

**PLEASE NOTE: THIS IS A DRAFT AGREEMENT AND TERMS AND
CONDITIONS AND ATTACHMENTS INCLUDED HEREIN ARE SUBJECT TO
CHANGE**

**GRANT AGREEMENT BETWEEN
THE CITY OF SANTEE
AND
[SUBRECIPIENT NAME]
FOR USE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
FISCAL YEAR 2026-2027**

THIS GRANT AGREEMENT (the “Agreement”) is made and entered into as of this _____ day of _____ 2026, by and between the CITY OF SANTEE, a California charter city (“City”), and [SUBRECIPIENT], a [non-profit organization (Unique Entity Identifier # XXXX) (“Subrecipient”).

RECITALS

WHEREAS, the City receives Community Development Block Grant funds (“CDBG funds” or “Entitlements”) from the United States Department of Housing and Urban Development (“HUD”) pursuant to Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. Section 5301 *et seq.*) (the “Act”) to support community development activities that benefit persons of low and moderate income (the “Program”); and

WHEREAS, to qualify for these Entitlements, the City developed a five-year Consolidated Plan and a one-year Action Plan that is updated annually with the input of local citizens and provided to HUD to demonstrate that the funds are used for activities that meet the CDBG regulations and Program objectives;

WHEREAS, to identify eligible activities, the City accepts applications for funding from qualified organizations for projects that meet the CDBG objectives and eligibility criteria and conducts public hearings to assess and prioritize community development needs for each new program year; and

WHEREAS, Subrecipient submitted an executed application dated , which is incorporated by this reference as if fully set forth (the “Application”) in order to carry out the project described in the Application, as further defined below; and

WHEREAS, the City approved the Application as meeting the CDBG objectives and regulations and now desires to grant CDBG funds to Subrecipient; and

WHEREAS, a written agreement between the City and Subrecipient is required before any CDBG funds can be disbursed (24 CFR 570.503); and

WHEREAS, Subrecipient's participation in the programs funded by the Act must meet all applicable federal laws, regulations, and executive orders; and

WHEREAS, any environmental clearances required to be obtained prior to the City's release of CDBG funds to the Subrecipient have been obtained.

NOW, THEREFORE, in consideration of these recitals, which are incorporated into this Agreement, and the mutual covenants set forth below, the City and Subrecipient agree as follows:

1. GRANT AMOUNT AND STATEMENT OF WORK

A. Scope of Services

Program Delivery

The City has allocated CDBG funds to the Subrecipient in the maximum aggregate amount of [XXXXXX DOLLARS] (\$XXXX.XX) ("Grant Funds") to be used for eligible program costs associated with [PROJECT DESCRIPTION] as further outlined in the Application (collectively referred to herein as, the "Services"), and as detailed in **Attachment 1** (the "Scope of Work")

Eligible program costs include program staff salaries and benefits costs.

General Administration

Subrecipient's administrative offices are located [SUBRECIPIENT ADDRESS]. General administration services to be performed by the Subrecipient in support of the services noted above and in the Application include, but are not limited to, the preparation of reports and documents required by HUD in connection with CDBG funds.

Eligible administrative costs include salaries, wages, and related costs of the Subrecipient's staff for program coordination and implementation.

Budget

Subrecipient may request to draw down on the Grant Funds as outlined in **Attachment 1**, unless receipts and appropriate documentation can be provided to, and approved by, the City indicating the need to draw down on funds earlier.

National Objectives

Subrecipient certifies that the activities carried out with the awarded CDBG funds will meet one or more of the National Objectives set forth at 24 CFR Part 570.208 and: 1) benefit low/moderate income persons, 2) aid in the prevention or elimination of slums or blight, or 3) meet community development needs having a

particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Subrecipient will also meet any applicable additional requirements set forth at 24 CFR Part 570.208(d).

B. Performance Monitoring

The City will monitor Subrecipient's performance against the goals and performance standards required herein or by HUD in connection with CDBG funds. Substandard performance, as determined by the City in its sole discretion, will constitute non-compliance with this Agreement. If Subrecipient fails to take action to correct any substandard performance within a reasonable period of time, but in no event later than 90 days after being notified by the City, the City may suspend any pending disbursements of Grant Funds or may, in its sole discretion, terminate this Agreement in accordance with its terms.

2. PERIOD OF PERFORMANCE / TERM OF AGREEMENT

Subrecipient will commence the Services on the 1st day of July 2026 and will complete all Services to be reimbursed under this Agreement on or before the 30th day of June 2027 (the "Period of Performance"). This Agreement shall expire on the date the City remits the last reimbursement payment to the Subrecipient pursuant to this Agreement or on June 30, 2027, whichever is later (the "Expiration Date"). Subrecipient's obligation to comply with the provisions of the Act will remain in effect as long as Subrecipient retains any Program Income, defined in Paragraph 4 below, or as long as any other obligation remains unfulfilled, at the discretion of HUD or the City.

Subrecipient will make every effort to expend the allocated funds in full before the end of the Period of Performance. The City has no obligation to disburse Grant Funds to Subrecipient for expenditures made after the Period of Performance ends and may reallocate any CDBG funds not yet drawn to another eligible project or recipient.

3. DISBURSEMENT OF FUNDS

The City will use the Grant Funds to reimburse Subrecipient for administrative and program costs related to the provision of the Services for eligible residents/citizens of the City during the Period of Performance. The City has no obligation to reimburse Subrecipient for Services provided outside the Period of Performance. **The aggregate amount of reimbursements paid to Subrecipient shall not exceed the allocated Grant Funds.**

The City will reimburse Subrecipient upon receipt of a completed Request for Reimbursement Report in a format provided or approved by the City. Reimbursements will be issued no more often than once per calendar month. The

Request for Reimbursement Report must identify program expenditures for the period to be reimbursed and include:

1. Date of expenditure;
2. Payee;
3. Purpose of expenditure; and
4. Amount of expenditure.

Copies of supporting documentation must be attached; i.e., receipts, paid invoices, etc. Direct salaries and wages, operational expenditures or other cost objective(s) that are chargeable to more than one program must be supported by distribution records. Approved invoices will be paid within thirty (30) days of the date received by the Finance Department.

4. PROGRAM INCOME

Subrecipient will report any interest or other income earned as a direct result of the use of CDBG funds in connection with any activities described in 24 CFR Part 570.500(a)(1), a copy of which is attached as **Attachment 2** ("Program Income"). Subrecipient may retain and use all Program Income in the provision of the Services. Program Income retained by the Subrecipient must be expended before additional funds are requested from the City. When Subrecipient retains Program Income, transfers of CDBG funds from the City to the Subrecipient shall be adjusted according to 24 CFR 570.504(b)(2)(i) and (ii), which are included in **Attachment 2**. Any Program Income not used in connection with the Services, whether on hand when this Agreement expires or received by the Subrecipient after the Expiration Date, shall be remitted to the City as required by 24 CFR 570.503(b)(3). The requirements for disposition of Program Income are set forth at 24 CFR Part 570.504(c) and included in **Attachment 2**.

5. NOTICES

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

CITY:

City of Santee
Brittany Gohres
CDBG Program Administrator
10601 Magnolia Avenue
Santee, CA 92071
(619) 258-4100
Fax: (619) 562-9376

SUBRECIPIENT:

[SUBRECIPIENT NAME]

[CONTACT, TITLE]

[ADDRESS]

[CITY, STATE, ZIP CODE]

[PHONE NUMBER]

6. LABOR, MATERIALS AND SUPPLIES

Subrecipient will provide all labor, materials and supplies and bear all expenses necessary to provide the Services. The City's only financial obligation is to disburse the Grant Funds as defined in this Agreement.

7. RECORDS AND REPORTS

Subrecipient will maintain the following records and reports to assist the City in complying with its record keeping requirements.

- a) Documentation of the income level, ethnicity, age of persons and/or households participating in or benefiting from Subrecipient's program and Services;
- b) Documentation that verifies income eligibility of persons or households benefiting from the Subrecipient's programs. Sources of income to be provided and verified are shown in **Attachment 6**;
- c) Documentation of the number of persons and/or households participating in or benefiting from the Subrecipient's program;
- d) Documentation of all CDBG funds received from the City;
- e) Documentation of expenses identified in the reimbursement requests;
- f) Documentation of how and when a determination was made as to the eligibility status of persons assisted, including evidence that the persons assisted are domiciled within the approved area of service, if any;
- g) Documentation of compliance with any applicable Equal Employment Opportunity guidelines and evidence of any actions undertaken by Subrecipient to ensure equal employment opportunities to all persons; and

- h) Regular Progress Reports in the form, content, and frequency required by the City.
- i) Any other records the City may require or as required by 24 CFR 570.506.

Subrecipient acknowledges that reports, information, and other documents and records submitted to City may become public records subject to disclosure pursuant to the California Public Records Act, California Government Code Section 6250 et seq.

Subrecipient will maintain separate accounting records for the CDBG funds provided by the City. The City, HUD, the Comptroller General of the United States, or any of their duly authorized representatives shall be given access to all books, documents, papers, and records maintained by Subrecipient in connection with the Services for the purpose of audit, examination, excerpts, and transcriptions.

Unless notified by the City that a longer period is required, Subrecipient shall retain all financial records, supporting documents and statistical reports related to the Services and use of the Grant Funds until at least June 30, 2030. All records subject to an audit finding must be retained for five (5) years from the date the finding is made or until the finding has been cleared by appropriate officials and Subrecipient has been given official written notice.

8. SINGLE AUDIT REQUIREMENT

If Subrecipient receives more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) in total federal funds in one fiscal year from the City or any other city or agency, Subrecipient is required to submit a Single Audit Report. If applicable, and as required by the Federal Single Audit Act, Subrecipient will provide the City with a comprehensive financial audit prepared by an independent, neutral third-party auditor. The audit shall cover Subrecipient's financial operations for the Period of Performance and shall be submitted to the City no later than one year after Expiration Date.

9. PROGRAM REQUIREMENTS

Subrecipient will comply with the terms of the City's application for CDBG funds, the Subrecipient's Application and this Agreement and shall comply with assurances and agreements made by the City to HUD in connection with receipt of CDBG funds.

Subrecipient will comply with the Uniform Administrative Requirements defined in 24 CFR Part 570.502, a copy of which is included at **Attachment 3**.

Subrecipient will comply with all federal laws and regulations as set forth in Subpart K of the Code of Federal Regulations, commencing with 24 CFR Part 570.600,

which is incorporated herein by reference as a condition of this Agreement and is included as **Attachment 4**, such as labor standards (Davis Bacon Act), fair housing requirements of the CDBG Program Regulations, except that:

- a) Subrecipient will not assume the City's environmental responsibilities as described in Section 570.604; and
- b) Subrecipient will not assume the City's responsibility for initiating the review process required under the provisions of 24 CFR Part 52.

Subrecipient will comply with all federal regulations related to the use of CDBG funds by religious organizations, if applicable to this Agreement, as further defined in Section 12.

10. POLICY REQUIREMENTS

To the extent applicable and enforceable, Subrecipient will comply with all Policy Requirements established by White House Executive Orders and incorporated as Specific Terms and Conditions of the CDBG Entitlements, which are attached as Attachment 7.

11. SECTION 3 COVERED ASSISTANCE

The project to be funded by this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC §1701u) ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance will, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the federal assistance is spent. See 24 CFR Part 75 ("Section 3 Regulations").

- a) The Parties agree to comply with HUD's regulations in 24 CFR Part 75, which implement Section 3, and certify that they are under no contractual or other obligation that would prevent them from doing so.
- b) If Subrecipient is a party to a collective bargaining agreement or other understanding, Subrecipient will notify the labor organization or workers' representative of Subrecipient's commitments under this Agreement and will post copies of the notice in conspicuous places at the worksite where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and

location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin.

- c) Subrecipient agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor violates the Section 3 Regulations. Subrecipient will not subcontract with any subcontractor known to have violated or be in violation of the Section 3 Regulations.
- d) Subrecipient certifies that any vacant employment or training positions that were filled (1) after award but prior to execution of this Agreement (2) by persons other than those to whom the Section 3 Regulations are intended to benefit, were not filled to circumvent Subrecipients obligations under the Regulations
- e) Noncompliance with HUD's Section 3 Regulations may result in sanctions, termination of this Agreement for default, and Subrecipient's debarment or suspension from future HUD assisted contracts.

12. RELIGIOUS ORGANIZATION

Subrecipient agrees that funds provided under this contract will not be utilized for religious activities or to promote religious interests. Religious entities may use CDBG funds for secular activities only in accordance with the federal regulations specified in 24 CFR 570.200(j). The following restrictions and limitations therefore apply to the use of CDBG funds.

- a) CDBG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interest. This limitation includes the acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j) of 24 CFR 570.200 with respect to rehabilitation and under paragraph (j) thereof with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG funds at no more than fair market value for the non-religious use.
- b) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG

Program. Neither the federal, state nor local government receiving funds under CDBG programs can discriminate against an organization on the basis of the organization's religious character or affiliation.

- c) Organizations that are directly funded by the CDBG Program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.
- d) A religious organization that participates in the CDBG program will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide CDBG-funded services without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- e) An organization that participates in the CDBG program shall not discriminate against a program beneficiary or prospective program beneficiary based on religion or religious belief.
- f) CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost of accounting requirements applicable to CDBG funds in this part. Sanctuaries, chapels, or other rooms that a CDBG funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements. Disposition of real property after the

term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (see 2 CFR 200, Subpart D).

- g) If a state or local government voluntarily contributes its own funds to supplement federally funded activities, the state or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all the commingled funds.

13. CHANGES IN USE OF FUNDS

Changes in the use of CDBG funds must be approved by the City Council. If Subrecipient desires a change in the use of the CDBG funds following approval of this Agreement, a written request must be submitted to the City for review by the Council. No change in use of the CDBG funds will be permitted without prior formal approval by the City, subject to the provisions of the City's adopted Citizen Participation Plan.

14. NONDISCRIMINATION CLAUSE

Subrecipient shall comply with all state and federal laws regarding nondiscrimination in the provision of services and the equal opportunity employment of personnel.

15. DRUG-FREE WORKPLACE.

A. Subrecipient Requirements

Subrecipient certifies that it will provide a drug-free workplace by:

- a) publishing a statement notifying its employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in Subrecipient's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
- b) establishing a drug-free awareness program to inform employees about:
 - (i) the dangers of drug abuse in the workplace;
 - (ii) Subrecipient's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance program; and

- (iv) the penalties that may be imposed upon employees for drug abuse violations;
- c) giving each employee to be engaged in the performance of Services under this Agreement a copy of the statement required by subparagraph (a);
- d) notifying the employee in the statement required by subparagraph (a), that as a condition of employment, the employee must:
 - (i) abide by the terms of this statement; and
 - (ii) notify Subrecipient of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e) notifying the City within ten (10) days after receiving notice of a conviction under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such conviction;
- f) imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted, as required by 41 U.S.C. 703; and
- g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (A)(a) - (f).

B. City Determinations

Subrecipient acknowledges and agrees that this Agreement shall be subject to suspension of payment or termination, or both, and Subrecipient shall be subject to suspension or debarment if the City Manager or her official designee determines, in writing, that:

- a) Subrecipient has made false certification under Section 15;
- b) Subrecipient violates such certification by failing to carry out the requirements of subparagraphs 15(A).
- c) such a number of Subrecipient's employees have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that Subrecipient has failed to make a good faith effort to provide a drug-free workplace as required by Section 15.

16. SUSPENSION AND TERMINATION OF AGREEMENT

The City may be suspend or terminate this Agreement if Subrecipient materially fails to comply with any term(s) of the award or for convenience, as allowed by 2 CFR 200.339 through 200.343, a copy of which is included as **Attachment 5**.

17. REVERSION OF ASSETS

Prior to City approval of the final Reimbursement Request, Subrecipient shall transfer to the City any CDBG funds on hand as of the last day of the Period of Performance and any accounts receivable attributable to the use of CDBG funds. Subrecipient shall be required to use any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG funds in excess of Twenty-Five Thousand Dollars (\$25,000.00) as follows:

- a) To meet one of the National Objectives in 24 CFR 570.208 for at least five (5) years after expiration of this Agreement; or,
- b) Dispose of it in a manner that results in the City being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition or improvement to the property. Reimbursement is not required after the period of time specified in paragraph (a) of this section.

18. HOLD HARMLESS AND INDEMNITY AGREEMENT

The City, its elected and appointed officials, officers, employees, volunteers and agents shall not be liable for any claims, liabilities, penalties, fines, or any damage to goods, properties, or effects of any person whatsoever, nor for personal injuries or death caused by, or claimed to have been caused by, or resulting from, any intentional or negligent acts, errors or omissions, or other wrongful conduct of the Subrecipient or the Subrecipient's agents, employees, or representatives related in any way to the Subrecipient's performance of Services pursuant to this Agreement or the completion of the project outlined in the Agreement.

The Subrecipient agrees to defend, indemnify, and hold free and harmless the City and its elected and appointed officials, officers, employees, volunteers and agents against any claims, liabilities, penalties, fines, or any damage to goods, properties, or effects of any person whatsoever, for personal injuries or death caused by, or claimed to have been caused by, or resulting from, any intentional or negligent acts, errors or omissions of the Subrecipient or the Subrecipient's agents, employees, or representatives and any cost and/or expense that is incurred by the City on account of any of the foregoing liabilities, including liabilities or claims by reason of alleged defects in any plans and specifications for the project or facility.

19. ASSIGNMENT OF AGREEMENT

The Subrecipient shall not assign this Agreement or any monies due hereunder without the prior written consent of the City.

20. SUCCESSORS OR ASSIGNS

Subject to Paragraph 18, "Hold Harmless and Indemnity Agreement," all terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

21. INSURANCE

A. Commercial General Liability

- (i) The Subrecipient shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.
- (ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:
 - (a) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001)
- (iii) Commercial General Liability Insurance must include coverage for the following:
 - (a) Bodily Injury (including death) and Property Damage
 - (b) Personal Injury/Advertising Injury
 - (c) Premises/Operations Liability
 - (d) Products/Completed Operations Liability
 - (e) Aggregate Limits that Apply per Project
 - (f) Explosion, Collapse and Underground (UCX) exclusion deleted
 - (g) Contractual Liability with respect to this Contract
 - (h) Broad Form Property Damage
 - (i) Independent Subrecipient's Coverage
 - (j) Sexual Misconduct Coverage, with no applicable sublimit

- (iv) All such policies shall name the City of Santee, its City Council, and each member thereof, its officers, employees, and agents as Additional Insureds under the policy.
- (v) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City. All deductibles and self-insured retentions must be declared to the City prior to commencing work under this Agreement.

B. Automobile Liability

- (i) At all times during the performance of the work under this Agreement the Subrecipient shall maintain Automobile Liability Insurance for bodily injury (including death) and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.
- (ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 6/92) covering automobile liability, Code 1 (any auto).
- (iii) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by the City.

C. Workers' Compensation/Employer's Liability

- (i) At all times during the performance of the work under this Agreement the Subrecipient shall maintain workers' compensation in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein. Such insurance shall include an insurer's Waiver of Subrogation in favor of the City and will be in a form and with insurance companies acceptable to the Grantee.
- (ii) If insurance is maintained, the workers' compensation and employer's liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City.
- (iii) Before beginning work, the Subrecipient shall furnish to the City satisfactory proof that he/she has taken out for the period covered by the work under this Agreement, full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof. Subrecipient shall require all contractors to obtain and maintain, for

the period covered by the work under this Agreement, worker's compensation of the same type and limits as specified in this Section.

D. Minimum Policy Limits Required.

The following insurance limits are required for the Contract:

	<u>Combined Single Limit</u>
Commercial General Liability	\$2,000,000 per occurrence/ \$4,000,000 aggregate for bodily injury (including death), personal injury and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury (including death) and property damage
Employer's Liability	\$1,000,000 per occurrence

E. Evidence Required.

Prior to execution of the Agreement, the Subrecipient shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative, Certificate of Insurance (most recent version of Acord 25 Form or equivalent), and Additional Insured Endorsement verifying compliance with the requirements above. All evidence of insurance shall be signed by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance, the location, and operations to which the insurance applies, and the expiration date of such insurance.

F. Policy Provisions Required.

- (i) The City, its City Council, and each member thereof, its officers, employees, and agents shall be named as an additional insured on the Commercial General Liability policy using form 2010 1185 or equivalent. Any contractor or similar entity performing work on the Project must add the City as an additional insured using CG form 20 38, or broader coverage. Blanket endorsements may be accepted at City's discretion. All policies shall contain or shall be endorsed to contain a provision that advanced written notice of any cancellation,

including cancellation for non-payment of premium, shall be provided to the City. Statements that the carrier “will endeavor” and “that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives,” will not be acceptable on endorsements. At the City’s sole discretion, the requirement to endorse policies to provide advanced written notice of cancellation to the City may be waived upon the Subrecipient’s agreement that it shall provide the City with copies of any notices of cancellation immediately upon receipt.

- (ii) General Liability and Automobile Liability insurance policies shall contain a provision stating that the Subrecipient’s policies are primary insurance and that the insurance of the City, or any named additional insureds shall not be called upon to contribute to any loss.

G. Qualifying Insurers.

All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

Insurance carriers shall be qualified to do business in California and maintain an agent for process within the State. Such insurance carrier shall have not less than an ‘A’ policyholder’s rating and a financial rating of not less than “Class VII” according to the latest Best Key Rating Guide. Due to market fluctuations in the Workers Compensation sector, the City reserves the right and at its sole discretion to review and accept the Subrecipient’s proposed Workers compensation insurance.

H. Additional Insurance Provisions

- (i) separate certificates and The foregoing requirements as to the types and limits of insurance coverage to be maintained by Subrecipient, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Subrecipient pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.
- (ii) If at any time during the life of the Agreement, the Subrecipient fails to maintain in full force any insurance required by the Agreement documents the City may terminate the Agreement or may elect to withhold compensation in an amount sufficient to purchase insurance to replace any expired or insufficient coverage.
- (iii) The Subrecipient shall include all contractors as insureds under its policies or shall furnish endorsements for each contractor. All coverage for contractors shall be subject to all the requirements

stated herein.

- (iv) The City may require the Subrecipient to provide complete copies of all insurance policies in effect for the duration of the Project.
- (v) Neither the City, nor its City Council, nor any member of thereof, nor any of the directors, officers, employees, agents, or volunteers shall be personally responsible for any liability arising under or by virtue of the Contract.

22. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of the Subrecipient warrants and represents that he/she has the authority to execute this Agreement on behalf of the Subrecipient and has the authority to bind the Subrecipient to the performance of its obligations hereunder.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first written above.

CITY OF SANTEE

Wendy Kaserman, City Manager

SUBRECIPIENT

[SUBRECIPIENT NAME]

[SIGNATORY, TITLE]

APPROVED AS TO FORM:

Shawn D. Hagerty, City Attorney

ATTACHMENTS

List of Attachments

- Attachment 1 - Scope of Work
- Attachment 2 - Program Income - 24 CFR Part 570.500(a)(1)
 - Unused Program Income – 24 CFR Part 570.503(b)(3)
 - Transfers of Program Income - 24 CFR Part 570.504(b)(2)
 - Disposition of Program Income - 24 CFR Part 570.504(c)
- Attachment 3 - Uniform Administrative Requirements
 - 24 CFR Part 570.502
- Attachment 4 - Subpart K of the CDBG Regulations - commencing with
 - 24 CFR Part 570.600
- Attachment 5 - Suspension or Termination of Agreement
 - 2 CFR Parts 200.339 through 200.343
- Attachment 6 - CDBG Income Documentation Requirements
- Attachment 7 - Policy Requirements

ATTACHMENT 1

SCOPE OF WORK

CONTRACT TERM: July 1, 2026, through June 30, 2027

ADDRESS OF AGENCY: [SUBRECIPIENT NAME]
[ADDRESS]
[CITY, STATE, ZIP CODE]

CONTACT PERSON: [NAME], [TITLE]

PHONE: [PHONE NUMBER]

FAX: [FAX NUMBER]

PROJECT GOALS, OBJECTIVES AND PERFORMANCE MEASURES:

Subrecipient agrees to provide the following services to City:

1. [PROJECT DESCRIPTION]
2. Report quarterly performance and demographic data via submittal of a Quarterly Report, Exhibit "B", to the CDBG Program Administrator, said Quarterly Report due by the 20th day of the following month. The CDBG Program Administrator may approve an alternative schedule for the submission of performance and demographic data as warranted by the nature of the activity performed.
3. Provide a Final Evaluation Report of program's success meeting established goals.
4. Provide notification to Grantee of any audits or investigations including results, findings, and/or liens.

ATTACHMENT 2

Unless modified by HUD or another executive department or agency of the Federal Government, the Subrecipient shall adhere to the following requirements.

For purposes of this attachment, any requirements specified for the 'Grantee' or 'Recipient' shall apply to the 'Subrecipient'

Program Income - 24 CFR Part 570.500(a)(1)

(a) **Program income** means gross income received by the recipient or a subrecipient directly generated from the use of CDBG funds, except as provided in [paragraph \(a\)\(4\)](#) of this section.

(1) Program income includes, but is not limited to, the following:

- (i) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
- (ii) Proceeds from the disposition of equipment purchased with CDBG funds;
- (iii) Gross income from the use or rental of real or personal property acquired by the recipient or by a subrecipient with CDBG funds, less costs incidental to generation of the income;
- (iv) Gross income from the use or rental of real property, owned by the recipient or by a subrecipient, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
- (v) Payments of principal and interest on loans made using CDBG funds, except as provided in [paragraph \(a\)\(3\)](#) of this section;
- (vi) Proceeds from the sale of loans made with CDBG funds;
- (vii) Proceeds from sale of obligations secured by loans made with CDBG funds;
- (viii) [Reserved]
- (ix) Interest earned on program income pending its disposition; and
- (x) Funds collected through special assessments made against properties owned and occupied by households *not* of low and moderate income, where

ATTACHMENT 2 (CONT.)

the assessments are used to recover all or part of the CDBG portion of a public improvement.

Unused Program Income – 24 CFR Part 570.503(b)(3)

Program income. The agreement shall include the program income requirements set forth in [§ 570.504\(c\)](#). The agreement shall also specify that, at the end of the program year, the grantee may require remittance of all or part of any program income balances (including investments thereof) held by the subrecipient (except those needed for immediate cash needs, cash balances of a revolving loan fund, cash balances from a lump sum drawdown, or cash or investments held for section 108 security needs).

Transfers of Program Income - 24 CFR Part 570.504(b)(2)

(2) If the recipient chooses to retain program income, that program income shall be disposed of as follows:

(i) Program income in the form of repayments to, or interest earned on, a revolving fund as defined in [§ 570.500\(b\)](#) shall be substantially disbursed from the fund before additional cash withdrawals are made from the U.S. Treasury for the same activity. (This rule does not prevent a lump sum disbursement to finance the rehabilitation of privately owned properties as provided for in [§ 570.513](#).)

(ii) Substantially all other program income shall be disbursed for eligible activities before additional cash withdrawals are made from the U.S. Treasury.

Disposition of Program Income - 24 CFR Part 570.504(c)

Disposition of program income received by subrecipients. The written agreement between the recipient and the subrecipient, as required by [§ 570.503](#), shall specify whether program income received is to be returned to the recipient or retained by the subrecipient. Where program income is to be retained by the subrecipient, the agreement shall specify the activities that will be undertaken with the program income and that all provisions of the written agreement shall apply to the specified activities. When the subrecipient retains program income, transfers of grant funds by the recipient to the subrecipient shall be adjusted according to the principles described in [paragraphs \(b\)\(2\)\(i\) and \(ii\)](#) of this section. Any program income on hand when the agreement expires, or received after the agreement's expiration, shall be paid to the recipient as required by [§ 570.503\(b\)\(8\)](#).

ATTACHMENT 3

Unless modified by HUD or another executive department or agency of the Federal Government, the Subrecipient shall adhere to the following requirements. For purposes of this attachment, any requirements specified for the 'Grantee' and 'Recipient' shall equally apply to the 'Subrecipient'.

§ 570.502 Applicability of uniform administrative requirements.

(a) Grantees and subrecipients shall comply with [2 CFR part 200](#), "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", except that:

- (1) Section 200.305 "Payment" is modified for lump sum drawdown for financing of property rehabilitation activities, in accordance with [§ 570.513](#).
- (2) Section 200.306 "Cost sharing or matching" does not apply.
- (3) Section 200.307 "Program income" does not apply. Program income is governed by [§ 570.504](#).
- (4) Section 200.308 "Revisions of budget and program plans" does not apply.
- (5) Section 200.311 "Real property" does not apply, except as provided in [§ 570.200\(j\)](#). Real property is governed by [§ 570.505](#).
- (6) Section 200.313 "Equipment" applies, except that when the equipment is sold, the proceeds shall be program income. Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient.
- (7) Section 200.333 "Retention requirements for records" applies except that:
 - (i) For recipients:
 - (A) The period shall be 4 years from the date of execution of the closeout agreement for a grant, as further described in this part;
 - (B) Records for individual activities subject to the reversion of assets provisions at [§ 570.503\(b\)\(7\)](#) or the change of use provisions at [§ 570.505](#) must be maintained for 3 years after those provisions no longer apply to the activity;

ATTACHMENT 3 (CONT.)

(C) Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained for 3 years after the receivables or liabilities have been satisfied.

(ii) For subrecipients:

(A) The retention period for individual CDBG activities shall be the longer of 3 years after the expiration or termination of the subrecipient agreement under [§ 570.503](#), or 3 years after the submission of the annual performance and evaluation report, as prescribed in [§ 91.520 of this title](#), in which the specific activity is reported on for the final time;

(B) Records for individual activities subject to the reversion of assets provisions at [§ 570.503\(b\)\(7\)](#) or change of use provisions at [§ 570.505](#) must be maintained for as long as those provisions continue to apply to the activity; and

(C) Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied.

(8) Section 200.343 “Closeout” applies to closeout of subrecipients.

(b) [Reserved]

ATTACHMENT 4

Unless modified by HUD or another executive department or agency of the Federal Government, the Subrecipient shall adhere to the following requirements. For purposes of this attachment, any requirements specified for the 'Grantee' and 'Recipient' shall equally apply to the 'Subrecipient'.

Subpart K—Other Program Requirements

§ 570.600 General.

(a) This subpart K enumerates laws that the Secretary will treat as applicable to grants made under section 106 of the Act, other than grants to states made pursuant to section 106(d) of the Act, for purposes of the Secretary's determinations under section 104(e)(1) of the Act, including statutes expressly made applicable by the Act and certain other statutes and Executive Orders for which the Secretary has enforcement responsibility. This subpart K applies to grants made under the Insular Areas Program in [§ 570.405](#) and [§ 570.440](#) with the exception of [§ 570.612](#). The absence of mention herein of any other statute for which the Secretary does not have direct enforcement responsibility is not intended to be taken as an indication that, in the Secretary's opinion, such statute or Executive Order is not applicable to activities assisted under the Act. For laws that the Secretary will treat as applicable to grants made to states under section 106(d) of the Act for purposes of the determination required to be made by the Secretary pursuant to section 104(e)(2) of the Act, see [§ 570.487](#).

(b) This subpart also sets forth certain additional program requirements which the Secretary has determined to be applicable to grants provided under the Act as a matter of administrative discretion.

(c) In addition to grants made pursuant to section 106(b) and 106(d)(2)(B) of the Act (subparts D and F, respectively), the requirements of this subpart K are applicable to grants made pursuant to sections 107 and 119 of the Act (subparts E and G, respectively), and to loans guaranteed pursuant to subpart M.

[[53 FR 34456](#), Sept. 6, 1988, as amended at [61 FR 11477](#), Mar. 20, 1996; [72 FR 12536](#), Mar. 15, 2007]

§ 570.601 Public Law 88-352 and Public Law 90-284; affirmatively furthering fair housing; Executive Order 11063.

(a) The following requirements apply according to sections 104(b) and 107 of the Act:

ATTACHMENT 4 (CONT.)

(1) Public Law 88-352, which is title VI of the Civil Rights Act of 1964 ([42 U.S.C. 2000d et seq.](#)), and implementing regulations in [24 CFR part 1](#).

(2) Public Law 90-284, which is the Fair Housing Act ([42 U.S.C. 3601-3620](#)). In accordance with the Fair Housing Act, the Secretary requires that grantees administer all programs and activities related to housing and urban development in a manner to affirmatively further the policies of the Fair Housing Act. Each community receiving a grant under [subpart D of this part](#), shall submit a certification that it will affirmatively further fair housing, consistent with [§§ 5.150](#) and [5.151 of this title](#).

(b) Executive Order 11063, as amended by Executive Order 12259 ([3 CFR](#), 1959-1963 Comp., p. 652; [3 CFR](#), 1980 Comp., p. 307) (Equal Opportunity in Housing), and implementing regulations in [24 CFR part 107](#), also apply.

[[61 FR 11477](#), Mar. 20, 1996, as amended at [80 FR 42368](#), July 16, 2015; [85 FR 47911](#), Aug. 7, 2020; [86 FR 30792](#), June 10, 2021; [90 FR 11024](#), Mar. 3, 2025]

§ 570.602 Section 109 of the Act.

Section 109 of the Act requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance made available pursuant to the Act. Section 109 also directs that the prohibitions against discrimination on the basis of age under the Age Discrimination Act and the prohibitions against discrimination on the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of section 109 are codified in [24 CFR part 6](#).

[[64 FR 3802](#), Jan. 25, 1999]

§ 570.603 Labor standards.

(a) Section 110(a) of the Act contains labor standards that apply to nonvolunteer labor financed in whole or in part with assistance received under the Act. In accordance with section 110(a) of the Act, the Contract Work Hours and Safety Standards Act ([40 U.S.C. 327 et seq.](#)) also applies. However, these requirements apply to the rehabilitation of residential property only if such property contains not less than 8 units.

ATTACHMENT 4 (CONT.)

(b) The regulations in [24 CFR part 70](#) apply to the use of volunteers.

[[61 FR 11477](#), Mar. 20, 1996]

§ 570.604 Environmental standards.

For purposes of section 104(g) of the Act, the regulations in [24 CFR part 58](#) specify the other provisions of law which further the purposes of the National Environmental Policy Act of 1969, and the procedures by which grantees must fulfill their environmental responsibilities. In certain cases, grantees assume these environmental review, decisionmaking, and action responsibilities by execution of grant agreements with the Secretary.

[[61 FR 11477](#), Mar. 20, 1996]

§ 570.605 National Flood Insurance Program.

Notwithstanding the date of HUD approval of the recipient's application (or, in the case of grants made under [subpart D of this part](#) or HUD-administered small cities recipients in Hawaii, the date of submission of the grantee's consolidated plan, in accordance with [24 CFR part 91](#)), section 202(a) of the Flood Disaster Protection Act of 1973 ([42 U.S.C. 4106](#)) and the regulations in [44 CFR parts 59 through 79](#) apply to funds provided under this part 570.

[[61 FR 11477](#), Mar. 20, 1996]

§ 570.606 Displacement, relocation, acquisition, and replacement of housing.

(a) ***General policy for minimizing displacement.*** Consistent with the other goals and objectives of this part, grantees (or States or state recipients, as applicable) shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of activities assisted under this part.

(b) ***Relocation assistance for displaced persons at URA levels.***

(1) A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of [49 CFR part 24](#), which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) ([42 U.S.C. 4601-4655](#)).

ATTACHMENT 4 (CONT.)

(2) *Displaced person.*

(i) For purposes of [paragraph \(b\)](#) of this section, the term “*displaced person*” means any person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, or acquisition for an activity assisted under this part. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

(A) After notice by the grantee (or the state recipient, if applicable) to move permanently from the property, if the move occurs after the initial official submission to HUD (or the State, as applicable) for grant, loan, or loan guarantee funds under this part that are later provided or granted.

(B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.

(C) Before the date described in [paragraph \(b\)\(2\)\(i\)\(A\)](#) or [\(B\)](#) of this section, if either HUD or the grantee (or State, as applicable) determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.

(D) After the “initiation of negotiations” if the person is the tenant-occupant of a dwelling unit and any one of the following three situations occurs:

(1) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or

(2) The tenant is required to relocate temporarily for the activity but the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable; and the tenant does not return to the building/complex; or

ATTACHMENT 4 (CONT.)

(3) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.

(ii) Notwithstanding the provisions of [paragraph \(b\)\(2\)\(i\)](#) of this section, the term “*displaced person*” does not include:

(A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, the grantee (or State or state recipient, as applicable) must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

(B) A person who moves into the property after the date of the notice described in [paragraph \(b\)\(2\)\(i\)\(A\)](#) or [\(B\)](#) of this section, but who received a written notice of the expected displacement before occupancy.

(C) A person who is not displaced as described in [49 CFR 24.2\(g\)\(2\)](#).

(D) A person who the grantee (or State, as applicable) determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.

(iii) A grantee (or State or state recipient, as applicable) may, at any time, request HUD to determine whether a person is a displaced person under this section.

(3) ***Initiation of negotiations.*** For purposes of determining the type of replacement housing assistance to be provided under [paragraph \(b\)](#) of this section, if the displacement is the direct result of privately undertaken rehabilitation, demolition, or acquisition of real property, the term “*initiation of negotiations*” means the execution of the grant or loan agreement between the grantee (or State or state recipient, as applicable) and the person owning or controlling the real property.

(c) ***Residential antidisplacement and relocation assistance plan.*** The grantee shall comply with the requirements of [24 CFR part 42, subpart B](#).

ATTACHMENT 4 (CONT.)

(d) **Optional relocation assistance.** Under section 105(a)(11) of the Act, the grantee may provide (or the State may permit the state recipient to provide, as applicable) relocation payments and other relocation assistance to persons displaced by activities that are not subject to [paragraph \(b\)](#) or [\(c\)](#) of this section. The grantee may also provide (or the State may also permit the state recipient to provide, as applicable) relocation assistance to persons receiving assistance under [paragraphs \(b\)](#) or [\(c\)](#) of this section at levels in excess of those required by these paragraphs. Unless such assistance is provided under State or local law, the grantee (or state recipient, as applicable) shall provide such assistance only upon the basis of a written determination that the assistance is appropriate (see, e.g., [24 CFR 570.201\(i\)](#), as applicable). The grantee (or state recipient, as applicable) must adopt a written policy available to the public that describes the relocation assistance that the grantee (or state recipient, as applicable) has elected to provide and that provides for equal relocation assistance within each class of displaced persons.

(e) **Acquisition of real property.** The acquisition of real property for an assisted activity is subject to [49 CFR part 24, subpart B](#).

(f) **Appeals.** If a person disagrees with the determination of the grantee (or the state recipient, as applicable) concerning the person's eligibility for, or the amount of, a relocation payment under this section, the person may file a written appeal of that determination with the grantee (or state recipient, as applicable). The appeal procedures to be followed are described in [49 CFR 24.10](#). In addition, a low- or moderate-income household that has been displaced from a dwelling may file a written request for review of the grantee's decision to the HUD Field Office. For purposes of the State CDBG program, a low- or moderate-income household may file a written request for review of the state recipient's decision with the State.

(g) **Responsibility of grantee or State.**

(1) The grantee (or State, if applicable) is responsible for ensuring compliance with the requirements of this section, notwithstanding any third party's contractual obligation to the grantee to comply with the provisions of this section. For purposes of the State CDBG program, the State shall require state recipients to certify that they will comply with the requirements of this section.

(2) The cost of assistance required under this section may be paid from local public funds, funds provided under this part, or funds available from other sources.

ATTACHMENT 4 (CONT.)

(3) The grantee (or State and state recipient, as applicable) must maintain records in sufficient detail to demonstrate compliance with the provisions of this section.

(Approved by the Office of Management and Budget under OMB control number 2506-0102)

[[61 FR 11477](#), Mar. 20, 1996, as amended at [61 FR 51760](#), Oct. 3, 1996]

§ 570.607 Employment and contracting opportunities.

To the extent that they are otherwise applicable, grantees shall comply with:

(a) Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 ([3 CFR](#) 1964-1965 Comp. p. 339; [3 CFR](#), 1966-1970 Comp., p. 684; [3 CFR](#), 1966-1970., p. 803; [3 CFR](#), 1978 Comp., p. 230; [3 CFR](#), 1978 Comp., p. 264 (Equal Employment Opportunity), and Executive Order 13279 (Equal Protection of the Laws for Faith-Based and Community Organizations), [67 FR 77141](#), [3 CFR](#), 2002 Comp., p. 258; and the implementing regulations at [41 CFR chapter 60](#); and

(b) Section 3 of the Housing and Urban Development Act of 1968 ([12 U.S.C. 1701u](#)) and implementing regulations at [24 CFR part 75](#).

[[68 FR 56405](#), Sept. 30, 2003, as amended at [85 FR 61567](#), Sept. 29, 2020]

§ 570.608 Lead-based paint.

The Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4821-4846](#)), the Residential Lead-Based Paint Hazard Reduction Act of 1992 ([42 U.S.C. 4851-4856](#)), and implementing regulations at part 35, [subparts A, B, J, K, and R of this part](#) apply to activities under this program.

[[64 FR 50226](#), Sept. 15, 1999]

§ 570.609 Use of debarred, suspended or ineligible contractors or subrecipients.

The requirements set forth in [24 CFR part 5](#) apply to this program.

[[61 FR 5209](#), Feb. 9, 1996]

ATTACHMENT 4 (CONT.)

§ 570.610 Uniform administrative requirements, cost principles, and audit requirements for Federal awards.

The recipient, its agencies or instrumentalities, and subrecipients shall comply with [2 CFR part 200](#), “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, as set forth at [§ 570.502](#).

[[80 FR 75938](#), Dec. 7, 2015]

§ 570.611 Conflict of interest.

(a) *Applicability.*

(1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in [2 CFR 200.317](#) and [200.318](#) shall apply.

(2) In all cases not governed by [2 CFR 200.317](#) and [200.318](#), the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to [§ 570.202](#); or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to [§ 570.203](#), [570.204](#), [570.455](#), or [570.703\(i\)](#)).

(b) **Conflicts prohibited.** The general rule is that no persons described in [paragraph \(c\)](#) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

ATTACHMENT 4 (CONT.)

(c) **Persons covered.** The conflict of interest provisions of [paragraph \(b\)](#) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) **Exceptions.** Upon the written request of the recipient, HUD may grant an exception to the provisions of [paragraph \(b\)](#) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of [paragraph \(d\)\(2\)](#) of this section.

(1) **Threshold requirements.** HUD will consider an exception only after the recipient has provided the following documentation:

- (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- (ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) **Factors to be considered for exceptions.** In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of [paragraph \(d\)\(1\)](#) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

- (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- (ii) Whether an opportunity was provided for open competitive bidding or negotiation;
- (iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

ATTACHMENT 4 (CONT.)

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in [paragraph \(b\)](#) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[[60 FR 56916](#), Nov. 9, 1995, as amended at [80 FR 75938](#), Dec. 7, 2015]

§ 570.612 Executive Order 12372.

(a) **General.** Executive Order 12372, Intergovernmental Review of Federal Programs, and the Department's implementing regulations at [24 CFR part 52](#), allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) **Applicability.** Executive Order 12372 applies to the CDBG Entitlement program and the UDAG program. The Executive Order applies to all activities proposed to be assisted under UDAG, but it applies to the Entitlement program only where a grantee proposes to use funds for the planning or construction (reconstruction or installation) of water or sewer facilities. Such facilities include storm sewers as well as all sanitary sewers, but do not include water and sewer lines connecting a structure to the lines in the public right-of-way or easement. It is the responsibility of the grantee to initiate the Executive Order review process if it proposes to use its CDBG or UDAG funds for activities subject to review.

§ 570.613 Eligibility restrictions for certain resident aliens.

(a) **Restriction.** Certain newly legalized aliens, as described in [24 CFR part 49](#), are not eligible to apply for benefits under covered activities funded by the programs listed in [paragraph \(e\)](#) of this section. "Benefits" under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities made available under covered activities funded by programs listed in [paragraph \(e\)](#) of this section. "Benefits"

ATTACHMENT 4 (CONT.)

do not include relocation services and payments to which displacees are entitled by law.

(b) **Covered activities.** “Covered activities” under this section means activities meeting the requirements of [§ 570.208\(a\)](#) that either:

(1) Have income eligibility requirements limiting the benefits exclusively to low and moderate income persons; or

(2) Are targeted geographically or otherwise to primarily benefit low and moderate income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks, and parks), and that provide benefits to persons on the basis of an application.

(c) **Limitation on coverage.** The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this section.

(d) **Compliance.** Compliance can be accomplished by obtaining certification as provided in [24 CFR 49.20](#).

(e) **Programs affected.**

(1) The Community Development Block Grant program for small cities, administered under [subpart F of part 570 of this title](#) until closeout of the recipient's grant.

(2) The Community Development Block Grant program for entitlement grants, administered under [subpart D of part 570 of this title](#).

(3) The Community Development Block Grant program for States, administered under [subpart I of part 570 of this title](#) until closeout of the unit of general local government's grant by the State.

(4) The Urban Development Action Grants program, administered under [subpart G of part 570 of this title](#) until closeout of the recipient's grant.

[\[55 FR 18494\]](#), May 2, 1990]

ATTACHMENT 4 (CONT.)

§ 570.614 Architectural Barriers Act and the Americans with Disabilities Act.

(a) The Architectural Barriers Act of 1968 ([42 U.S.C. 4151-4157](#)) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of “residential structure” as defined in [24 CFR 40.2](#) or the definition of “building” as defined in [41 CFR 101-19.602\(a\)](#) is subject to the requirements of the Architectural Barriers Act of 1968 ([42 U.S.C. 4151-4157](#)) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

(b) The Americans with Disabilities Act ([42 U.S.C. 12131](#); [47 U.S.C. 155](#), [201](#), [218](#) and [225](#)) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

[[60 FR 56917](#), Nov. 9, 1995]

§ 570.615 Housing counseling.

Housing counseling, as defined in [24 CFR 5.100](#), that is funded with or provided in connection with CDBG funds must be carried out in accordance with [24 CFR 5.111](#).

ATTACHMENT 5

Unless modified by HUD or another executive department or agency of the Federal Government, the Subrecipient shall adhere to the following requirements. For purposes of this attachment, any requirements specified for the 'Grantee' and 'Subrecipient' shall equally apply to the 'Subrecipient'.

§ 200.339 Remedies for noncompliance.

The Federal agency or pass-through entity may implement specific conditions if the recipient or subrecipient fails to comply with the U.S. Constitution, Federal statutes, regulations, or terms and conditions of the Federal award. See [§ 200.208](#) for additional information on specific conditions. When the Federal agency or pass-through entity determines that noncompliance cannot be remedied by imposing specific conditions, the Federal agency or pass-through entity may take one or more of the following actions:

- (a) Temporarily withhold payments until the recipient or subrecipient takes corrective action.
- (b) Disallow costs for all or part of the activity associated with the noncompliance of the recipient or subrecipient.
- (c) Suspend or terminate the Federal award in part or in its entirety.
- (d) Initiate suspension or debarment proceedings as authorized in [2 CFR part 180](#) and the Federal agency's regulations, or for pass-through entities, recommend suspension or debarment proceedings be initiated by the Federal agency.
- (e) Withhold further Federal funds (new awards or continuation funding) for the project or program.
- (f) Pursue other legally available remedies.

§ 200.340 Termination.

- (a) The Federal award may be terminated in part or its entirety as follows:
 - (1) By the Federal agency or pass-through entity if the recipient or subrecipient fails to comply with the terms and conditions of the Federal award;
 - (2) By the Federal agency or pass-through entity with the consent of the recipient or subrecipient, in which case the two parties must agree upon the termination conditions. These conditions include the effective date and, in the case of partial termination, the portion to be terminated;

ATTACHMENT 5 (CONT.)

- (3) By the recipient or subrecipient upon sending the Federal agency or pass-through entity a written notification of the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the Federal agency or pass-through entity determines that the remaining portion of the Federal award will not accomplish the purposes for which the Federal award was made, the

Federal agency or pass-through entity may terminate the Federal award in its entirety; or

- (4) By the Federal agency or pass-through entity pursuant to the terms and conditions of the Federal award, including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities.

(b) The Federal agency or pass-through entity must clearly and unambiguously specify all termination provisions in the terms and conditions of the Federal award.

(c) When the Federal agency terminates the Federal award prior to the end of the period of performance due to the recipient's material failure to comply with the terms and conditions of the Federal award, the Federal agency must report the termination in *SAM.gov*. A Federal agency must use the Contractor Performance Assessment Reporting System (CPARS) to enter information in *SAM.gov*.

- (1) The information required under paragraph (c) of this section is not to be reported in *SAM.gov* until the recipient has either:
 - (i) Exhausted its opportunities to object or challenge the decision (see § 200.342); or
 - (ii) Has not, within 30 calendar days after being notified of the termination, informed the Federal agency that it intends to appeal the decision to terminate.
- (2) If a Federal agency, after entering information about a termination in *SAM.gov*, subsequently:
 - (i) Learns that any of that information is erroneous, the Federal agency must correct the information in the system within three business days;
 - (ii) Obtains an update to that information that could be helpful to other Federal agencies, the Federal agency is strongly encouraged to amend the information in the system to incorporate the update in a timely way.
- (3) The Federal agency must not post any information that will be made publicly available in the non-public segment of *SAM.gov* that is covered by a disclosure exemption under the Freedom of Information Act (FOIA). When

ATTACHMENT 5 (CONT.)

the recipient asserts within seven calendar days to the Federal agency which posted the information that a disclosure exemption under FOIA covers some of the information made publicly available, the Federal agency that posted the information must remove the posting within seven calendar days of receiving the assertion. Before reposting the releasable information, the Federal agency must resolve the issue in accordance with the agency's FOIA procedures.

(d) When the Federal award is terminated in part or its entirety, the Federal agency or pass-through entity and recipient or subrecipient remain responsible for compliance with the requirements in [§§ 200.344](#) and [200.345](#).

§ 200.341 Notification of termination requirement.

(a) The Federal agency or pass-through entity must provide written notice of termination to the recipient or subrecipient. The written notice of termination should include the reasons for termination, the effective date, and the portion of the Federal award to be terminated, if applicable.

(b) If the Federal award is terminated for the recipient's material failure to comply with a Federal award, the notification must state the following:

- (1) The termination decision will be reported in SAM.gov;
- (2) The information will be available in SAM.gov for five years from the date of the termination and then archived;
- (3) Federal agencies that consider making a Federal award to the recipient during the five year period must consider this information in judging whether the recipient is qualified to receive the Federal award when the Federal share of the Federal award is expected to exceed the simplified acquisition threshold over the period of performance;
- (4) The recipient may comment on any information in SAM.gov about the recipient for future consideration by Federal agencies. The recipient may submit comments in SAM.gov.
- (5) Federal agencies should consider the recipient's comments when determining whether the recipient is qualified for a Federal award.

(c) Upon termination of the Federal award, the Federal agency must provide the information required by the Federal Funding Accountability and Transparency Act (FFATA) to USAspending.gov. In addition, the Federal agency must update or
ATTACHMENT 5 (CONT.)

notify any other relevant government-wide systems or entities of any indications of poor performance as required by 41 U.S.C. 2313 and 31 U.S.C. 3321.

§ 200.342 Opportunities to object, hearings, and appeals.

The Federal agency must maintain written procedures for processing objections, hearings, and appeals. Upon initiating a remedy for noncompliance (for example, disallowed costs, a corrective action plan, or termination), the Federal agency must provide the recipient with an opportunity to object and provide information challenging the action. The Federal agency or pass-through entity must comply with any requirements for hearings, appeals, or other administrative proceedings to which the recipient or subrecipient is entitled under any statute or regulation applicable to the action involved.

§ 200.343 Effects of suspension and termination.

Costs to the recipient or subrecipient resulting from financial obligations incurred by the recipient or subrecipient during a suspension or after the termination of a Federal award are not allowable unless the Federal agency or pass-through entity expressly authorizes them in the notice of suspension or termination or subsequently. However, costs during suspension or after termination are allowable if:

- (a) The costs result from financial obligations which were properly incurred by the recipient or subrecipient before the effective date of suspension or termination, and not in anticipation of it; and
- (b) The costs would be allowable if the Federal award was not suspended or expired normally at the end of the period of performance in which the termination takes effect.

ATTACHMENT 6

CDBG Income Documentation Requirements

SOURCE OF INCOME	DOCUMENTATION <i>(Submit documentation to requesting party under separate cover)</i>
Salary	<ul style="list-style-type: none"> Copies of last 3 paychecks, last filed Federal Income tax returns (if self-employed); or Written verification of employment including salary/wage information and number of hours worked each week and the last filed Federal Income tax returns.
SSI/SSD - Supplemental Security Income/Disability	<i>(the following information must not be older than six months)</i> <ul style="list-style-type: none"> Copy of applicant's monthly award check; or Form SSA-2458 <i>(request from local Social Security Office)</i>; or Copy of applicant's award letter; or Three (3) most recent bank statements showing deposits of award check
Aid for Families with Dependant Children (AFDC)	<ul style="list-style-type: none"> Award letter stating the amount of applicant's benefit; or Copy of applicant's most recent check; or Written statement from Caseworker stating the applicant's benefit amount
General Relief	
Pension	<ul style="list-style-type: none"> Copy of applicant's most recent pension check; or Copy of pension award letter showing monthly benefits; or Bank statement showing direct deposit of applicant's award check
Alimony	<ul style="list-style-type: none"> Copy of applicant's weekly or monthly check; or Court decree establishing payments, <i>(divorce papers)</i>; or Affidavit of child support signed by applicant
Child Support	
Unemployment Insurance	<ul style="list-style-type: none"> Copy of award notice stating applicant's benefits; or Payment booklet; or Unemployment affidavit signed by applicant
Self-Employed Profits	<ul style="list-style-type: none"> Account records; or Most current quarterly income tax return <i>(not older than 6 months)</i>
Interest from Bank Accounts and Cash Funds	<ul style="list-style-type: none"> Letter from bank manager stating interest earned; or passbook; or Bank statements showing last twelve months of interest; or Most recent Federal income tax return showing interest earned; or Investment statements indicating the amount of dividends earned
Rental Property Income	<ul style="list-style-type: none"> Copy of recent rent check; or Rent receipt book; or Copy of property rental agreement signed by current tenant showing monthly rent; or Copy of applicant's income tax return declaring earned rental income <i>(not older than one year)</i>
Other Income not shown above LIST SOURCES	<ul style="list-style-type: none"> Attach documentation to support declaration

ATTACHMENT 7

U.S. Department of Housing and Urban Development — Federal Award Agreement

ADDENDUM 1. POLICY REQUIREMENTS

If applicable:

1. The Recipient shall not use grant funds to promote “gender ideology,” as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government;
2. The Recipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government’s payment decisions for purposes of section 3729(b)(4) of title 31, United States Code;
3. The Recipient certifies that it does not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964;
4. The Recipient shall not use any grant funds to fund or promote elective abortions, as required by E.O. 14182, Enforcing the Hyde Amendment; and that,
5. Notwithstanding anything in the NOFO or Application, this Grant shall not be governed by Executive Orders revoked by E.O. 14154, including E.O. 14008, or NOFO requirements implementing Executive Orders that have been revoked.
6. The Recipient must administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.
7. No state or unit of general local government that receives funding under this grant may use that funding in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or shields illegal aliens from deportation, including by maintaining policies or practices that materially impede enforcement of federal immigration statutes and regulations.
8. The Recipient must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.
9. Faith-based organizations may be subrecipients for funds on the same basis as any other organization. Recipients may not, in the selection of subrecipients, discriminate against an organization based on the organization’s religious character, affiliation, or exercise.

ATTACHMENT 7 (CONT.)

U.S. Department of Housing and Urban Development — Federal Award Agreement

ADDENDUM 2. PROGRAM-SPECIFIC REQUIREMENTS

Assistance Listing 14.218, Community Development Block Grant Program for Entitlement Communities

Assistance Listing 14.225, Community Development Block Grant Program for Insular Areas

Assistance Listing 14.228, Community Development Block Grant Program for States and Non-Entitlement Grants in Hawaii

1. *Environmental Review.* The Recipient agrees to assume all the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to section 104(g) of title I of the Housing and Community Development Act of 1974 and published in 24 C.F.R. part 58; except that if the Recipient is a state, the Recipient must require the unit of general local government to assume that responsibility and must comply with the state's responsibilities under 24 C.F.R. 58.4.
2. *Public Use.* The Recipient shall ensure that no CDBG funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for public use. For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport, or highway projects as well as utility projects that benefit or serve the general public (including energy-, communication-, water-, and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfield as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. Law No. 107-118) shall be considered a public use for purposes of eminent domain.
3. *Prohibition on Selling, Trading, and Transferring Funds.* The Recipient or unit of general local government that directly or indirectly receives CDBG funds may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Housing and Community Development Act of 1974.
4. *Construction of Water and Sewer Facilities.* Notwithstanding any other provision of this agreement, the Recipient may not obligate or expend award funds to plan or construct water or sewer facilities, including any new or revised activities, until after 1) It completes the review procedures required under Executive Order 12372, Intergovernmental Review of Federal Programs, and 24 C.F.R. part 52 and 2) HUD provides written notice of the release of funds.
5. *Funds for For-Profit Entities.* Under 42 U.S.C. § 5305(a)(17), CDBG funds may not be provided to a for-profit entity unless such activity or project has been evaluated and selected in accordance with Appendix A to 24 C.F.R. § 570, *Guidelines and Objectives for Evaluating Project Costs and Financial Requirements*.
6. *Violence Against Women Act.* The Recipient will comply with the right to report crime and emergencies protections at 34 U.S.C. § 12495 of the Violence Against Women Act.

ATTACHMENT 7 (CONT.)

U.S. Department of Housing and Urban Development — Federal Award Agreement

7. Funding Information and Period of Performance and Budget Period End Dates

<u>Source of Funds</u>	<u>Amount</u>	<u>Period of Performance End Date</u>	<u>Budget Period End Date</u>
2025	\$375,277.00	9/30/2033	9/30/2033