

**SUB-RECIPIENT AGREEMENT BY AND BETWEEN CITY OF FORT BRAGG
AND BUILDING BETTER NEIGHBORHOODS, INC.
FOR COMMUNITY DEVELOPMENT BLOCK GRANT
FUNDING UNDER CONTRACT 16-CDBG-11140**

THIS AGREEMENT entered into this **INSERT DATE**, by and between the City of Fort Bragg, a California municipal corporation, hereinafter referred to as “GRANTEE”, and Building Better Neighborhoods, INC, a non-profit organization, hereinafter referred to as the “SUBRECIPIENT.”

WHEREAS, the GRANTEE participates in the Community Development Block Grant (CDBG) Program (42 U.S.C. Section 5300 et seq.) (the “Program”) for the purpose of conserving and improving the supply of decent, safe, sanitary, and affordable housing and living conditions, principally for low- and moderate-income persons.

WHEREAS, the GRANTEE wishes to engage the SUBRECIPIENT to assist the GRANTEE in utilizing such funds for the purpose of providing affordable housing units to low- and moderate-income persons.

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The SUBRECIPIENT will be responsible for administering and implementing a Supplemental Activity under the GRANTEE’s 2016 Program Grant #16-CDBG-11140 for the rehabilitation of an existing housing complex located at 900-928 (even numbered addresses) John Cimolino Way, Fort Bragg, California, 95437 in a manner satisfactory to the GRANTEE and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the CDBG program. Individuals and families who benefit from these services must have incomes which meet the low-moderate-income guidelines of the CDBG program.

Program Delivery

SUBRECIPIENT will use \$75,000 loaned GRANTEE funds to renovate the existing housing complex with improvements to outdoor lighting which will enhance safety for tenants. In addition outdoor lighting improvements will support energy conservation efforts.

Funding is being loaned to the SUBRECIPIENT as described in the attached “Loan Agreement.”

General Administration

For purposes of implementing this Agreement, The GRANTEE will appoint a project liaison that will work with the Subrecipient. The parties will meet as necessary to provide for the efficient and smooth implementation of this Agreement and the activities contained herein.

B. National Objectives

The SUBRECIPIENT certifies that the activities carried out with funds provided under this Agreement will meet one or more of the CDBG program's National Objectives: 1) benefit low/moderate income persons, 2) aid in the prevention or elimination of slums or blight, 3) meet community development needs having a particular urgency, as defined in 24 CFR Part 570.208.

The SUBRECIPIENT certifies that the activity(ies) carried out under this Agreement will meet the National Objective 570.201 (c).

C. Performance Monitoring

The GRANTEE will monitor the performance of the SUBRECIPIENT against goals and performance standards required herein. Substandard performance as reasonably determined by the GRANTEE will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being notified by the GRANTEE, contract suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the SUBRECIPIENT shall start on the date this Agreement is executed and extend for a period of five (5) years. The term of this Agreement and the provisions herein may be extended to cover any additional time period during which the SUBRECIPIENT remains in control of CDBG funds or other assets, including program income.

III. BUDGET

The \$75,000 loan will be used for renovations for the Housing Rehabilitation Project at the Glass Beach Apartments.

Any indirect costs charged must be consistent with the conditions of Paragraph VIII (C) (2) of this Agreement. In addition, the GRANTEE may require a more detailed budget breakdown than the one contained herein, and the SUBRECIPIENT shall provide such supplementary budget information in a timely fashion in the form and content reasonably prescribed by the GRANTEE. Any amendments to this budget must be approved in writing by the GRANTEE and the SUBRECIPIENT.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the GRANTEE under this Agreement shall not exceed \$75,000. Drawdown for the payment of eligible expenses shall be made in accordance with performance.

Payments may be contingent upon certification of the SUBRECIPIENT's financial management system in accordance with the standards specified in 24 CFR 84.21, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

V. NOTICES

Notices, communication and details concerning this contract shall be directed, in writing, to the following contract representatives:

Name and Title	<u>GRANTEE</u> Tabatha Miller City Manager 416 N. Franklin Street	<u>SUBRECIPIENT</u> Todd Crabtree Executive Director 1076 N. State Street
City, State, Zip:	Fort Bragg, CA 95437 (707) 961-2823 (707) 961-2802 FAX tmiller@fortbragg.com	Ukiah, CA 95482 Todd Crabtree crabtree@cdhousing.org

VI. SPECIAL CONDITIONS

Rehabilitation shall be bound by Davis-Bacon Act prevailing wage requirements. Review of Labor Standards Compliance shall be conducted by GRANTEE. Rehabilitation plans and specifications shall be reviewed by GRANTEE in advance of bid solicitation.

VII. GENERAL CONDITIONS

A. General Compliance

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

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The SUBRECIPIENT shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The GRANTEE shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the SUBRECIPIENT is an independent contractor.

C. Hold Harmless

The SUBRECIPIENT shall hold harmless, defend and indemnify the GRANTEE from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the SUBRECIPIENT's performance or nonperformance of the services or subject matter called for in this Agreement. In turn, the GRANTEE shall hold harmless, defend and indemnify the SUBRECIPIENT from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the GRANTEE'S performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The SUBRECIPIENT shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. Insurance & Bonding

The SUBRECIPIENT shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the GRANTEE.

The SUBRECIPIENT shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

F. Grantor Recognition

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

G. Amendments

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

The GRANTEE may, at its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both GRANTEE and SUBRECIPIENT and shall not be considered a breach or default under this Agreement.

H. Suspension or Termination

Either party may terminate this contract at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial terminations of the Scope of Service in Paragraph I.A above may only be undertaken with the prior approval of the GRANTEE. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the SUBRECIPIENT under this Agreement shall, at the option of the GRANTEE, become the property of the GRANTEE, and the SUBRECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

In accordance with 24 CFR 85.43, the GRANTEE may also suspend or terminate this Agreement, in whole or in part, if the SUBRECIPIENT materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the GRANTEE may declare the SUBRECIPIENT ineligible for any further participation in the GRANTEE's contracts, in addition to other remedies as provided by law. In the event there is

probable cause to believe the SUBRECIPIENT is in noncompliance with any applicable rules or regulations, the GRANTEE may withhold up to fifteen (15) percent of said contract funds until such time as the SUBRECIPIENT is found to be in compliance by the GRANTEE or is otherwise adjudicated to be in compliance.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

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

2. Cost Principles

The SUBRECIPIENT shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record-Keeping

1. Records to be Maintained

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

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, and 24 CFR 84; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Retention

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

be retained until completion of the actions and resolution of all issues, or the expiration of the three-year period, whichever occurs later.

3. Client Data

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

4. Disclosure

The SUBRECIPIENT understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the GRANTEE's or SUBRECIPIENT's responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of minor, that of a responsible parent/guardian.

5. Property Records

The SUBRECIPIENT shall maintain real property inventory records which clearly identify properties purchased, improved or sold with funds provided under this contract. Properties retained shall continue to meet eligibility criteria and shall conform with the "changes in use" restrictions specified in 24 CFR Parts 570.503(b)(8), as applicable.

- a. Any real property acquired or improved in whole or in part using CDBG funds in excess of \$25,000 shall be used as indicated in this agreement (including the beneficiaries of such use) for a period of at least five years after the closeout of the GRANTEE's grant from which the assistance was provided.

Any changes in the use or planned use of assisted real property shall be bound by the requirements of 24 CFR 570.505.

6. Close-Outs

The SUBRECIPIENT's obligation to the GRANTEE shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the GRANTEE), and determining the custodianship of records.

7. Audits and Inspections

All SUBRECIPIENT records with respect to any matters covered by this Agreement shall be made available to the GRANTEE, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the GRANTEE or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the SUBRECIPIENT within 30 days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to reasonably comply with the above audit requirements will constitute a

violation of this contract and may result in the withholding of future payments. The SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance with current GRANTEE policy concerning SUBRECIPIENT audits and, as applicable, OMB Circular A-133.

C. Reporting and Payment Procedures

1. Program Income

The SUBRECIPIENT shall report monthly all program income as defined at 24 CFR 570.500(a) generate by activities carried out with CDBG funds made available under this contract. The use of program income by the SUBRECIPIENT shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the SUBRECIPIENT may use such income during the contract period for activities permitted under this contract and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unused program income shall be returned to the GRANTEE at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the GRANTEE.

2. Indirect Costs

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

3. Payment Procedures

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

D. Procurement

1. Compliance

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

2. OMB Standards

The SUBRECIPIENT shall procure all materials, property, or services in accordance with the requirements of 2 CFR Part 200, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and Property Management

Standards as modified by 2 CFR Part 215-220, covering utilization and disposal of property. As well as cost principals for non-profit organizations covered under 2 CFR Part 230. If required, the uniform administrative single audit act per 2 CFR 200-214.

3. Travel

The SUBRECIPIENT shall obtain written approval from the GRANTEE for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

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

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

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

The SUBRECIPIENT agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in § 570.606(d) governing optional relocation policies. The SUBRECIPIENT shall provide relocation assistance to persons (families, individuals, businesses, nonprofit organizations and farms) that are displaced as a direct result of acquisition demolition or

conversion for a CDBG-assisted project. The SUBRECIPIENT also agrees to comply with applicable GRANTEE ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL and PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The SUBRECIPIENT and GRANTEE both agree to comply with local and state civil right ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246 as amended by Executive Orders 11375 and 12086.

2. Nondiscrimination

The SUBRECIPIENT and GRANTEE will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance. The SUBRECIPIENT and GRANTEE will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The SUBRECIPIENT and GRANTEE agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

3. Land Covenants

This contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this contract, the SUBRECIPIENT shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the GRANTEE and the United States are beneficiaries of and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The SUBRECIPIENT and GRANTEE agree to comply with any Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706), which prohibits discrimination against the handicapped in any Federally assisted program. The GRANTEE shall provide the SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this contract.

B. Affirmative Action

1. Approved Plan

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

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

The SUBRECIPIENT will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the term "minority and female business enterprise" mean a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

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

4. Notifications

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

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

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

6. Subcontract Provisions

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

C. Employment Restrictions

DEPARTMENT OF INDUSTRIAL RELATIONS- COMPLIANCE MONITORING UNIT This project will be monitored by the Department of Industrial Relations, Compliance Monitoring Unit (CMU) pursuant to the California Labor Code Section 1771.3 and the California Code of Regulations Sections 16450- 16464.

No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1[a].

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to the Labor Code section 1725.5.

All contractors and subcontractor must furnish electronic certified payroll records directly to Labor Commissioner once monthly. In addition, the contractor and subcontractors must submit the certified payroll records to the District's Labor Compliance Consultant for review.

1. Prohibited Activity

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

2. Labor Standards

The SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276a-276a-5; 40 USC 327 and 40 USC 276c) and all other applicable Federal, State and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The SUBRECIPIENT shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the GRANTEE for review upon request.

The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the GRANTEE pertaining to such 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeyworkers; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

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

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

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

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

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

b. Notifications

The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or

understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

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

D. Conduct

1. Assignability

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

2. Subcontracts

a. Approvals

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

b. Monitoring

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

c. Content

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

d. Selection Process

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

subcontracts shall be forwarded to the GRANTEE along with documentation concerning the selection process.

3. Hatch Act

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

4. Conflict of Interest

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

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

5. Lobbying

The SUBRECIPIENT hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or

employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENT shall certify and disclose accordingly; and

d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

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

7. Religious Activities

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

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

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

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

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 USC 4001), the SUBRECIPIENT shall assure that for activities located in an area identified by FEMA as having

special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35. Such regulations pertain to all HUD-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 undertaken.

D. Historic Preservation

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

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. DRUG FREE WORKPLACE

SUBRECIPIENT and the GRANTEE will provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the SUBRECIPIENT's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. the dangers of drug abuse in the workplace;
 - b. the SUBRECIPIENT's 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 occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that as a condition of employment under the grant the employee will:
 - a. abide by the terms of the statement; and

- b. notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the GRANTEE in writing, within ten calendar days after receiving notice under subparagraph 4. b. from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking on of the following actions, within 30 calendar days of receiving notice under subparagraph 4. b., with respect to any employee who is so convicted:
 - a. taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. requiring such employee to participate satisfactorily in drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

XIII. SEVERABILITY

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

IN WITNESS WHEREOF, the Parties hereto executed this Agreement as of the date first written above.

GRANTEE – CITY OF FORT BRAGG

SUBBRECIPIENT –

BUILDING BETTER NEIGHBORHOODS

BY: _____
Tabatha Miller
City Manager
City of Fort Bragg

BY: _____
Todd Crabtree
Executive Director
Building Better Neighborhoods, Inc.