closeout documents must be submitted to HCD following completion of the project and at least 120 days prior to contract expiration to allow time for HCD to complete review, processing, and closeout activities.

7. Enter proposed length of time to meet Milestone #7 – Submission of final financial report and close-out documents
3 months

The final milestone is the contract expiration date, which is the date by which all project activity, reporting, monitoring, and closeout activities must be completed. The contract expiration date is 72 months from execution of the STD 213.

8. Enter proposed length of time to meet Final Milestone: contract expiration
3 months

9. If you would like to add additional milestones, please detail them below.

M. Project Budget

HCD must review projects submitted for funding in terms of cost reasonableness, in accordance with federal regulations found at 2 CFR 200. To fulfill this requirement all projects must be able to support the CDBG-MIT funding request with an explanation of how the amount was determined.

Additionally, projects submitted for CDBG-MIT funding, where CDBG-MIT funding will not fund 100% of the project, must demonstrate that other funds are committed and available to complete the project. The Total Project Budget template found in the application files must be completed to demonstrate the total project cost as well as any other sources of funding.

Funded projects will use Grants Network to submit financial drawdown/reimbursement requests; therefore, the linked eCivis budget must be completed.

1. CDBG-MIT Funding Amount Requested
$8668086.50

2. Provide a basis for the requested funding amount (select all that apply)
Cost Estimate

3. Does the CDBG-MIT funding request equal the total budget amount?
Yes

Total Project Budget (Excel) – must be uploaded using the Workbook Template provided in the application files. The workbook must include the amount requested for this program as well as all other sources. Reminder, the eCivis Budget must also be completed.

4. Upload the Total Project Budget (Excel template)
SDRP Phase 2 2018 MIT-RIP Total Project Budget FINAL.xlsx

CDBG-MIT budgets found in the Grants Network portal are required at application submission. Required budget information includes direct costs only. Direct costs for activity must be completed and clearly identified. Do not include any information on indirect cost, match, or cost share. Applications submitted without a complete Grants Network budget will be disqualified without exception or appeal.

5. Have you completed and submitted your CDBG-MIT budget in eCivis?
Yes

Budget narrative should include information about activity viability if the project is only partially funded. For instance, can the project scope be reduced the number of beneficiaries be reduced, can the project be scaled to the amount of funding available. Include budget information that describes your

activity budget as uploaded. Make sure the budget narrative has a relationship to the tasks and deliverables described in the application. Applications submitted without a complete Grants Network budget narrative will be disqualified without exception or appeal.

6. Have you completed a detailed narrative of your activity budget within the Grants Network budget template?
Yes

N. Supplemental Application Information

If there is any supplemental information you would like to provide, please use the following field to provide any additional information in a single file upload. Note: this is not a required field.

1. Supplemental Upload
Max Project Cap Waiver - SDRP Phase 2-signed.pdf

Budget Worksheet

View Budget Worksheet
https://portal.ecivis.com/#/peerBudget/A2A000DB-E24A-4EE3-BFB2-C393F5AF28D8

Average Score
0.00

Application Goals

View Application Goals
https://portal.ecivis.com/#/peerGoals/1C3A7A6D-ABDF-4A8F-B06A-084347E90E84

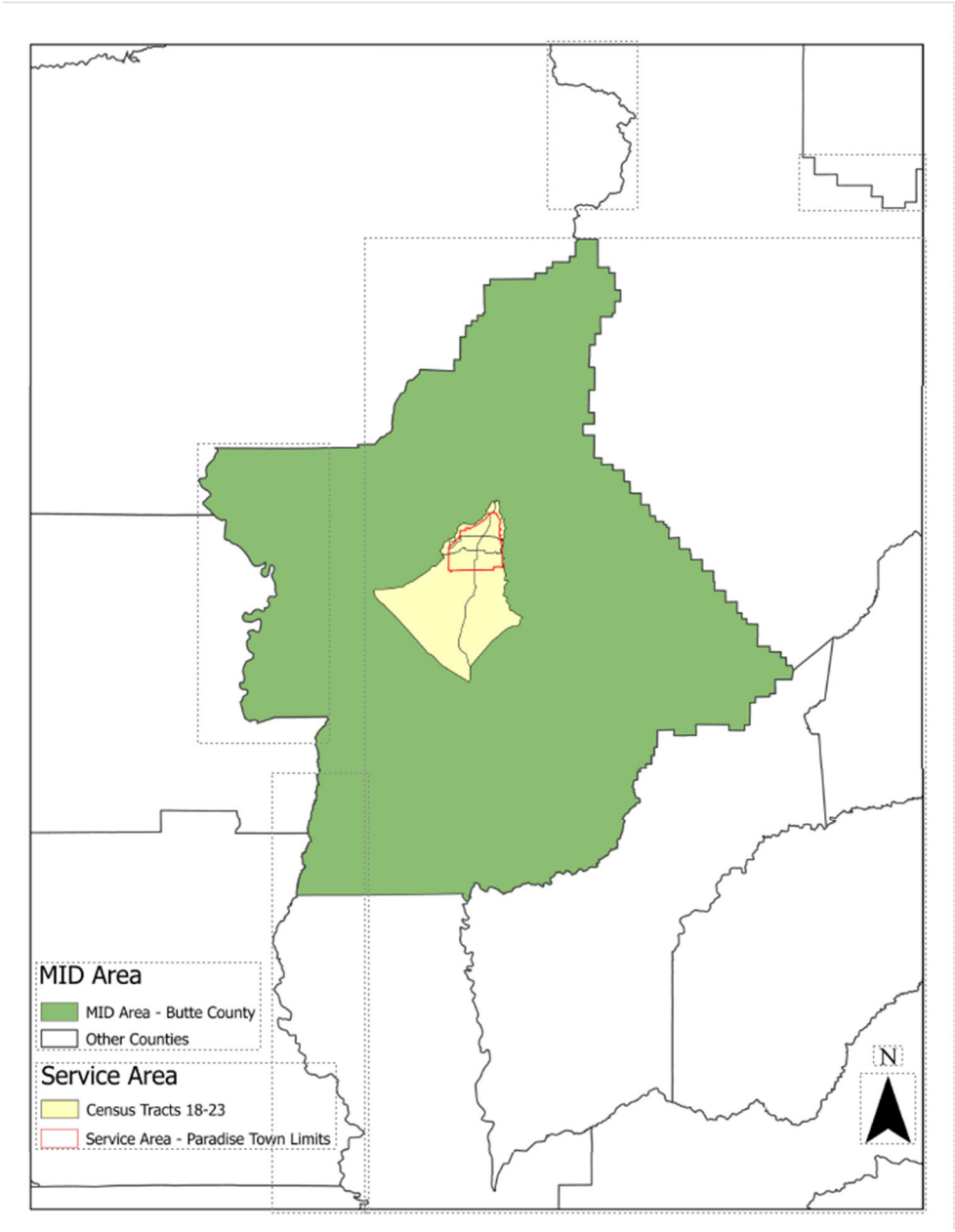
# of Reviews
1

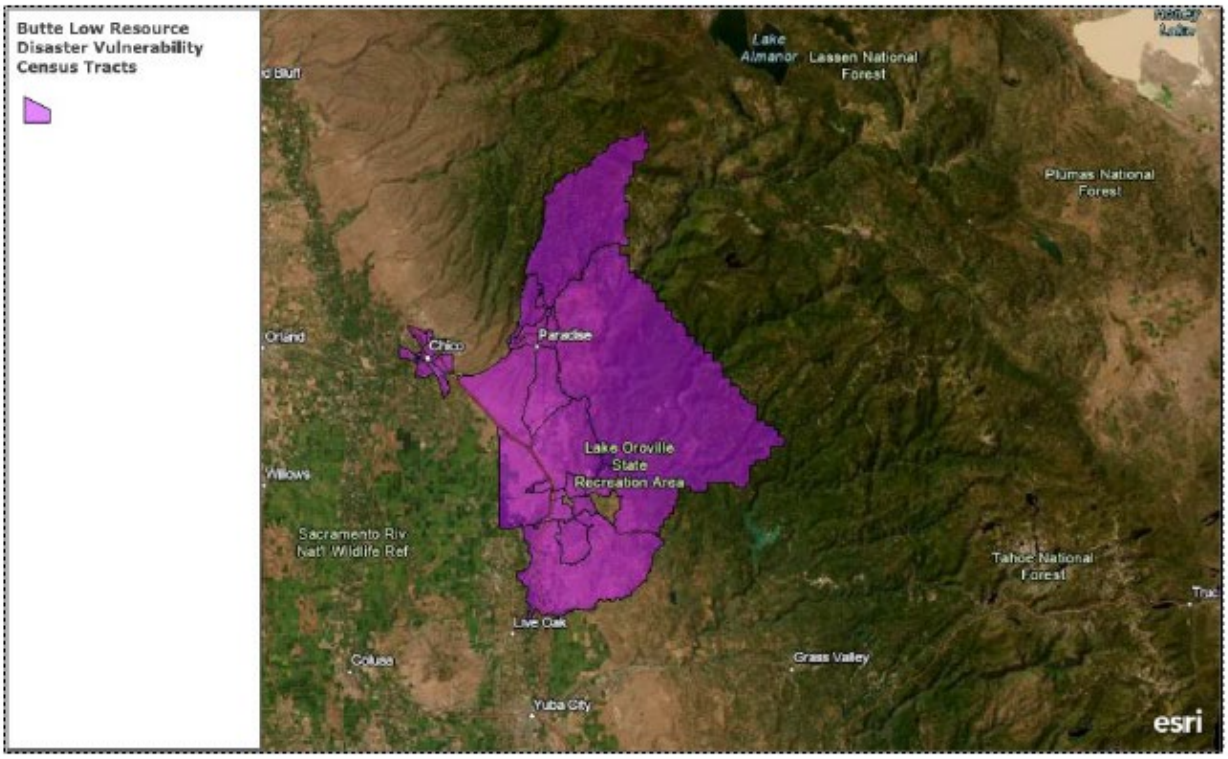
# of Denials
0

Applications: File Attachments

3. Upload map(s) of project service area in relation to the MID area(s).
MID Area Map (Paradise Town Limits).pdf

3. Upload map of project location/service area and selected Census Tract(s)
SVI Risk Map Census Tracts.pdf


MID Area
MID Area - Butte County
Other Counties
Service Area
Census Tracts 18-23
Service Area - Paradise Town Limits
N


Butte Low Resource
Disaster Vulnerability
Census Tracts
Lake
Almanor
Lassen National
Forest
Plumas National
Forest
Orland
Chico
Paradise
Lake Oroville
State
Recreation Area
Willows
Sacramento Riv
Nat'l Wildlife Ref
Tahoe National
Forest
Live Oak
Colusa
Grass Valley
Yuba City
esri

Organization Name: Town of Paradise **Program Name:** CDBG-DR MIT-RIP

DUPLICATION OF BENEFITS AFFIDAVIT

INSTRUCTIONS

The affidavit is divided into three (3) components:

1. Funding Sources
2. Attachments
3. Signature of Authorized Representative

Read each component in full and provide the accurate information.

Part 1. Funding Sources

This affidavit must be completed by all applicant(s) that have applied for and/or received any assistance from the CDBG-DR funded State of California 2017/2018 CDBG-MIT Planning and Public Services and Resilient Infrastructure Program being offered by the California Department of Housing and Community Development (HCD) and signed by the Authorized Representative. The information within this affidavit will provide the California Department of Housing and Community Development (HCD) with vital information for processing the application required by the Stafford Act Section 312 on Duplication of Benefits.

In the table below, indicate with an "X" the program(s) for which you are applying AND any program you have received funds from. Also state the purpose of the assistance and status of the funds.

Source **INSTRUCTION NOTE: Please add further sources as necessary if they are not listed below (REMOVE THIS UPON COMPLETION)**	**Purpose of Assistance** *Ex: Economic Development public services, Rehabilitation & improvements of public facilities*	**Current Status of Funds** *Ex: Obligated from FEMA, Pending Approval, etc.*	**Amount Received ($)**
☐ U.S. Department of Housing and Urban Development			
☐ FEMA National Flood Insurance			
☐ FEMA Individual Assistance or Public Assistance			
☐ FEMA Hazard Mitigation Grant Program (HMGP)			
☐ Small Business Administration			
☐ U.S. Army Corps of Engineers			
☐ U.S. Department of Transportation			

☐ Federal Economic Development Agency			
☐ CARES Act / American Rescue Plan Act			
☐ State and Local Level Housing Department			
☐ State and Local Emergency Management Agency			
☐ State and Local Department of Transportation			
☐ Insurance			
☐ Philanthropic Funds			
☐ Utility Settlement			
☐ Budgeted Local Funds			
☐ Other: _____			
☐ Other: _____			

Part 2. Attachments

Attached to this affidavit are copies of any and all acceptable document for each of the above referenced sources of funds identified as a result of the October 2017, December 2017, August 2018 and/or November 2018 fires, identified as presidentially declared disasters, DR-4344, DR-4353, DR-4382 and/or DR-4407.

Part 3. Signature(s)

I certify that the information provided in this affidavit is true and accurate to the best of my knowledge. I understand that if this information is not correct, it may affect the amount of any funds I may receive or may lead to the recapture of disbursed funds by HCD and/or HUD.

Jim Goodwin
Authorized Representative Printed Name

Town of Paradise
Organization

Authorized Representative Signature

03/26/2024
Date

WARNING: The information provided on this form is subject to verification by the State of California and the U.S. Department of Housing and Urban Development (HUD) at any time. Title 18, Section 1001 of the U.S. Code states that knowingly and willingly making a false or fraudulent statement to a department of the United States Government can result in termination of assistance and civil and criminal penalties.

EXHIBIT G

SUBRECIPIENT PROFILE: TOWN OF PARADISE

Applicant Information

Tell us about you.

Linked Applicant

mmattox@townofparadise.com

First name

Marc

Last name

Mattox

Email

mmattox@townofparadise.com

Title

Public Works Director / Town Engineer

Company

Town of Paradise

Company Website

www.townofparadise.com

City

Paradise

State

US-CA

EXHIBIT G

Organization Information

Tell us about your organization.

Organization Name

Town of Paradise

Employer Identification Number (EIN)

94-2621899

DUNS

362314890

Authorized Representative

Jim Goodwin, Town Manager

Business/Finance Representative

Aimee Beleu, Finance Director

Organization Address

Address

5555 Skyway

Address 2

City

Paradise

EXHIBIT G

State

US-CA

County

Butte County

Congressional District/Region

1

Zip

95969

Phone

530-872-6291

Phone Extension

Fax

Authorized Representative (if different from above)

Name

Title

Email

EXHIBIT G

Phone

Business/Finance Contact (if required)

Name

Title

Email

Phone