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City of National City Housing Authority

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAMS
CDBG PROGRAM GUIDELINES
(For Public Services and Public Facilities Applications and Proposals)

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PROGRAM GUIDELINES OVERVIEW

Welcome to the City of National City's Community Development Block Grant (CDBG) Program. The CDBG program is administered by the National City Housing Authority.

These Guidelines contain the requirements and procedures for submittal and processing of Applications for CDBG Funding, as well as the policies and processes for development and implementation of the City's One Year Action Plan.

The U.S. Department of Housing and Urban Development (HUD), provides annual grants on a formula basis to entitlement cities and counties, including the City of National City. The statutory primary objectives of the CDBG program are to develop viable urban communities by providing decent housing, a suitable living environment, and by expanding economic opportunities, principally for low and moderate-income persons.

Each year the City anticipates receiving approximately \$788,787 in CDBG funds. Of that amount, a maximum of 15% of the total allocation may be made available for public services programs and projects. Another 20% of the CDBG allocation is reserved for administration and mandatory fair housing requirements, and the remainder (after reduction for required debt service payments), will be available for Non-Public Service programs such public facilities and infrastructure projects.

Eligible Applicants

City Departments can sponsor nonprofit agencies to carry out a Public Service activity by inviting only selected, qualified agencies to apply for this funding to address the above priorities. Agencies considered for funding should already provide a similar service, and appear to be capable of deploying the above services into the community.

The following organizations are eligible to be sponsored by a City Department for this funding:

- Non-profit organizations, neighborhood organizations, schools, and faith-based organizations may apply for this funding. Non-profit organizations must be granted non-profit status under the Internal Revenue Code [Section 501(c) (3), (c) (4) or (c) (5)] and must be incorporated for at least one (1) year by the Application submittal date.
- Faith-based organizations cannot use CDBG funds to support worship, religious instruction, or proselytization. Religious activities must be offered separately from the CDBG supported activity. Faith-based organizations that participate in the CDBG program will retain independence from federal, state, and local governments and may carry out its mission provided CDBG funds are not used to support religious activities. Faith-based organizations that participate in the CDBG program shall not discriminate against a program beneficiary on the basis of religion or religious belief.

Note: The City of National City does not directly fund individuals through this program.

PROJECT ELIGIBILITY

In order to qualify for CDBG funding, federal regulations require that all programs and projects must:

- A. Meet one of three National Objectives;
- B. Address one or more of the adopted Consolidated Plan Goals and Priorities;
- C. Be an eligible activity as set forth in 24 CFR §570.201;
- D. Not be ineligible as set forth in 24 CFR §570.207, among other requirements.

Projects that fail to meet these applicable tests will not be considered for CDBG funding.

National Objectives

CDBG projects must meet one of the National Objectives:

- Benefit a majority of low and moderate-income (LMI) residents. "Low and moderate- income" is defined as those persons and households who earn at or below 80% of the Area Median Income (AMI) adjusted for family size for the San Diego Metropolitan Service Area (MSA) as defined in Section 102 of the Housing and Community Development Act of 1974, as amended. Income limits are adjusted annually by HUD. See Attachment A of these Guidelines for current AMI limits. Documentation of benefit to LMI persons is required for all CDBG-funded projects; or
- Creating Suitable Living Environments relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low and moderate income persons, from physical problems with their environment, such as poor quality infrastructure, to social issues such as crime prevention, literacy or elderly health services.
- Providing Decent Housing covers the wide range of housing activities that are generally undertaken with HOME or CDBG funds. This objective focuses on housing activities whose purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements, since such programs would be more appropriately reported under Suitable Living Environments.
- Creating Economic Opportunities applies to activities related to economic development, commercial revitalization, or job creation.

National Outcomes

- Availability/Accessibility applies to activities that make services, infrastructure, public services, public facilities, housing or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate- income people where they live.
- Affordability applies to activities that provide affordability in a variety of ways to low- and moderate- income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care. Affordability is an appropriate outcome whenever an activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low-income household.
- Sustainability applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Note: In National City, all CDBG-funded activities must address the National Objective to benefit LMI residents of National City.

Consolidated Plan Goals and Priorities

In addition, on May 7, 2020, the City adopted local Goals and Priorities for allocation of CDBG funding. The Goals and Priorities, summarized below, are more fully described in the FY 2020-2024 Five-Year Consolidated Plan which is available for review at the National City Housing Authority, and on the City's [webpage](#). CDBG projects must address one or more of the local Goals/Priorities to qualify for funding shown in table 1.

Table 1: Consolidated Plan Goals and Objectives

1. Provide Decent and Affordable Housing	•Conserve and improve existing affordable housing; provide homeownership assistance; and assist in the development of affordable housing.
2. Promote Equal Housing	•Promote fair housing services and comply with fair housing planning requirements.
3. Support Initiatives that Reduce Homelessness	•Provide rental assistance through a tenant based rental assistance program and supportive service solutions.
4. Provide Community Facilities & Infrastructure	•Invest in the critical public infrastructure needs with the repayment of the City's Section 108 loan.
5. Provide Community and Supportive Services	•Provide for a variety of community and supportive services.
6. Program Administration	•Provide Administration for the CDBG and HOME Programs.

Ineligible Activities

CDBG projects must not be ineligible as set forth in 24 CFR §570.207. Examples of activities that will render a project ineligible include:

- Programs or services that primarily serve non-National City residents
- Projects or programs that do not serve primarily low-income persons
- New housing construction
- Political activities
- Income payments, stipends, marketing, or fundraising
- Purchase of equipment, furnishings, or personal property
- Services that promote religious activities
- Payment of debt or pre-award expenses
- Entertainment, furnishings, and personal property

DOCUMENTATIONS OF BENEFITS TO LOW AND MODERATE – LOW INCOME BENEFICIARIES

As noted above, all programs and projects funded with CDBG funds must benefit primarily LMI individuals and families (the primary national objective). Documentation of benefit to LMI persons is required for all CDBG-funded projects.

In order to determine whether and how a project benefits LMI persons, the applicant must clearly define who will be served by the project or service (the “target population”). Once the target population is determined, the proposed project will be categorized as either Area Benefit or Limited Clientele.

Area Benefit

If the program or project serves all residents of a particular area that contains primarily LMI persons, the project may qualify as an Area Benefit activity. For these activities:

- The boundaries of the service area must be clearly defined. Applicants must attach a map (use the map in Attachment B) marking the project location and with lines or circles drawn on the map outlining the boundaries of the geographic Area served; and
- At least 51% of the residents in the service area must be LMI.

Limited Clientele

If the project serves a particular clientele that is primarily LMI (but otherwise serves the entire city), the project may qualify as a Limited Clientele activity. For these activities:

- Intake and/or qualification procedures must be in place (or be developed) that capture required demographic information from each participant, including race, ethnicity, household size and the income levels of all persons being served; AND
- At least 51% of the persons served by the proposed program must be LMI (see **Attachment A** – Area Median Income Limits); OR
- Presumed benefit: If the program exclusively serves clientele that are “presumed” to be LMI, income qualification is not required and does not need to be collected; however, information about race, ethnicity, etc. must still be collected. “Presumed benefit” populations include abused children, battered spouses, elderly persons (age 62 and older), severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.

Please call the CDBG Program Administer at (619) 336-4219 for help in determining whether your project meets a National Objective, the category of benefit, and the documentation necessary to document the benefits to LMI persons. CDBG Program Administer will make the final determination of which category a project or program will fall into and the level of documentation required.

DEFINITION OF DISABLED PERSON

According to HUD, a person who is determined to have a physical, mental, or emotional impairment that:

- Is expected to be of long-continued and indefinite duration;
- Substantially impedes his or her ability to live independently; and
- Is of such a nature that the ability could be improved by more suitable housing conditions; or
- Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
- Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

DEFINITION OF AN ELDERLY PERSON/HOUSEHOLD

According to HUD, a household where either the head of the household, or spouse/co-head, is age 62 or older.

ENVIRONMENTAL REVIEW REQUIREMENTS

An Environmental Review is required for each project or program that receives CDBG funding. **Premature commitment or expenditure of any funds prior to completion of the environmental review will jeopardize the eligibility of the project.** This includes use of an agency's matching funds from other sources. Environmental reviews are required to comply with National Environmental Policy Act (NEPA) and HUD's enforcement measures. The review includes analysis of 13 federal laws designed to protect certain environmental areas. If the Application is funded, City staff will initiate the review and the agency will be kept informed about the estimated length of time to clear the project.

The environmental review process for Public Service programs usually (but not always) requires a lower level of review, normally can be completed at no cost, and can usually be cleared quickly so as not to delay the program start up. However, especially for Public Facilities projects, if an Environmental Assessment or higher level of review is required, the project applicant may be required to engage a qualified professional from an outside environmental consulting organization whose qualifications must be approved by the City prior to engagement, at its own cost. Depending upon the project location and environmental conditions, projects involving construction, rehabilitation and demolition can take up to 120 days to obtain an environmental clearance.

ADA ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The Americans with Disabilities Act (ADA), State Title 24, and the Fair Housing Act prohibit discrimination based on disability. Please be advised that your project will be reviewed for compliance with federal and state laws as they relate to accessibility. Accessibility includes such things as: entrance ramps, parking with universal logo signage, grab bars around commodes and showers, required height for toilet seats, space for wheelchair maneuverability, accessible water fountains and counters, and other improvements needed to assure full access for the disabled, including the blind and deaf. Additional information can be found at <https://www.ada.gov/>.

CONFLICT OF INTEREST

Conflicts of interest (or appearance thereof) can plague activities supported with federal funds. The general rule is that no employee, board member, officer, agent, consultant, elected official, or appointed official of the recipients or sub – recipients that are receiving funds under a CDBG-assisted program who have responsibilities with respect to the CDBG activities or are in a position to participate in decision-making processes or have access to inside information with regard to the activities, can obtain a financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611). Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, and services and awarding and administering sub-recipient contracts.

Personnel involved in the procurement process must be trained to recognize situations that create conflicts of interest, or the appearance of a conflict of interest.

The agency personnel should:

- Be familiar with the agency's code of ethics and potential conflict of interest issues.
- Not take gifts or gratuities from persons or organizations associated with the procurement process.

DAVIS-BACON LABOR STANDARDS

Construction work that is financed in whole or in part with CDBG funds is most likely subject to the Federal labor standards requirements, including the Davis-Bacon and Related Acts, for payment of prevailing wages. Additional information is available in the publication Contractor's Guide to Davis- Bacon: Prevailing Wage Requirements for Federally-Assisted Construction Projects. A copy of this publication may be obtained from the HUD Davis-Bacon and Labor Standards website located at

https://www.hud.gov/program_offices/davis_bacon_and_labor_standards/OLRLibrary, which contains additional labor compliance resources that may be of assistance. Triggering of Davis- Bacon and Related Acts may increase the project costs.

If construction work is proposed, contact CDBG Program Administer at (619) 336-4219 for assistance in determining whether your project is subject to Davis-Bacon requirements.

LEAD-BASED PAINT REGULATIONS

HUD has issued final regulations on notification, evaluation, and reduction of lead-based paint hazards in some facilities receiving federal assistance. Rehabilitation of facilities where children are served may be affected by this new regulation resulting in testing the painted surfaces that will be disturbed to determine the presence of lead-based paint. If paint surfaces are not lead-free, safe work practices will be required along with possible methods of removal.

SECTION 3 REQUIREMENTS

All housing construction, demolition, rehabilitation, and other public construction projects funded with CDBG funds must comply with Section 3 requirements to the greatest extent feasible. The City is committed to improving economic conditions in our community. The City will actively implement Section 3 regulations to direct work paid for by federal funds to Section 3 Residents and to Section 3 Business Concerns. Under the federal regulations, and in accordance with the City's Section 3 Implementation Plan, the City and its Contractors will satisfy the "greatest extent feasible" requirements by meeting the following numerical goals:

- 30% of all New Hires shall be Section 3 Residents. A New Hire is defined as a new, full- time employee hired on a permanent, temporary, or seasonal basis for a position that is generated from the expenditure of HUD funds covered by the Section 3 regulations. New Hire refers to a person who is not on the Contractor's payroll at the time of award of a Section 3 Covered Contract or at the time of receipt of Section 3 Covered Assistance.
- 30% of the total dollar amount of all covered construction contracts and subcontracts shall be awarded to Section 3 Business Concerns: and
- 30% of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 Business Concerns. This includes professional service agreements provided that the work to be performed by the professional is for work generated by the expenditure of the Section 3 Covered Assistance or for work arising in connection with a Section 3 Covered Project.

LICENSING AND FINGERPRINTS

All CDBG-funded programs and facilities serving specific populations (children, elderly, disabled, etc.) must be in full compliance with any and all Federal, State and local requirements for licensing and fingerprinting. If your project or program is determined to be out of compliance, the CDBG grant funds awarded may be affected, up to and including termination of the grant agreement.

VOLUNTEERS

The use of volunteers on a Public Facilities project, who are not otherwise employed by the agency or contractor, requires City approval. Depending on the work the volunteers will perform, state-licensing requirements will apply. For example, volunteers performing trade work (electrical, plumbing) must be licensed. To determine in-kind

volunteer contributions requested in the budget, use the estimated amount of what a paid worker would earn doing the same type of work.

MATCHING AND LEVERAGED FUNDS (COST SHARING)

Matching or leveraged funds are those other agency resources (non-CDBG) immediately accessible and firmly committed that are to be applied to the program or project. Leveraged funds can include a combination of cash, grants, loans, or in-kind resources available to finance the program costs. Program costs can be shared among all leveraged funding sources. In-kind contributions must have a specific dollar value established in accordance with generally accepted accounting principles. The basis of determining the value for personal services and donated materials and supplies must be identified and documented in the Application. Volunteer services may be counted if the service is an integral and necessary part of an approved CDBG-funded program. Rates for hours should be consistent with those paid for similar work in the labor market in which the applicant competes for the services involved. The value assigned to donate materials and supplies should be reasonable and should not exceed market value at the time of donation.

CDBG APPLICATION REVIEW PROCESS

The City of National City's CDBG funds will be allocated annually through an Application process to the maximum extent practicable within the City of National City. To encourage public participation in the development of the CDBG program, the City has adopted a Community and Citizen Participation Plan which outlines the procedures to be followed by public officials and private citizens to establish projects to be funded for a given program year that address identified needs in the Five Year Consolidated Plan. The complete Community and Citizen Participation Plan is available for review at the National City Housing Authority and on the City's webpage at www.nationalcityca.gov/cdbg-home.

A summary of the Application Review Process is provided below for applicants and/or private citizens who wish to participate in the City's CDBG program:

- Applications for CDBG funds are generally available at the beginning of November to City Departments and sponsored nonprofit organizations. Applications for the NOFA process are generally accepted mid-December.
- Staff will initially review all Applications for completeness, conformance with technical criteria as listed in these Guidelines and the Application itself, and if appropriate, will transmit a copy of the Application submittal to appropriate City departments for additional review. Criteria for review will include, but not be limited to:
 - Eligibility of the activity under CDBG regulations;
 - Compliance with a CDBG national objective;
 - Consistency with the priorities and specific Goals established in the Five-Year Consolidated Plan;
 - Prior experience with CDBG and/or other grant programs;
 - Prior experience in the community;
 - Agency administrative and financial capacity to carry out the proposed activity;
 - Feasibility and appropriateness of the project budget; and
 - Appropriateness of the design of the proposed project or program delivery approach.

Staff may request additional information from applicants for further clarification as required. This review summarizes the project and notes any concerns with the proposal.

- Agencies will be notified their project's eligibility/ineligibility. Applications which are determined to be ineligible will be allowed a 7-day period for submittal of additional information in support of reversing the determination.

- An internal review committee may be utilized. If utilized, review committee members will be provided with the Applications, the technical review summaries, and any agency response, if additional information was requested.
- Staff (and the review committee, if any) will review each eligible Application, and will give recommendations to City Council at the first Public hearing (typically held in March). Staff will make copies of all eligible Applications available for City Council and public review 72 hours prior to the Public hearing(s).
- Applicants and citizens are invited to provide comments on projects submitted, respond to any questions by the City Council, and to provide comments and input relative to the development of the One Year Action Plan. The City Council will tentatively select projects to be funded at the first Public hearing.
- Following City Council's tentative allocations at the first Public Hearing, a Notice of Public Review and Comment Period will be published that will include the full listing of tentatively- approved projects and their proposed allocation amounts that may be included as a part of the One Year Action Plan. The public is invited to provide written comments on the proposed projects/allocations and any other input relative to the development of the One Year Action Plan during that period (a minimum of 30 days).
- The City Council will review and adopt final allocations to projects and programs at a second Public Hearing (typically held at the first meeting in May. These final allocations will be included in the One Year Action Plan that will be submitted to HUD on or about May 15.
- Once the One Year Action Plan is approved by HUD and all other stated conditions are met (including completion of the required Environmental Review), project activities may begin (but no earlier than July 1, 2020).

SUMMARY OF ADDITIONAL CDBG PROGRAM REQUIREMENTS

- Congress created the CDBG program and numerous federal regulations apply. Agencies that are funded (subrecipients) will be required to execute a contract with the City listing their responsibilities for meeting all federal requirements along with the City.
- Affirmative action, nondiscrimination in services and employment practices, and ADA requirements apply; certification of a Drug Free Work Place is required.
- Subrecipients and contractors must not be de-barred.
- Funded agencies cannot be indebted to the IRS or to the City of National City nor have judgments or liens.
- The City's **Section 3** and **MBE/WBE** goals must be met to the greatest extent feasible.
- Subrecipients and contractors must have a verifiable **DUNS number**.
- City and HUD shall have access to the project records and payroll records as set forth in the funding agreement.
- Subrecipients are responsible for Worker's Compensation benefits or claims by employees and must indemnify and hold the City harmless against any and all claims.
- CDBG funds are reimbursed based upon required source documentation, i.e. timecards, cancelled checks, receipts, bank statements, etc. Reimbursements can be made monthly or quarterly at City's sole discretion.
- **Quarterly and Annual performance reports are required** (see **Attachment C** – Reporting Requirements for Funded Agencies).
- Proof of Insurance is required if funding is awarded (see **Attachments E and F** – Insurance Requirements).

PREMATURE COMMITMENT OR EXPENDITURE OF FUNDS PROHIBITS

IMPORTANT: Program expenses that have been committed or expended prior to HUD approval of the One Year Action Plan, City Council approval of the project allocation, NEPA environmental clearance, and execution of the CDBG contract may not be eligible for reimbursement.

ATTACHMENT A: AREA MEDIAN INCOME LIMITS FOR SAN DIEGO COUNTY

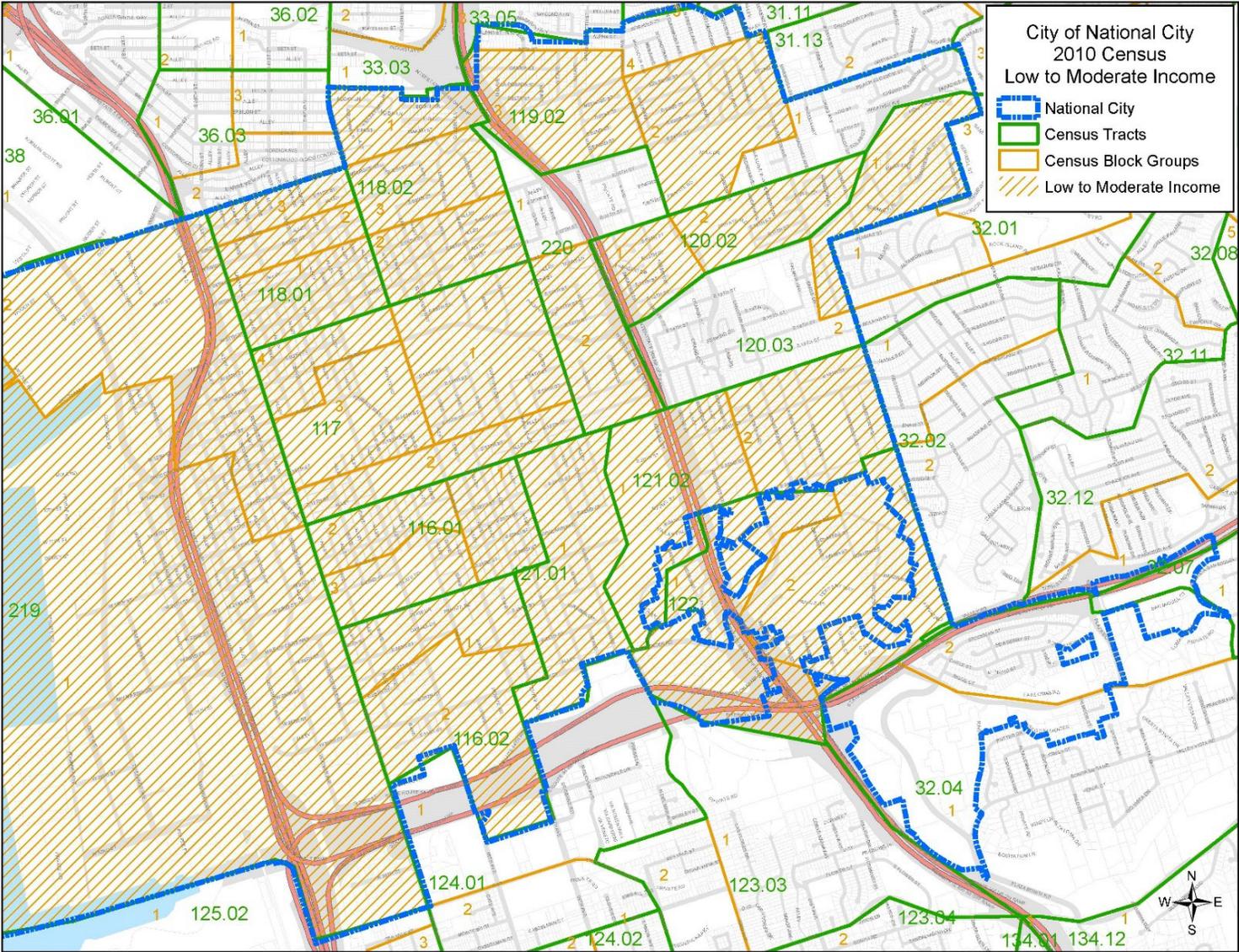
Household Size	At or Under 30% AMI*	Over 30% to 50% AMI*	Over 50% to 80% AMI*	Over 80% AMI*
1	\$0 - \$24,300	\$24,301 - \$40,450	\$40,451 - \$64,700	\$64,700 & Above
2	\$0 - \$27,750	\$27,751 - \$46,200	\$46,201 - \$73,950	\$73,951 & Above
3	\$0 - \$31,200	\$31,201 - \$52,000	\$52,001 - \$83,200	\$83,200 & Above
4	\$0 - \$34,650	\$34,651 - \$57,750	\$57,751 - \$92,400	\$92,401 & Above
5	\$0 - \$37,450	\$37,451 - \$62,400	\$62,401 - \$99,800	\$99,801 & Above
6	\$0 - \$40,200	\$40,201 - \$67,000	\$67,001 - \$107,200	\$107,200 & Above
7	\$0 - \$43,000	\$43,001 - \$71,650	\$71,651 - \$114,600	\$114,601 & Above
8	\$0 - \$45,750	\$45,751 - \$76,250	\$76,251 - \$122,000	\$122,001 & Above

(Note: *Area Median Income listed above is for 2020 and new limits are released each year. To obtain updated information go to <https://www.hudexchange.info/resource/5334/cdbg-income-limits/> and search for income limits for the San Diego area.)

- To meet this objective, each activity must serve a minimum of 51% low and moderate income persons. The city reserves the right to require that each activity serve up to 100% low and moderate income persons.

(Subject to annual revision)

ATTACHMENT B: MAP OF LOW AND MODERATE-INCOME AREAS IN NATIONAL CITY



ATTACHMENT C: 1.1 REPORTING REQUIREMENTS FOR FUNDED AGENCIES

Applicants receiving funding from the City of National City Community Development Block Grant (CDBG) funding must be aware of the following additional reporting requirements.

Why Accurate Reports are Necessary?

CDBG funds are allocated to projects and programs throughout the City of National City; however the funds originate at the federal level, through the U.S. Department of Housing and Urban Development (HUD). The City of National City is required to report to HUD the accomplishments of each grant given to agencies.

How long will CDBG-Funded Agencies be required to report?

Public Service: Agencies funded for Public Services programs will be required to submit Quarterly and Annual performance reports on forms provided by the City **for the entire fiscal year in which the program is funded.**

Public Facilities: Agencies funded for Public Facility improvement projects, pursuant to the CDBG regulations, any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be used to meet one of the national objectives (benefit low/moderate income persons) **until five years after expiration of the contract with the City.** Therefore, agencies receiving this category of funding will be required to submit Quarterly and Annual performance reports on forms provided by the City for the duration of the contract and **for five years after completion of the project.**

What reports will be required of CDBG-Funded Agencies?

All projects that provide benefit to LMI residents (except those providing an Area Benefit) will be required to collect, and keep records of specific demographic data about their program participants, and to report that data quarterly and annually on forms provided by the City (the Periodic Performance Report, commonly referred to as the Quarterly Performance Report). Intake and/or qualification procedures must be in place (or be developed) to capture demographic data and other information from **each participant.** Required report measures include:

- The number of persons assisted;
- Income levels of all persons assisted (30, 50, or 80% of the median income, adjusted for household size; see Attachment A– Area Median Income Limits table);
- Race and ethnicity of the persons assisted;
- The number of persons assisted that are homeless;
- The number that are disabled; and
- The number that female heads-of-household.

In addition, a narrative report must accompany each Periodic Performance Report and can be tailored to report progress on the objectives of the contract with the City, as well as analyze the benefits of the program to the community. Report measures will be negotiated and may include:

- The progress of the activity (progress of construction, % of completion, etc.);
- Amount of Other funds leveraged for the program (how and to what extent CDBG funds were helpful in attracting other grant or donor funds);
- Additional measures of success that were volunteered in the original project Application to attract CDBG funding (number of parents attending meetings, etc.)

ATTACHMENT C: 1.2 REFERENCE MATERIAL

The reference documents in Attachment C 1.2 and C 1.3 will assist the Sub-recipient to understand and facilitate HUD and the City of National City rules, regulations, and reporting requirements.

HANDBOOK FOR ADMINISTERING CDBG FUNDS: PLAYING BY THE RULES

Below is a detailed handbook to help recipients of CDBG funds understand the administrative requirements that apply to the use of Federal funds for the delivery of CDBG programs and activities.

[Chapter 1: Introduction](#)

[Chapter 2: Financial Management](#)

[Chapter 3: Procurement and Contracting](#)

[Chapter 4: Property Management and Disposition](#)

[Chapter 5: Record-Keeping and Reporting Requirements](#)

[Chapter 6: Other Administrative and Program Requirements](#)

[Chapter 7: Audits](#)

[Chapter 8: Closeout](#)

Entire Manual - <https://files.hudexchange.info/resources/documents/Playing-By-the-Rules-a-Handbook-for-CDBG-Subrecipients-On-Administrative-Systems.pdf>

UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPALS, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS - 2 CFR 200

All Grant funds are subject to 2 CFR 200 which is the government requirements for receiving and using federal awards such as CDBG.

<https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>

HUD CDBG webpage:

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/entitlement>

ATTACHMENT C: 1.3 PROGRAM FORMS

RECORD KEEPING AND MONITORING DOCUMENTS

- A. HUD Monitoring Checklist
- B. Program Beneficiary Data Form (example; subject to annual revisions)
- C. Performance Reporting Spreadsheet Part 1 – Demographic Data
- D. Performance Reporting Spreadsheet Part 2 – Narrative
- E. Expense Reimbursement Letter (non-profit organizations)
- F. Expense Reimbursement Form (non-profit organizations)
- G. Expense Reimbursement Claim Form - Labor & Fringe Benefits (non-profit organizations)
- H. Timesheet for volunteers/employees (non-profit organizations)
- I. Authorized Signatures (non-profit organizations)

**CHECKLIST FOR ON-SITE MONITORING OF A SUBRECIPIENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

Subrecipient _____
Project Name/Agreement No. _____
Project Director _____

In-house review and general oversight conducted on _____
On-site monitoring visit(s) conducted on _____

Monitoring letter sent on _____
Follow-up monitoring visit conducted/letter sent on: _____

A. National Objective and Eligibility

1. Which National Objective does this project meet (570.208)*?

Benefit to Low- and Moderate-Income Persons

- ___ Low/Mod Area Benefit
- ___ Limited Clientele Benefit
- ___ Low/Mod Housing Benefit
- ___ Job Creation or Retention

Aid in the Prevention or Elimination of Slums or Blight

- ___ on an Area Basis
- ___ on an Spot Basis

An Urgent Need

- ___ Needs having a Particular Urgency

2. Which eligibility category does the project meet? (570.201-6)?

B. Conformance to the Subrecipient Agreement

1. Contract Scope of Services – Is the full scope of services listed in the Agreement being undertaken? List any deviation.
2. Levels of Accomplishments – Compare actual accomplishments at the point of monitoring with planned accomplishments. Is the project achieving the expected levels of performance (number of persons served, number of units rehabbed, etc.) and reaching the intended client group? Explain any problem the subrecipient may be experiencing. **Acknowledge major accomplishments.**
3. Time of Performance — Is the work being performed in a timely manner (i.e., meeting the schedule as shown in the Agreement)? Explain.
4. Budget – Compare actual expenditures versus planned expenditures. Note any discrepancies or possible deviations.

5. Requests for Payment — Are requests for payment being submitted in a timely manner and are they consistent with the level of work accomplished? Is program income properly accounted for and recorded? Explain.
6. Progress Reports — Have progress reports been submitted with payment requests (where required) on time and were they complete and accurate?
7. Special Conditions — Does the project conform to any special terms and conditions included in the Subrecipient Agreement? Explain.

C. Record-Keeping Systems (570.506)

Records should demonstrate that each activity undertaken meets the criteria for National Objectives compliance. Such records should be found in both the grantee's project file and the subrecipient file.

1. Filing System — Are the subrecipient's files orderly, comprehensive, secured for confidentiality where necessary, and up-to-date? Note any areas of deficiency.
2. Documentation (activities, costs and beneficiaries) — Do the HCD project file and subrecipient records have the necessary documentation supporting the National Objective being met, eligibility, and program costs as they relate to 570.506? Do the project files support the data the subrecipient has provided for the CAPER?
3. Record Retention — Is there a process for determining which records need to be retained and for how long?
4. Site Visit (where applicable) — Is the information revealed by a site visit consistent with the records maintained by the subrecipient and with data previously provided to the grantee? Explain any discrepancies.
 - a. Is the project manager located on-site and running the day-to-day operations? Do the staff seem fully informed about program requirements and project expectations? Explain.
 - b. Is the project accomplishing what it was designed to do? Explain any problems.

D. Financial Management Systems [85.20 (local governments) and 84.21–28 (non-profits)]

1. Systems for Internal Control — Are systems in compliance with accounting policies and procedures for cash, real and personal property, equipment and other assets (85.20(b)(3) and 84.20(b)(3))?
2. Components of a Financial Management System — Review the chart of accounts, journals, ledgers, reconciliation, data processing, and reporting system. Note any discrepancies.

3. Accounting – Compare the latest performance report, drawdown requests, bank records, payroll records, receipts/disbursements, etc. Note any discrepancies.
4. Eligible, Allocable, and Reasonable Costs – See OMB Circulars A-87, A-122. Pay particular attention to the time distribution records where the subrecipient has employees who work on both CDBG and non-CDBG funded activities. Note any discrepancies.
5. Cash Management/Drawdown Procedures – See Treasury Circular 1075, 85.20(b)(7), and 84.20. Has all cash been promptly drawn down and deposited? Are all drawdowns of Federal funds properly recorded? Note any discrepancies.
6. Management of Program Income – If the subrecipient generates program income, refer to 570.504 and the Subrecipient Agreement about its use. Note any discrepancies.
7. IPA Audit Reports/Follow-up – (OMB Circular A-133) Determine if the subrecipient has expended \$500,000 or more in Federal funds for the subject program year.

IPA Audit Required Yes ___ No ___ N/A ___
Date Conducted _____

Any findings related to CDBG activity? Status? Explain.

8. Maintenance of Source Documentation – (85.20(b) and 84.20(b)) Note any discrepancies in sample records, invoices, vouchers and time records traced through the system.
9. Budget Control – Do actual expenditures match the line item budget? Refer to 85.20(b) (4) and 84.20. Note any discrepancies.

E. Insurance

1. Has the subrecipient submitted a current copy of its Certificate of Insurance?
2. Is the City named as an additional insured?

F. Procurement

1. Procurement Procedures – Do the procedures the subrecipient uses for procurement of goods and services meet CDBG requirements? Review a sample number of procurements.
2. Conflict of Interest – How does the subrecipient assure there was no conflict of interest, real or apparent? Review the process and comment.

G. Equipment and Real Property

1. Has the subrecipient acquired or improved any property it owns in whole or in part with CDBG funds in excess of \$25,000? If yes, review for compliance with 570.503(b)(7).

2. Has the subrecipient purchased equipment with CDBG funds in excess of \$1,000? Does the subrecipient maintain the records required at 84.34?
3. Has a physical inventory taken place and the results reconciled with property records within the last two years?
4. If the subrecipient disposed of equipment/property that was purchased with Federal funds within the last five years:
 - a. Were proceeds from the sale reported as program income?
 - b. Did the grantee approve expenditure of program income?
 - c. Was the program income returned to the grantee?

H. Non-Discrimination and Actions to Further Fair Housing

1. Equal Employment Opportunity – Refer to 570.506, 601 and 602. Note any deficiencies.
2. Section 3 – Opportunities for Training and Employment for Local Residents – Refer to 570.506(g)(5) and 570.607(a) (affirmative action). Note any deficiencies.
3. Fair Housing Compliance – Refer to 570.904 and 570.601(b). Note any deficiencies.
4. Requirements for Disabled Persons – Refer to 8.6. Note any concerns.
5. Women and Minority Business Enterprises – Refer to 570.506(g), 85.36(e), and 84.44, affirmative steps documentation. Note any concerns.

I. Conclusion and Follow-up

1. Is the subrecipient meeting the terms of the Subrecipient Agreement and HUD regulations? Discuss both positive conclusions and any weaknesses identified.
2. Identify any follow-up measures to be taken by the grantee and/or the subrecipient as a result of this monitoring review.
 - a. List the required schedule for implementing corrective actions or making improvements.
 - b. List the schedule for any needed technical assistance or training and identify who will provide the training.

Project Monitor

Date

PROGRAM BENEFICIARY DATA FOR CDBG/HOME FUNDED PROJECTS

Your cooperation in filling out this form is requested. Record keeping on income of participants in the _____ Program is a condition of receipt of federal funds for the program. The information provided on this form will remain confidential but may be subjected to verification by responsible local and federal agencies. Self-identification of race and ethnicity is voluntary.

What is the total number of persons in your household?	
Female head of household? Yes or No	Disabled/Special Needs? Yes or No
Seniors? Yes or No	Are you homeless? Yes or No
What is the total combined annual income of all members of your household?	

Household Size	At or Under 30% AMI*	Over 30% to 50% AMI*	Over 50% to 80% AMI*	Over 80% AMI*
1	\$0 - \$24,300	\$24,301 - \$40,450	\$40,451 - \$64,700	\$64,700 & Above
2	\$0 - \$27,750	\$27,751 - \$46,200	\$46,201 - \$73,950	\$73,951 & Above
3	\$0 - \$31,200	\$31,201 - \$52,000	\$52,001 - \$83,200	\$83,200 & Above
4	\$0 - \$34,650	\$34,651 - \$57,750	\$57,751 - \$92,400	\$92,401 & Above
5	\$0 - \$37,450	\$37,451 - \$62,400	\$62,401 - \$99,800	\$99,801 & Above
6	\$0 - \$40,200	\$40,201 - \$67,000	\$67,001 - \$107,200	\$107,200 & Above
7	\$0 - \$43,000	\$43,001 - \$71,650	\$71,651 - \$114,600	\$114,601 & Above
8	\$0 - \$45,750	\$45,751 - \$76,250	\$76,251 - \$122,000	\$122,001 & Above

(Note: *Area Median Income listed above is for 2020 and new limits are released each year. To obtain updated information go to <https://www.hudexchange.info/resource/5334/cdbg-income-limits/> and search for income limits for the San Diego area.)

ETHNICITY: Please check the box below that describes your family ethnicity.

Hispanic/Latino (a)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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RACE: Please **ALSO** check the box below that best describes your family race.

Single Race Categories	Multiple Race Categories
<input type="checkbox"/> White	<input type="checkbox"/> American Indian / Alaskan Native & White
<input type="checkbox"/> Black	<input type="checkbox"/> Asian & White
<input type="checkbox"/> Asian	<input type="checkbox"/> Black / African American & White
<input type="checkbox"/> American Indian / Alaskan Native	<input type="checkbox"/> American Indian / Alaskan Native & White
<input type="checkbox"/> Native Hawaiian / Other Pacific Islander	<input type="checkbox"/> Other or Multi-racial (please specify): _____

APPLICANT STATEMENT: I hereby certify that the information on this form is accurate and complete. I understand that this self-certification may be subject to further verification by the agency providing services, the City, or the U.S. Department of Housing & Urban Development. I, therefore, authorize such verification, and I will provide supporting documents, to include documentation on all income sources if necessary. **WARNING:** Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the U.S. Government.

Name: _____ Phone Number: _____

(Print)

Household Address: _____

Signature: _____ Date: _____

DATOS DE BENEFICIARIOS DEL PROGRAMA PARA PROYECTOS FINANCIADOS POR EL CDBG/HOME

Se solicita su cooperación para rellenar este formulario. El mantenimiento de registros de los ingresos de los participantes en el _____ Programa es una condición para recibir fondos federales para el programa. La información proporcionada en este formulario permanecerá confidencial, pero puede ser verificada a la verificación por agencias locales y federales responsables. La autoidentificación de la raza y la etnia es voluntaria.

¿Cuál es el número total de personas en su hogar?	
¿Es mujer la encargada de su casa? Sí o No	¿Tiene necesidades especiales/discapacitadas? Sí o No
¿Es persona mayor de edad? Sí o No	¿Esta sin hogar? Sí o No
¿Cuál es el total ingreso anual combinado de todos los miembros de su familia?	

Tamaño del Hogar	30% o Menos IMA*	De 30 a 50% IMA*	De 50 a 80% IMA*	Sobre 80% IMA*
1	\$0 - \$24,300	\$24,301 - \$40,450	\$40,451 - \$64,700	\$64,700 o mas
2	\$0 - \$27,750	\$27,751 - \$46,200	\$46,201 - \$73,950	\$73,951 o mas
3	\$0 - \$31,200	\$31,201 - \$52,000	\$52,001 - \$83,200	\$83,200 o mas
4	\$0 - \$34,650	\$34,651 - \$57,750	\$57,751 - \$92,400	\$92,401 o mas
5	\$0 - \$37,450	\$37,451 - \$62,400	\$62,401 - \$99,800	\$99,801 o mas
6	\$0 - \$40,200	\$40,201 - \$67,000	\$67,001 - \$107,200	\$107,200 o mas
7	\$0 - \$43,000	\$43,001 - \$71,650	\$71,651 - \$114,600	\$114,601 o mas
8	\$0 - \$45,750	\$45,751 - \$76,250	\$76,251 - \$122,000	\$122,001 o mas

(Nota: *Los ingresos medios de área mencionados anteriormente son para 2020 y se liberan nuevos límites cada año. Para obtener información actualizada, vaya a <https://www.hudexchange.info/resource/5334/cdbq-income-limits/>.)

ORIGEN: Por favor marque la casilla de abajo que describe su etnia familiar.

Hispano/Latino (a)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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RAZA: Por favor, también marque la casilla de abajo que mejor describa su raza familiar.

Categorías de Raza Unica	Múltiples Categorías de Raza
<input type="checkbox"/> Blanco	<input type="checkbox"/> Indio Americano / Nativo de Alaska y Blanco
<input type="checkbox"/> Negro / Africano Americano	<input type="checkbox"/> Asiático y Blanco
<input type="checkbox"/> Asiático	<input type="checkbox"/> Negro/ Africano Americano Y Blanco
<input type="checkbox"/> Indio Americano / Nativo de Alaska	<input type="checkbox"/> Indio Americano y Negro/ Africano Americano
<input type="checkbox"/> Nativo de Hawái /Otra Isla del Pacifico	<input type="checkbox"/> Otra raza:

DECLARACION DEL SOLICITANTE: Por la presente certifico que la información en este formulario es exacta y completa. Entiendo que esta autocertificación puede estar sujeta a una verificación adicional por parte de la agencia que proporciona servicios, la ciudad o el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos. Por lo tanto, autorizo dicha verificación, y presentaré documentos justificativos, para incluir documentación sobre todas las fuentes de ingresos si es necesario. **ADVERTENCIA:** El Título 18, Sección 1001 del Código de los Estados Unidos establece que una persona es culpable de un delito grave por hacer declaraciones falsas o fraudulentas a cualquier departamento del Gobierno de los Estados Unidos.

Nombre: _____ Número de Teléfono: _____

Domicilio: _____

Firma: _____ Fecha: _____

Revisado: 07/06/2020 – 2020 Sistema de Documentación de Límites de Ingresos a partir del 1 de julio de 2020. [HUD EXCHANGE](https://www.hudexchange.info/)

City of National City: CDBG Performance Reporting Spreadsheet

Please use this form to report to the City every quarter as required by HUD. The "Quarterly Report" or "Performance Report" quantifies demographic, and socio-economic data. The "narrative report" is used to report on your organization's progress towards meeting the overall project goal and the specific project objectives outlined in the CDBG funding agreement. You will find tabs at the bottom of the workbook for the appropriate performance report and narrative report. Reports are automatically calculated into a program year-end report. The year-end narrative report will still need to be completed manually.

Report Submittal:

Please submit the excel spreadsheet CDBG Performance Reports according to the schedule outlined in the funding agreement via e-mail to apalma@nationalcityca.gov.

If you have any questions or comments about this spreadsheet please call the CDBG Program Administer Angelita Palma at 619-336-4219.

Important Notes:

All Fields must be completely filled out in order to count the program participants.

Race:

Please note that HUD no longer considers Hispanic a race, but an ethnicity. Please modify your intake form to first request ethnicity (e.g. Hispanic or Not-Hispanic) and then race (e.g. Black, White, Other, etc.) In other words, a client can no longer be just Hispanic, they are Hispanic AND a Race.

Income:

It is vital that you verify the income of your clients. Failure to do so jeopardizes the eligibility of your project for the use of CDBG Funds (some cases expected).

Service Access:

HUD requires recipients to indicate how the CDBG funded projects/program changed clients access to services. How many clients were able to access the services for the first time? How many found that their access to services was improved? Did the project/program provide access to a higher standard of service?

Other:

You must also ask clients if they are homeless, disabled or part of a female head of household.

CDBG Periodic Report:
1st Quarter

Agency:	
Project	
Contact:	
Phone:	

The following numbers are reported by: Household Person

RACE:	Total Clients (Incl. National City)		National City Clients Only	
	ALL (Incl.Hisp)	Hispanic ^A	ALL (Incl.Hisp)	Hispanic ^A
White				
Black / African American				
Asian				
American Indian/Alaskan Native				
Native Hawaiian/Other Pacific Islander				
American Indian/Alaskan Native and White				
Asian and White				
Black/African and White				
American Indian/Alaskan Native and Black/African American				
Other/Multi-Racial				
1. TOTAL^B	0	0	0	0

INCOME:	Total Clients (Incl. National City)	National City Clients Only
Extremely Low Income (0-30% AMI)		
Low Income (31-50% AMI)		
Moderate (51-80% AMI)		
Non-Low/Moderate (>80% AMI)		
2. TOTAL^B	0	0

SERVICE ACCESS ^C :	Total Clients (Incl. National City)	National City Clients Only
New Access to		
Improved Access to		
Access to a service that is no longer substandard		
3. TOTAL^B	0	0

OTHER ^D :	Total Clients (Incl. National City)	National City Clients Only
Homeless		
Female Head of Household		
Disabled/Special Needs		

Total Project Cost:

City Grant:

^A A member of any race may be of Hispanic ethnicity. (e.g. Hispanic White, Hispanic Black, etc.)

^B Total 1, 2, & 3 MUST BE EQUAL.

^C How did the project change access to client services. Total must match total 1 and 2.

^D Persons may fall under more than one category. This section does not need to be totaled.

Agency:	
Project:	
Contact:	
Phone:	
Period:	1st Quarter (July 1 to September 30)
Year:	
<p>Please provide a narrative report on the progress made this month towards achieving the overall project goal and specific project objectives your organization outlined in the CDBG Funding Agreement. <i>First</i> copy the goal and objectives from the agreement; <i>Then</i> describe the progress made in the box below.</p>	
Project Goal:	<p>Enter Summary of Project Goals and Deliverables/Outcomes here. (From Contact Scope of Service)</p>
Narrative:	<p>Enter Project Goal Narrative Here</p>

Reimbursement Letter Sample Agency Letterhead

DATE

VIA Email

Angelita Palma
CDBG/HOME Program Administer
National City Housing Authority
140 E. 12th Street
National City, CA 91950

Re: FY 20XX-20XX CDBG Program Subrecipient Agreement
Invoice #

Dear Ms. Palma,

Please find the reimbursement request for the above referenced agreement in the amount of \$_____ for the _____ month or quarter of 20XX. The supporting documentation for this expenditure request is attached for your review.

If you have any questions, please contact me at () -

Sincerely,

Name and
Title of the Authorized Signer for Reimbursements

Attachments: Reimbursement Claim Form &
Supporting Documentation

City of National City
 Community Development Block Grant (CDBG)
 Expenditure Reimbursement Claim Form - Labor & Fringe Benefits
 Fiscal Year 20XX-20XX

Agency: _____
 Contact Person: _____

PERSONNEL (DIRECT LABOR) & FRINGE BENEFITS (Sample)

Period Ending March 31, 20XX

Staffing Costs

Rate	Fringe		January	February	March	Grand Totals
\$ 68.55	16.34	Name	100	106	106	312
\$ 49.77	11.86	Name	120	120	240	480
\$ 49.77	11.86	Name	100	92	0	192
\$ 28.50	6.79	Name	100	50	6	156
		Total Hrs. By Month	420	368	352	1140

Total Salaries	\$ 25,576.60	\$ 23,828.40	\$ 24,001.28	\$ 73,406.28
-----------------------	---------------------	---------------------	---------------------	---------------------

FICA	25	25	25	75
SUI	300	300	300	900
Health Insurance	15	15	15	45
Insurance W/C	12	12	12	36
Other Benefits	3	3	3	9
Total Benefits	355	355	355	1065

Total Costs by Month	25931.6	24183.4	24356.28	74471.28
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National City CDBG Program Employee/ Volunteer Timesheet

Employee/Volunteer Name: _____

Period: _____

Date	In	Out	In	Out	NC CDBG	Leverage A	Volunteer			Total Hours
1	16									0
2	17									0
3	18									0
4	19									0
5	20									0
6	21									0
7	22									0
8	23									0
9	24									0
10	25									0
11	26									0
12	27									0
13	28									0
14	29									0
15	30									0
	31									0

I acknowledge that by signing this timesheet I have taken my meal and rest period breaks

						Grand Total
						0

Signature: _____

Supervisor: _____

TO: City of National City

SUBRECIPIENT: _____

SUBJECT: AUTHORIZED SIGNATURES

The following signature authorization(s) are to remain in effect until City of National City is otherwise notified. (Additional pages may be used authorizing additional persons to sign.)

The following persons are authorized to sign new agreements/contracts and budget amendments requiring the City of National City Officials approval:

_____ Signature	_____ Signature
_____ Type or print name	_____ Type or print name
_____ Title	_____ Title

The following persons are authorized to sign budget adjustments (not affecting the grant amount of the contract):

_____ Signature	_____ Signature
_____ Type or print name	_____ Type or print name
_____ Title	_____ Title

The following persons* are authorized to sign claims for reimbursement and monthly or quarterly progress reports:

_____ Signature	_____ Signature
_____ Type or print name	_____ Type or print name
_____ Title	_____ Title

*Two signatures are required on all checks regardless of dollar amount.

I hereby assign this authorization by the power vested in me by the

(Governing body)

(Signature, typed or printed name, and title)

ATTACHMENT D: 1.1 SUBRECIPIENT AGREEMENT

**AGREEMENT BETWEEN
CITY OF NATIONAL CITY
AND
NAME OF ORGANIZATION
FOR
PROJECT**

THIS AGREEMENT FOR **PROJECT** (“Agreement”), entered this ___ day of ____, 2020 by and between the **City of National City**, a municipal corporation (herein called the “Grantee”) and the **NAME OF ORGANIZATION**, a California nonprofit corporation (herein called the “Subrecipient.”)

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383 (42 U.S.C. 5301 *et. seq.*); and

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

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

I. SCOPE OF SERVICE

A. Activities: The Subrecipient will be responsible for administering the program titled, - _____ in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds. Such program will include activities eligible under the Community Development Block Grant (“CDBG”) program, as specified in **Exhibit A**, attached and incorporated herein.

B. National Objectives: All activities funded with CDGB funds must meet one of the CDBG program’s National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 C.F.R. 570.208.

The Subrecipient certifies that the activity(ies) carried out under this Agreement will meet the National Objective of benefiting low- and moderate-income persons.

C. Levels of Accomplishment – Goals and Performance Measures: The levels of accomplishment may include such measures as units rehabilitated, persons or households assisted, or meals served, and should include periods for performance. Refer to **Exhibit A** for more specific description of the level of project and program services.

D. Staffing: Subrecipient shall be responsible for staff and time to be allocated to each activity, as set forth in **Exhibit A**, attached hereto and incorporated herein.

E. Performance Monitoring: The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Grantee, Agreement suspension or termination procedures will be initiated by Grantee consistent with Paragraph VI (H) and (I).

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of July, YEAR and end on the 30th day of June of YEAR.

- OR -

Services of the Subrecipient shall start once a Notice to Proceed is issued. The term of this contract is day of MONTH, 20XX and end on the day of MONTH, 20XX.

The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income. Subrecipient must provide Grantee written notification of the final day on which it controlled CDBG funds (or other assets, including program income) if the term is so extended and subrecipient does not renew or execute a new CDBG agreement with Grantee.

III. BUDGET

Any indirect costs charged must be consistent with the conditions of Paragraph VII (C)(2) of this Agreement. Subrecipient shall adhere to the Budget, attached as **Exhibit "A"** and incorporated herein. Both the Grantee and the Subrecipient must approve any amendments to the Budget in writing as an amendment to this Agreement.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed **INSERT Dollars (\$ INSERT.00)**. Drawdowns for the payment of eligible expenses shall be made on a monthly basis (as described in **Exhibit "A"**) against the Budget line items specified in Paragraph III herein and in accordance with performance. Expenses for general administration shall also be paid against the Budget line items specified in Paragraph III and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 C.F.R. 200, *et. seq.*, and, in particular, 2 C.F.R. 200.302. Payment shall be contingent upon HUD's delivery of payment to City.

V. NOTICES

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

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

Grantee	Subrecipient	Subrecipient
Contact Person: Angelita Palma	Contact Person:	Contact Person:
Organization: City of National City	Organization:	Organization:
Address: 140 East 12th Street, Suite B National City, CA 91950	Address:	Address:
Telephone: (619) 336-4219	Telephone:	Telephone:
Email: apalma@nationalcityca.gov	Email:	Email:

VI. 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 C.F.R. 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 C.F.R. Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement. 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 agrees to defend, indemnify and hold harmless the City of National City, its officers, officials, agents, employees, and volunteers against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suits, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the Subrecipient's performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of Grantee, its agents, officers, employees or volunteers. Grantee will cooperate reasonably in the defense of any action, and Subrecipient shall employ competent counsel, reasonably acceptable to the City Attorney.

The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

- D. Workers' Compensation:** The Subrecipient shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Labor Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the Grantee and its elected officials, officers, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the Grantee or its elected officials, officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the Grantee under this Agreement.

Insurance & Bonding: The Subrecipient, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors when applicable, to purchase and maintain throughout the term of this agreement, the following insurance policies attached as **Exhibit E**:

1. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.
2. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the City of National City and its officers, agents, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided.
3. Commercial general liability insurance, with minimum limits of \$2,000,000 per occurrence/\$4,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Agreement.
4. Workers' compensation insurance in an amount sufficient to meet statutory requirements covering all of Subrecipient's employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the Grantee. Said endorsement shall be provided prior to commencement of work under this Agreement.
5. The aforesaid policies shall constitute primary insurance as to the Grantee, its officers and employees, so that any other policies held by the Grantee shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the City's Risk Manager, at the address listed in subsection 8 below, of cancellation or material change.

6. Said policies, except for the professional liability and workers' compensation policies, shall name the Grantee and its elected officials, officers, agents and employees as additional insureds, and separate additional insured endorsements shall be provided.

7. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the Subrecipient shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

8. The Certificate Holder for all policies of insurance required by this Section shall be:

City of National City
c/o Risk Manager
1243 National City Boulevard
National City, CA 91950-4397

9. Insurance shall be written with only insurers authorized to conduct business in California which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company of equal financial stability that is approved by the National City Risk Manager. In the event coverage is provided by non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

10. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the National City Risk Manager. If the Subrecipient does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the Grantee may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

11. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the Grantee.

12. If the Subrecipient maintains broader coverage or higher limits (or both) than the minimum limits shown above, Grantee requires and shall be entitled to the broader coverage or higher limits (or both) maintained by the Subrecipient. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to Grantee.

13. 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 2 C.F.R. 200.310, 2 C.F.R. 200.325-26, and 2 C.F.R. Part 200, Appendix II Bonding and Insurance.

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

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

The Grantee may, in its discretion, amend this Agreement to conform with Federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons.

If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination: In accordance with 2 C.F.R. Part 200, Appendix II(B)C.F.R., the Grantee may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

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

The Grantee shall have the right, in accordance with 2 C.F.R. Part 200, Appendix II(B), to terminate this Agreement immediately or withhold payment of invoice for failure of the SUB-RECIPIENT to comply with the terms and conditions of this Agreement. Should the Grantee decide to terminate this Agreement, after a full evaluation of all circumstances has been completed, the Subrecipient shall, upon written request, have the right to an appeal process. A copy of the appeal process will be attached to any termination notice.

If the Grantee finds that the Subrecipient has violated the terms and conditions of this Agreement, the Subrecipient may be required to:

1. Repay all monies received from the Grantee under this Agreement; and/or
2. Transfer possession of all materials and equipment purchased with grant money to the Grantee.

In the case of early termination, a final payment may be made to the SUB-RECIPIENT upon receipt of a Final Report and invoices covering eligible costs incurred prior to termination. The total of all payments, including the final payment, shall not exceed the amount specified in this Agreement.

I. Termination for Convenience: In accordance with 2 C.F.R. Part 200, Appendix II(B)C.F.R., this Agreement may also be terminated for convenience by either the Grantee or the Sub-recipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety. Grantee and sub-recipient agree to provide written notice to the other party thirty (30) days prior to the effective date of any termination, in whole or part, for convenience. In the event that HUD withdraws any portion of the City's CDBG funds, the City shall not be obligated to reimburse the Sub-recipient or sub-contractor for any activity expense incurred or otherwise. City will notify Sub-recipient or subcontractor if such event by HUD occurs.

VII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards: The Subrecipient agrees to comply with 2 C.F.R. Part 200 *et seq.*, and, in particular, 2 C.F.R. 200.300–309 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 C.F.R. 2 C.F.R. Part 200, and, in particular, the “Cost Principles” described in Subpart E of Part 200.

B. Documentation and Record Keeping

1. **Records to be maintained:** The Subrecipient shall maintain all records required by the Federal regulations specified in 24 C.F.R. 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 C.F.R. 570.502, and Subparts D, E, and F of 24 C.F.R. 200 ; and
 - g. Other records necessary to document compliance with Subpart K of 24 C.F.R. Part 570.

2. **Retention:** The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years or such longer period of time as the Grantee deems appropriate. 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 five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-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 Agreement, is prohibited by the State and for Federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

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

6. **Audits & Inspections:** All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement 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 2 C.F.R. 200.

7. **Additional Documents:** Subrecipient agrees to provide a list of its Board of Directors and Corporate By-Laws, **Exhibit "C"**, and any additional documents, as required in **Exhibit "D," "E," and "F"** attached and incorporated herein.

C. **Reporting and Payment Procedures**

1. **Program Income:** The Subrecipient shall report quarterly all program income (as defined at 24 C.F.R. 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 C.F.R. 570.504. By way of further limitations, the Subrecipient may use such income during the Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unexpended program income shall be returned to the Grantee at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.
2. **Indirect Costs:** If indirect costs are charged, the Subrecipient will develop an indirect cost allocation plan for determining the appropriate Subrecipient's share of administrative costs and shall submit such plan to the Grantee for approval, in a form specified by the Grantee.
3. **Payment Procedures:** The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with the 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 Agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. **Progress Reports:** The Subrecipient shall submit quarterly Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

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:** Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of 2 C.F.R. 200.317–326.
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 C.F.R. Part 200 and 24 C.F.R. 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 C.F.R. 570.208 until five (5) years after expiration of this Agreement or such longer period of time as the Grantee deems appropriate. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five(5) year period or such longer period of time as the Grantee deems appropriate.
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

VIII. 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 C.F.R. Part 24 and 24 C.F.R. 570.606(b); (b) the requirements of 24 C.F.R. 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under Section 104(d) of the HCD Act; and (c) the requirements in 24 C.F.R. 570.606(d) governing optional relocation policies. The Grantee may preempt the optional policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 C.F.R. 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

IX. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. **Compliance:** The Subrecipient agrees to comply with local and state civil rights ordinances here 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 as amended by Executive Order 12259, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 12086, and 42 U.S.C. 2000e.
2. **Nondiscrimination:** The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. 570.607, as revised by Executive Order 13279 and later amended in Executive Order 13559. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.
3. **Land Covenants:** This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352, 42 U.S.C. 2000a) and 24 C.F.R. 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon,

providing that the Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

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

B. Affirmative Action

1. **Approved Plan:** The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds, consistent with the policy in **Exhibit "E"**, attached hereto and incorporated herein.
2. **Women- and Minority-Owned Businesses (W/MBE):** The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
3. **Access to Records:** The Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.
4. **Notifications:** The Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
5. **Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement:** The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.
6. **Subcontract Provisions:** The Subrecipient will include the provisions of Paragraphs IX.A, Civil Rights, and B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions

1. **Prohibited Activity:** The Subrecipient is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.
2. **Labor Standards:** The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 *et seq.*) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 C.F.R. Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

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 Agreement, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 C.F.R. Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. **"Section 3" Clause**

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

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

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

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

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

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

- b. **Notifications:** The Subrecipient agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- c. **Subcontracts:** The Subrecipient will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Subrecipient will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

- 1. **Assignability:** The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this Agreement 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 Agreement 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 Agreement 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 Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.
 - d. **Selection Process:** The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.
- 3. **Hatch Act:** The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of

political activities in violation of Chapter 15 of Title V of the U.S.C. (5 U.S.C. 1501 – 1508).

4. **Conflict of Interest**: The Subrecipient agrees to abide by the provisions of 2 C.F.R. 200.112, 200.318, and 570.611, which include (but are not limited to) the following:
 - a. The Subrecipient shall maintain a written code or standards of conduct governing the actions of its officers, employees or agents engaged in the selection, award and administration of contracts supported by Federal funds.
 - b. No employee, officer or agent of the Subrecipient may participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
 - c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

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

6. **Copyright**: If this Agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to royalty-free, non-exclusive and

irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. **Religious Activities:** The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 C.F.R. 570.200(j), such as worship, religious instruction, or proselytization.

X. **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:

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

B. **Flood Disaster Protection:** In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

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 C.F.R. 570.608, and 24 C.F.R. 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 undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

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 (54 U.S.C. 100101 *et. seq.*) and the procedures set forth in 36 C.F.R. 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.

XI. **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.

XII. **SECTION HEADINGS AND SUBHEADINGS**

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

XIII. **WAIVER**

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

XIV. INTERPRETATION OF THE AGREEMENT

The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to the Grantee. The Subrecipient shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein. Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such revision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

XV. ATTORNEY'S FEES

In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorney's fees, costs, and expenses incurred by the prevailing party.

XVI. ENTIRE AGREEMENT

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

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ATTACHMENTS

Exhibit A-Scope of Services and Budget

Exhibit B-Board of Directors and Corporate Bylaws

Exhibit C-Technical Assistance Materials

Exhibit D-Affirmative Action Policy

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

City of National City

NAME OF ORGANIZATION, a
California nonprofit corporation

By: Brad Raulston
City Manager

By: Name
Title

APPROVED AS TO FORM:

By: Angil P. Morris-Jones
City Attorney

By: Name
Title

ATTEST

By: Michael Dalla
City Clerk



City of National City Insurance Requirements

Please forward to your Insurance Agent immediately

PRIOR to performing services for the City of National City, the City must have current Certificates of Insurance on file for all companies, contractors, and consultants.

Required Insurance Certificates per the City's Agreement:

- ⇒ Professional Liability Insurance (errors and omissions) with minimum limits of \$1M per occurrence (*if applicable*)
- ⇒ Commercial General Liability coverage with limits of coverage at least \$2M per occurrence/\$4M aggregate or in the alternative limits of at least \$1M per occurrence/\$2M aggregate with \$2M umbrella or excess coverage; this is subject to a discretionary review for services to be rendered wherein a greater level of coverage may be required:
 - Must include separate endorsement adding as additional insureds: "The City of National City, its elected officials, officers, agents, employees and volunteers". The actual endorsements or policy language regarding automatic additional insureds must be provided.
 - General aggregate limits must apply solely to this "project" or "location". This "project" or "location" must be identified with specificity on a separate endorsement.
- ⇒ Commercial Auto Liability coverage with limits of coverage of at least \$1M, Combined Single Limit; this is subject to a discretionary review for services to be rendered wherein a greater level of coverage may be required:
 - Must include "any" auto.
 - Must include separate endorsement adding as additional insureds: "The City of National City, its elected officials, officers, agents, employees and volunteers". The actual endorsements or policy language regarding automatic additional insureds must be provided.
- ⇒ Workers' Compensation coverage to meet California statutory limits, plus employers' liability coverage of coverage as set out in the agreement with the following stipulations:
 - Workers' Compensation Waiver of Subrogation in favor of the City is required.
 - If there are no employees subject to Workers Compensation law, submit a signed Declaration (provided on next page).
- ⇒ Deductibles or SIRs (Self-Insured Retention) in excess of \$10,000 must be disclosed.
- ⇒ **CERTIFICATEHOLDER: City of National City, c/o Risk Manager 1243 National City Boulevard, National City, CA 91950-4397.**

Insurance Document Submittal:

Email insurance certificates to Tirza Gonzales in Engineering/Public Works Department (tgonzales@nationalcityca.gov); her telephone number is (619) 336-4318.

Mail the certificates and endorsements to:

City of National City
c/o Risk Manager
1243 National City Blvd
National City, CA 91950-4397

Questions: Risk Manager: (619) 336-4370



(To be submitted only when there are no employees subject to Workers' Compensation)

DECLARATION AND ADDENDUM TO ALL CONTRACTS AWARDED TO:

(Company Name)

For the purpose of inducing the City of National City to go forward with any contracts awarded to _____ (Company), I declare as follows:

I, _____ (name), _____ (title), am authorized to execute this document on behalf of _____ (company) with respect to compliance with the California Workers' Compensation and Labor laws. All work required will be performed personally and solely by volunteers of _____ (company), who are independent contractors. If, however, _____ (company) shall ever be required to hire employees or Subcontractors to perform this contract, _____ (Company) shall obtain Workers' Compensation Insurance and/or provide proof of Workers' Compensation Insurance coverage to the City of National City.

This document constitutes a declaration by _____ (company) against its financial interest, relative to any claims which may be asserted under the California Workers' Compensation and/or Labor laws against the City of National City relating to any bid or contract awarded _____ (company).

_____ (company) will defend, indemnify, and hold harmless the City of National City, its officers and employees, from any and all claims and liability, including Workers' Compensation claims and liability that may be asserted or established by any party in the event it hires an employee in violation of this addendum or if a volunteer of the organization makes a claim against or alleges liability of the City of National City for Workers' Compensation, and it will further indemnify the City of National City, its officers and employees, for all damages the City thereby suffers.

I agree that these declarations shall constitute an addendum to any bid or contract awarded to: _____ (Company).

Dated: _____, 20____.

(Insert company name in all caps)

By: _____
(Signature of Authorized Representative)

(Name and Title)

MEMORANDUM OF UNDERSTANDING

BETWEEN THE NATIONAL CITY HOUSING AUTHORITY AND THE **INSERT DEPARTMENT** FOR **INSERT PROGRAM**

This Memorandum of Understanding is for the purpose of establishing the responsibilities and requirements to be assumed by the **INSERT DEPARTMENT** and the National City Housing Authority in implementing the **INSERT PROGRAM** approved by the City Council of the City of National City Resolution **INSERT RESO #** and incorporated in the First Amendment to the FY 2019-2020 Annual Action Plan.

INSERT DEPARTMENT will provide the program in accordance with the U.S Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program regulations and CDBG Program Guidelines found on the City's website at www.nationalcityca.gov/CDBG-HOME. The CDBG Program is governed by Code of Federal Regulations (CFR) Title 24 Part 570.

A. PROJECT OBJECTIVES:

Insert project objectives here.

B. GRANT PROJECT TIMELINE

This MOU will become effective on the date that it is executed by both departments.

- Estimated Project Start Date: **INSERT DATE**
- Estimated Project End Date: **INSERT DATE**

C. PROJECT REPORTING REQUIREMENTS

Periodic Performance Reports are required. A narrative of the services provided, progress towards meeting the timeline goals, and performance measures are required. The narrative should include the number of National City clients served during the reporting period. Failure to submit reports in a timely manner will result in with holding of CDBG funds until the report has been submitted.

Reports are required each **month or quarter** with the **(insert month)** and final report due for the program due in **(insert month)**. A narrative and performance measures are required.

Reporting due dates are below. Reports are due no later than **(insert)** days after the end of the month:

TBD

D. BUDGET

All activities performed under the MOU are subject to review and approval by the CDBG Program Administer and the U.S. Department of Housing and Urban Development (HUD).

- 1) Estimated Time Schedule: The **INSERT DEPARTMENT** will make all good faith and reasonable efforts to implement the project in compliance with the following estimated completion date, or earlier:

TBD

- 2) Estimated Budget: **INSERT DEPARTMENT** shall make all good faith and reasonable efforts to complete the work under this MOU within the following estimated budget.

- Project Operating Budget ("Exhibit A", "Table A") Attached
- Personnel Schedule ("Exhibit A", "Table B") Attached

E. PROJECT ACTIVITIES

The **INSERT DEPARTMENT** and the National City Housing Authority agree to jointly administer the Project as follows:

The **INSERT DEPARTMENT**'s responsibilities are as follows:

1. Comply with the Community Development Block Grant regulations as set forth at 24 CFR Part 570, including maintaining documentation to meet National Objective regulations.
2. Comply with the procurement policies of the U.S. Department of Housing and Urban Development procurements procedures specified at 24 CFR 85.36 of the "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," the State of California Public Contract Code, and the City of National City.
3. Comply with CDBG Program Guidelines Manual.
4. Maintain accounting of project under City account **INSERT ACCOUNT**
5. Submit monthly reports on the progress of the project and final report.

The National City Housing Authority's responsibilities are as follows:

1. Environmental Assessment
2. Monitor program progress and provide technical assistance
3. Ensure CDBG funds are paid in a timely manner
4. Collect, review, and report project outcomes to the U.S. Department of Housing and Urban Development.

Agreed and approved by:

INSERT NAME

INSERT DEPARTMENT

Date:

Carlos Aguirre

Director of Housing Authority

Date:

Date: _____