

**City of Scottsdale FY 2025/26
Funding Applicant Orientation Packet**

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City of Scottsdale Proposal Orientation CDBG, Scottsdale Cares, SRPMIC Funds, City General Funds and Endowment Funds

FUNDING YEAR FY 2025/2026

Dates and venues subject to change.

CALENDAR OF EVENTS/DEADLINES

September 19, 2024
10:00 a.m.

Applicant Orientation – CDBG, Scottsdale Cares, SRPMIC Funds, General Funds and Endowment Funds. *Location: Paiute Neighborhood Center 6535 E Osborn Road, Building #8, Scottsdale, AZ 85251.*

October 18, 2024
4:00 p.m.

Deadline for submission of CDBG, Scottsdale Cares, SRPMIC Funds, General Funds and Endowment Funds via Neighborly portal. *Late proposals will not be accepted.*

November 22, 2024
4:00 p.m.

Response to Human Services Staff Evaluation Due CDBG, Scottsdale Cares, SRPMIC Funds, General Funds and Endowment Funds. Proposals are initially reviewed in late-November. Additional or missing information will be requested via email by approximately November 4, 2023. Response must be received by *December 22, 2023*. Late responses will not be accepted.

February 13, 2025
3:00 p.m.

Human Services Commission meeting
Agencies Question and Answer Session
Location: City Hall Kiva, 3939 N. Drinkwater Boulevard

February 27, 2025
5:30 p.m.

Human Services Commission meeting
Discussion on CDBG, Scottsdale Cares, SRPMIC Funds, General Funds and Endowment Funds informal funding recommendations
Location: City Hall Kiva, 3939 N. Drinkwater Boulevard

March 13, 2025
5:00 p.m.

Human Services Commission meeting
Formal recommendations on CDBG, Scottsdale Cares, SRPMIC Funds, General Funds and Endowment Funds allocations
Location: City Hall Kiva, 3939 N. Drinkwater Boulevard

April 22 or 29, 2025 **
5:00 p.m.

City Council votes on approval of CDBG funding
Location: City Hall Kiva, 3939 N. Drinkwater Boulevard

Mid May 2025**
5:00 p.m.

City Council votes on approval of Scottsdale Cares, SRPMIC Funds, General Funds and Endowment funding
Location: City Hall Kiva, 3939 N. Drinkwater Boulevard

July 1, 2025

Funding Year begins

**** Dates are tentative and are subject to change.**

**CITY OF SCOTTSDALE
PUBLIC NOTICE
Notice of Funding Availability
Fiscal Year 2025/2026**

The City of Scottsdale is seeking to distribute funding directly to projects identified as top priority community needs; however, eligible proposals submitted outside these top priorities will still be considered for Community Development Block Grant and Scottsdale Cares.

1. Emergency Housing Assistance
2. Crisis Case Management
3. Homeless Supportive Services and Shelters
4. Vulnerable Populations: Seniors and Disabled

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):

The City of Scottsdale is requesting proposals for the use an estimated **\$1,081,864** for FY 2025/2026 allocation Community Development Block Grant (CDBG) funds, which are expected to be available July 1, 2025, for activities benefiting low and moderate-income Scottsdale families. Proposals for any eligible CDBG activity consistent with the City's Consolidated Plan may be submitted.

Public Services: Approximately \$160,000 shall be available for Public Services activities **only** addressing Homelessness Supportive Services and Shelters.

A funding cap shall be enforced; **requested proposal amounts shall not exceed:**
Single agency - \$40,000
Lead agency with up to 2 partner agencies - \$80,000

Housing: Approximately \$60,000 may be made available for Housing activities.

Public Facilities: No funds will be made available for Public Facility activities.

SCOTTSDALE CARES: \$180,000

The City of Scottsdale is requesting proposals for activities that support programs which promote the positive development of youth, adults, and seniors, strengthen the capabilities of families and the self-sufficiency of adults, or assist residents in addressing crisis needs.

Priority will be given to programs that address top priority needs Emergency Housing Assistance, Crisis Case Management, Vulnerable Populations: Seniors and Disabled, and the Positive Development of Youth.

A funding cap will be enforced, **requested proposal amounts shall not exceed \$20,000.**
Proposal will be awarded at 100% funding only, as funding dictates.

SRPMIC: \$130,000

Funding Proposals will only be accepted for Home Delivered Meals and Congregate Meals through the Salt River Pima Maricopa Indian Community Funds.

Home Delivered Meals: A funding cap will be enforced, **requested proposal amounts shall not exceed \$100,000.**
Congregate Meals: A funding cap will be enforced, **requested proposal amounts shall not exceed \$30,000.**

CITY GENERAL FUNDS: Up to \$100,000

The City of Scottsdale is requesting proposals for the use of General Funds.

Activities for General Funds would be for the following categories:

- Brokerage Services (agencies providing services within City of Scottsdale Human Services facilities)
- Domestic Violence Shelter Services
- Legal Services
- Services for Seniors

Priority will be given to programs that address top priority needs Emergency Housing Assistance, Crisis Case Management and Vulnerable Populations: Seniors and Disabled.

A funding cap will be enforced, **requested proposal amounts shall not exceed \$20,000.**
Proposal will be awarded at 100% funding only, as funding dictates.

It is the policy of the City of Scottsdale not to discriminate against any person on the basis of race, color, religion, age, sex, handicap, familial circumstance, or national origin. Persons using a TTY device may communicate with the Community Assistance Office by calling the TTY line at (480) 312-7411. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Community Assistance Secretary, at (480) 312-7156. Requests should be made as early as possible to allow time to arrange the accommodation.



ENDOWMENT FUNDS: \$8,600

Activities for Endowment Funds would be for the following categories:

- Community projects and programs for the public good
- City of Scottsdale youth programs

The Community Assistance Office will be presenting an Applicant Orientation on Thursday, September 19, 2024, from 10AM-11AM virtually, via Microsoft Teams. Attendees may join online at the link below or call in using the phone number listed below.

[Join the meeting now](#)

https://teams.microsoft.com//meetup-join/19%3ameeting_MjY3MGQzNmEtNmlzOS00ZDZmLTg1M2UtNWYyYzc0NTQ1YzY4%40thread.v2/0?context=%7b%22Tid%22%3a%2210aebc46-34e8-45ee-a5e2-5756f4df0996%22%2c%22Oid%22%3a%22cb3935e5-d963-4925-8828-1cbb8fc872a8%22%7d

Meeting ID: 211 010 792 33

Passcode: afggzq

Dial in by phone

[+1 480-378-2354,549714304#](tel:+14803782354549714304) United States, Tempe

[Find a local number](#)

Phone conference ID: 549 714 304#

For organizers: [Meeting options](#) | [Reset dial-in PIN](#)

A PowerPoint presentation will be available to view afterwards, including information that is typically reviewed at the orientation.

For agencies interested in applying for and learning more about the funding process, please visit the Funding information webpage at:

<https://www.scottsdaleaz.gov/housing/community-development-block-grant-and-home-programs>

All interested applicants shall use the City of Scottsdale Neighborly participant portal. **We will not accept any applications that are not submitted through the Neighborly software.**

Proposals for Fiscal Year 2025/2026 funding will be available beginning 8 a.m., Thursday, September 12, 2024, at the Scottsdale Neighborly Participant Portal: <http://portal.neighborlysoftware.com/SCOTTSDALEAZ/Participant>

(Qualifying organizations shall be City of Scottsdale programs or organizations that are tax exempt under Section 501(c)3 of the Internal Revenue Code.)

The deadline for submission of proposals is 4:00 P.M., Friday, October 18, 2024

For information regarding CDBG, Scottsdale Cares, SRPMIC, General Funds and Endowment Funds, please contact Chad Bougher, Community Development Supervisor, at (480) 312-7424 or cbeougher@scottsdaleaz.gov

The City reserves the right to retain CDBG funds for City-specific activities and funding is contingent based on FY 24/25 approved budget.





2025/2026 Agency Proposal Evaluation and Scoring Tool

Organization Name: _____ «Agency Name» _____
 Program/Project Name: _____ «Program Name» _____
 Reviewed By: _____

| A: Program Description (15 POINTS POSSIBLE) | Score |
|---|--------------|
| <p>The proposal has met the following criteria:</p> <ul style="list-style-type: none"> • The service has been clearly defined. <ul style="list-style-type: none"> ○ <i>Determine if proposal clearly defines the service(s).</i> • The program aligns with the needs of the individuals being served. <ul style="list-style-type: none"> ○ <i>Determine if the program addresses the needs of the target population.</i> • The proposal identifies the desired benefits for the participants. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly identifies the desired benefits of the target population.</i> • The location of the service is close to the people being served. <ul style="list-style-type: none"> ○ <i>Determine if the proposal identifies the location where people will be served.</i> • The program clearly substantiates partnerships or collaborations. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly identifies partnerships or collaborations.</i> <p>WHERE TO FIND THIS INFORMATION IN THE PROPOSAL: PROGRAM RELATED INFORMATION; FUNDING PROGRAM AND SCOPE OF WORK</p> | 0-15 |
| TOTAL SCORE (A: Program Description) | |
| B: Community Need (6 POINTS POSSIBLE) | Score |
| <ul style="list-style-type: none"> • The proposal clearly describes why these services are needed. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes why these services are needed.</i> • The proposal cites data or research in support of the documented need. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly identifies research or data that supports the need of these service(s).</i> <p>WHERE TO FIND THIS INFORMATION IN THE PROPOSAL: PROGRAM RELATED INFORMATION</p> | 0-6 |
| TOTAL SCORE (B: Community Need) | |
| C: Population Served (9 POINTS POSSIBLE) | Score |
| <ul style="list-style-type: none"> • The proposal clearly describes the specific target population. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes the specific target population.</i> • Methodology for determining client eligibility is described adequately. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes how the agency will determine eligibility.</i> • Methodology for determining number of Scottsdale residents served is described adequately. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes how the agency will determine the number of Scottsdale residents being served.</i> <p>WHERE TO FIND THIS INFORMATION IN THE PROPOSAL: PROGRAM RELATED INFORMATION; FUNDING PROGRAM AND SCOPE OF WORK</p> | 0-9 |
| TOTAL SCORE (C: Population Served) | |

| D: Program Outcome Measurement (12 POINTS POSSIBLE) | Score |
|--|--------------|
| <ul style="list-style-type: none"> • Outcomes are meaningful, client focused, and related to the service. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes if the outcomes are meaningful, client focused and directly related to the service to be provided.</i> • Indicators are time oriented. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes if the indicators are time oriented.</i> • Indicators are client-focused and are appropriate to the associated outcomes. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes if the indicators directly relate to the associated outcomes.</i> • The documentation of the services provided relates to the outcomes and indicators. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly describes the services to be provided and if the indicators are appropriate to the associated outcomes.</i> <p>WHERE TO FIND THIS INFORMATION IN THE PROPOSAL: PROGRAM RELATED INFORMATION; FUNDING PROGRAM AND SCOPE OF WORK</p> | 0-12 |
| TOTAL SCORE (D: Program Outcome Measurement) | |

| E: Budget & Leveraged Resources (12 POINTS POSSIBLE) | |
|--|-------------|
| <ul style="list-style-type: none"> • The proposal clearly states how requested funds will be applied to expense line items. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly states what funding will pay for and how the requested funds will be applied to the expense line items.</i> • The proposal identifies leveraged funds from “Other Sources.” <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly identifies leveraged funds and contingency plans for a shortfall in funding.</i> • The amount requested is reasonable compared to the relationship with proposed number of residents to be served. <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly illustrates the amount of funding requested for services to be provided and if the costs of services are reasonable for the proposed number of residents to be served.</i> • The over-all program budget shows a direct relationship with proposed service item(s). <ul style="list-style-type: none"> ○ <i>Determine if the proposal clearly shows a direct relationship between the proposed services to be delivered and the budget.</i> <p>WHERE TO FIND THIS INFORMATION IN THE PROPOSAL: FUNDING PROGRAM AND TOTAL PROGRAM BUDGET SUMMARY</p> | 0-12 |
| TOTAL SCORE (E: Budget & Leveraged Resources) | |

| | |
|---|-------------|
| G: Commissioner Evaluation (10 POINTS POSSIBLE) | |
| <ul style="list-style-type: none"> • Top Priority <ul style="list-style-type: none"> ○ <i>Proposal addresses a top priority.</i> ○ Emergency Housing Assistance ○ Crisis Case Management ○ Homeless Supportive Services and Shelters ○ Vulnerable Populations: Seniors and Disabled | 0-10 |
| TOTAL SCORE (G: Commissioner Evaluation) | |

| | |
|---|------------|
| Section H: Demonstrated Capacity / Historical Performance (5 POINTS POSSIBLE) | |
| <ul style="list-style-type: none"> • The agency has demonstrated the organizational capacity to deliver the proposed program. <p>WHERE TO FIND THIS INFORMATION: PROGRAM RELATED INFORMATION AND STAFF REPORT AND HISTORICAL DATA.</p> | 0-5 |
| TOTAL SCORE (Section H: Demonstrated Capacity / Historical Performance) | |
| TOTAL EVALUATION SCORE | |
| <p>Recommended for funding?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(Additional factors to consider prior to recommending this agency's proposal for funding.)</p> <p>Notes:</p> | |

Demonstrative Capacity and Historical Data

To be completed by Staff

CDBG Public Service: Agency A, Program

| | |
|--|--------------------------|
| Demonstrative Capacity (30 Points Available) | Points Possible 0-5 |
| The agency has a record of successful delivery of this service. | 5 |
| The agency has a record of timely performance reporting and contract compliance. | 5 |
| The estimated number of Scottsdale residents to be served is consistent with prior performance. | 5 |
| The application adheres to the NOFA and instructions provided at the Applicant Orientation | 5 |
| | Points Possible 0-10 |
| Top Tier Priority as listed on the NOFA | 10 |
| | Points Possible 0,-10 |
| The agency failed to respond to the information requested on the Human Services Staff Evaluation. <ul style="list-style-type: none"> If an Agency fails to respond to the Human Services Staff Evaluation or submits the responses after the deadline, 10 points will be subtracted from this section. | 0 |
| Staff Comments Regarding Human Services Staff Evaluation Response: | |
| Total Score | 30 |

Historical Data

| | FY 2022/2023 | | FY 2023/2024 | | FY 2024/2025 | | FY 2025/2026 |
|------------------------------------|---------------|-----------|---------------|----------|---------------|-------------------------------|------------------------|
| | Proposed | Actual | Proposed | Actual | Proposed | Actual Through 10/31/23 | Currently Purposing |
| Agency contracted to serve: | | | | | | | |
| Unduplicated persons/households | 12 | 11 | 7 | 9 | 4 | 0 | 4 |
| Amount Awarded | 45,000 | | 32,840 | | 46,137 | | 57,879 |

HUMAN SERVICES STAFF EVALUATION FY 2025/2026

| | | |
|--|-----------|--|
| Funding Program: | CDBG..... | |
| Applicant/Agency: | | |
| Project Name: | | |
| Amount Requested: | \$ | |
| Does the request exceed the funding cap? | Yes or No | |
| Is the project an eligible activity? | Yes or No | |
| Is this project for SRPMIC or Endowment? | | |
| SRPMIC | | |
| Is the application for Home Delivered Meals or Congregate Meals? | Yes or No | |

| |
|---|
| CDBG ONLY |
| Does the project meet one of the National Objectives? |
| If yes, which one: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> activities benefiting low- and moderate-income persons, <ul style="list-style-type: none"> <input type="checkbox"/> area benefit <input checked="" type="checkbox"/> limited clientele benefit <input type="checkbox"/> housing activity <input type="checkbox"/> job creation or retention <input type="checkbox"/> aid in the prevention of slums and blight, <input type="checkbox"/> urgent need. |

| | |
|--|------------------|
| If Applicable: Is the activity consistent with the Consolidated Plan? | Yes or No |
| Does the budget narrative match the budget table? | Yes or No |
| Is a 501(c)3 attached? | Yes or No |
| Is an audit attached? | Yes or No |
| Date of the audit: | Yes or No |

Mary Witkofski,
Community Assistance Manager

Date

HUMAN SERVICES STAFF COMMENTS:

Questions or issues the Commission may wish to address during the public presentations. The Housing and Community Assistance office has requested a written response to the numbered questions and comments.

Please note: Failure to respond to the questions/comments below or submits their response after the deadline, will result in a ten (10) point reduction to the final score of your agency's proposal.

1. None

Applicant Orientation

FY 2025-2026 Community Development Block Grant (CDBG),
Scottsdale Cares, Salt River Pima-Maricopa Indian Community Funds
(SRPMIC), General Funds, and Endowment Funds

Agenda for today's meeting

2

1. Funding Packet Overview
2. Calendar of Events
3. Administrative Notice
4. Scoring and Evaluation Tool
5. Demonstrative Capacity and Historical Data
6. Human Services Staff Evaluation
7. CDBG Funds
8. Scottsdale Cares
9. SRPMIC
10. General Funds
11. Endowment Funds
12. Funding Breakdown
13. Proposal Submission
14. What Makes a Good Proposal
15. Staff Contacts



Orientation Purpose

- q Provide an overview of the FY 2025/2026 Funding Process for all funding sources
- q Present anticipated Funding Allocations
- q Strengthen your agencies understanding of how to develop a quality proposal that can successfully compete for funding
- q Review Top Priorities, National Objectives, Eligible Activities and Regulatory Concerns
- q Provide staff contacts for technical assistance in the development of your proposal

Funding Packets Overview

4

- q Funding Packets are available online at:
 - q [Community Development Block Grant \(CDBG\) & HOME Programs | City of Scottsdale \(scottsdaleaz.gov\)](#)
 - q Proposal/Allocation Calendar
 - q Notice of Funding Availability
 - q Scoring and Evaluation Tool
 - q Demonstrative Capacity and Historical Data
 - q Human Services Staff Evaluation
 - q PowerPoint Presentation
 - q Template Contracts



Calendar of Events

(Key Dates)

- q Proposals shall be submitted in Neighborly, by Friday, October 18, 2024, by 4:00 p.m.
- q Responses to Human Services Staff Evaluation are due approximately November 22, 2024 by 4:00p.m.
- q Human Services Commission formal recommendations to City Council will be held on March 13, 2025.
- q City Council votes on approval of Community Development Block Grant, Scottsdale Cares, SRPMIC, General Funds, and Endowment Funds tentatively on April 22/April 29 2025.

Administrative Notice

6

- q Each agency will be limited to submitting one proposal per funding source
 - q Will be verified through the agency's Tax ID Number
- q Each agency will be limited to submitting one proposal per program or project.
- q All proposals will be submitted through the Neighborly Scottsdale Participant Portal
- q Proposals of equal to or less than \$5,000 will not be accepted
 - q All applicants must create a profile to gain access to the portal
 - q Demo Neighborly Software



Administrative Notice

Scoring

7

- q Response to the Human Services Staff Evaluation will be emailed to the agency contacts listed in the proposal by approximately the week of November 4, 2024.
 - q This will be the only opportunity to present additional information during the funding process.
 - q Any agency failing to respond to the Human Services Staff Evaluation or submitting their response after the **November 22, 2024**, deadline will receive a 10 point deduction.
- q There will be no in person Q&A session this year. Any questions the commissioners may have will be delivered to the agencies via an email from HCA staff and responses will be provided to the commissioners.
- q The City of Scottsdale is seeking to distribute funding directly to projects identified as top priority community needs. The commission scoring and HCA and Human Services staff will score each proposal for alignment with top priorities.

Administrative Notice Priorities

8

Funding Priorities

1. Emergency Housing Assistance
2. Crisis Case Management
3. Homeless Supportive Services and Shelters
4. Vulnerable Populations: Seniors and Disabled
5. Positive Development of Youth

Administrative Notice

Contracts

9

Contracts for Scottsdale Cares, SRPMIC, and General Funds shall be reimbursed on expenditures in lieu of units provided

Language from the contracts:

“Payment shall be made on a reimbursement basis only and in such amounts and increments as may be approved by the City for various phases of work following submission by Agency of a proper request for payment, including applicable, accurate, and complete supporting documentation that substantiates the payment request and that is in accordance with the scope of work and program budget.”

Scoring and Evaluation Tool

- q Provided in Funding Packets available at:
 - q [Community Development Block Grant \(CDBG\) & HOME Programs | City of Scottsdale \(scottsdaleaz.gov\)](https://www.scottsdaleaz.gov/CommunityDevelopmentBlockGrant(CDBG)&HOMEPrograms)
- q Tool used by Human Service Commission to rank Proposals
- q Refer to Evaluation Scoring Tool as you fill out the Proposal

Returning applicants: Please note that application has minor changes from previous year such as new questions.

- q If a proposal mentions use of city facility or service, they must include letter from staff of the applicable facility or department.

Demonstrative Capacity and Historical Data

- q Provided in Funding Packets available at:
 - q [Community Development Block Grant \(CDBG\) & HOME Programs | City of Scottsdale \(scottsdaleaz.gov\)](#)
- q Will be provided to the Commissioners during the scoring process
- q Includes staff scoring and historical performance, when applicable

Human Services Staff Evaluation

- q Proposals will be reviewed by City Staff to determine general eligibility, completion and alignment with top priorities
- q Human Services Staff will analyze the content of each application and compile clarifying inquiries, if warranted
- q Finalized Human Service Staff Evaluations will be emailed to each agency during the **week of November 4, 2024**.
 - § Responses are required by **November 22, 2024**. This will be the only opportunity to present additional information during the funding process
- q Responses will be included in the funding documents prepared for the Human Services Commission for review and scoring

Community Development Block Grant (CDBG) Funds

National Objectives

- q Projects must meet one of the following:
 - Q Primary Benefit to Low-Moderate Income Persons (Clientele or Area Benefit- LMC/LMA)
 - Q Prevention or Removal of Slum and Blight
 - Q Mitigation or Elimination of a Certified Emergency Condition (i.e., major catastrophes or emergencies such as floods and earthquakes)

Types of Eligible Projects

- q Acquisition of Real Property
- q Disposition (disposal of real property)
- q Historic Preservation
- q Housing Rehabilitation
- q Housing Services
- q Lead Based Paint Hazard Removal
- q New Housing Construction
- q Program Administration Costs (generally reserved for the City exclusively)
- q Public Facilities and Improvements
- q Public Services
- q Relocation
- q Removal of Architectural Barriers

Types of Proposals

- q CDBG Proposals:
 - q Public Service
 - q Housing

Public Service Proposals

- q Eligible activities must benefit low and moderate-income Scottsdale families.
- q Proposals are required to focus on top community priority of homeless supportive services and shelters only.
- q Requested proposal amounts shall not exceed \$40,000 Single Agency or \$80,000 Lead agency with up to 2 partner agencies .

Housing Proposals

- q For acquisition activities, attach the following narrative on a separate sheet:
 - q Project Timeline
 - q Fair Market Value of Property
 - q Relocation Information
 - q Environmental Information

Significant Regulatory Concerns

- q Environmental Reviews
- q Davis-Bacon Wages
- q Section 3
- q Minority/Women Owned Business Enterprises
- q Procurement
- q Relocation
- q City Plan Review
- q Conformance with Current Land Use

Monthly Reporting

Focus on:

- q Number of Scottsdale persons or households to be assisted
- q Demographics
- q Income Levels and supporting documentation
- q Submitted in the Neighborly software
- q Due no later than the 15th of the following month

Anticipated CDBG Allocation

| | | |
|---|----|----------------|
| Total CDBG Allocation | \$ | 1,081,864 |
| Less: Admin Allocation of 20% | \$ | (216,373) |
| Net CDBG Funds to Allocate | \$ | 865,491 |
| Public Service Allocation of 15% | \$ | 162,000 |
| Non-Public Service Allocation of 65% | \$ | 703,491 |

(These amounts do not include reprogrammed funds)

*The City reserves the right to retain CDBG funds for specific activities.

ACCOMPLISHMENTS REPORTING IN NEIGHBORLY



Accomplishment data below is read-only. Changes must be made to the corre

| TOTAL NUMBER OF PERSONS ASSISTED | | JUL 2023 |
|--|--------------------------------|----------|
| Total Number of Unduplicated Persons Assisted this Month | <input type="text" value="3"/> | 3 |
| Totals | <input type="text" value="3"/> | 3 |

| BENEFICIARIES - INCOME | | JUL 2023 |
|---|--------------------------------|----------|
| Number of Extremely Low Income persons assisted (<30% AMI) | <input type="text" value="0"/> | 0 |
| Number of Low Income persons assisted (30%-50% AMI) | <input type="text" value="3"/> | 3 |
| Number of Moderate Income persons assisted (50% - 80% AMI) | <input type="text" value="0"/> | 0 |
| Number of persons assisted who are NOT Low to Moderate Income | <input type="text" value="0"/> | 0 |
| Totals | <input type="text" value="3"/> | 3 |

| BENEFICIARIES - RACE | | JUL 2023 |
|----------------------|--------------------------------|----------|
| White | <input type="text" value="3"/> | 3 |
| Totals | <input type="text" value="3"/> | 3 |

| BENEFICIARIES - ETHNICITY | | JUL 2023 |
|---------------------------|--|----------|
|---------------------------|--|----------|

Reimbursement Requirements

23

- q Comply with all insurance requirements
- q Copies of supporting documentation (i.e. timesheets, payroll ledgers, invoices and proof of payment and how the calculations were made)
- q If paying for salaries, you must be able to identify time spent to Scottsdale funded activity (direct services)
 - q Ineligible reimbursement expenses include, but are not limited to over-time and retro pay
 - q Paid time off is an eligible expense for full-time employees funded solely by CDBG
- q Submit ONLY one (1) copy of your reimbursement request via a Neighborly draw request

Monitoring Process

Focus on performance:

- q Regulatory compliance
- q Financial Management Documentation
- q Reporting
- q Maintaining client documentation of income eligibility (income verification or self certification)

Scottsdale Cares



Eligible Activities

- q Promote the positive development of youth, adults and seniors
- q Strengthen the capability of families and the self-sufficiency of adults
- q Assist Scottsdale residents of all ages to address crisis needs

Scottsdale Cares Proposals

Up to \$180,000 available for Scottsdale Cares

Priority will be given to programs that address top priority needs:

- #1. Emergency Housing Assistance,
- #2. Crisis Case Management
- #4. Vulnerable Populations: Seniors and Disabled
- #5. Positive Development of Youth

Requested proposal amounts shall not exceed \$20,000.

Proposal will be awarded at 100% funding only, as funding dictates.



Salt River Pima-Maricopa Indian Community Funds (SRPMIC)

SRPMIC Proposals

- q Up to \$130,000 available for SRPMIC
- q Amount Tentative as it is appropriated by the City Council
- q Funding Proposals will only be accepted for Home Delivered Meals and Congregate Meals
- q Funding Caps:
 - q Home Delivered Meals \$100,000
 - q Congregate Meals \$30,000

General Funds

Eligible Activities

Up to \$100,000 available for General Funds

Activities for General Funds would be for the following categories:

- q Brokerage Services (agencies providing services within City of Scottsdale Human Services facilities)
- q Domestic Violence Shelter Services
- q Legal Services
- q Service for Seniors

General Funds Proposals

Priority will be given to programs that address top priority needs:

- #1. Emergency Housing Assistance,
- #2. Crisis Case Management
- #4. Vulnerable Populations: Seniors and Disabled

Requested proposal amounts shall not exceed \$20,000.

Proposal will be awarded at 100% funding only, as funding dictates.

Continuing Reimbursement Requirements for Scottsdale Cares, SRPMIC, and General Funds

- q Must meet the number of Scottsdale persons or households to be assisted from Scope of Work
- q Comply with all insurance requirements
- q Invoices with supporting documentation and Performance Reports
- q Funding will be distributed on a reimbursement basis only
- q Reports are due:
 - q **October 15th, January 15th, April 15th, and July 5th**
- q Submit reimbursement requests via a draw request in Neighborly Software.

Endowment Funds

Endowment Fund Categories

Qualifying organizations shall be either City of Scottsdale programs or organizations that are tax exempt under Section 501(c)(3) of the Internal Revenue Code.

- q The Scottsdale Community Endowment Fund is used to carry out the purposes of community projects and programs for the public good within the city
- q The Herbert R. Drinkwater Youth Fund is used to support City of Scottsdale youth programs

Anticipated Allocation

- q A total allocation of \$8,600 is expected to be available, between the two funds.
- q Amount Tentative until appropriation is approved by the City Council

Reimbursement Requirements

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- q Comply with all insurance requirements
- q Submit only one (1) reimbursement request invoice on agency letter head via a Neighborly draw request by January 15th*

*official date will be noted in the contract

- q Agency's check will be disbursed by the Arizona Community Foundation
- q Quarterly reports of demographics served

Funding Breakdown

| Funding Source | *Funding Available | Priority | Funding Cap |
|---------------------|--------------------|---|------------------------|
| CDBG Public Service | \$160,000 | #3 Homelessness Supportive Services and Shelters | \$40,000 **\$80,000 |
| CDBG Housing | \$60,000 | Housing Activities | \$60,000 |
| Scottsdale Cares | \$180,000 | #1. Emergency Housing Assistance #2. Crisis Case Management #4. Vulnerable Populations: Seniors/Disabled #5. Positive Development of Youth | \$20,000 |
| SRPMIC | \$130,000 | Home Delivered Meals Congregate Meals | \$100,000 \$30,000 |
| General Funds | \$100,000 | #1. Emergency Housing Assistance #2. Crisis Case Management #4. Vulnerable Populations: Seniors/Disabled | \$20,000 |
| Endowment | \$8,600 | Community projects and programs for the public good and City of Scottsdale youth programs. | \$8,600 |



*Approximately

Proposal Submission

Budget Section

q TOTAL PROGRAM REVENUES MUST EQUAL TOTAL PROGRAM EXPENSES

q Provide details and clarity in the notes section

q Please do not submit funding request over cap.

B.12. TOTAL PROGRAM BUDGET SUMMARY
 Items to Note:
 • **TOTAL PROGRAM REVENUES MUST EQUAL TOTAL PROGRAM EXPENSES**
 • Employee related expenses cannot be reimbursed at rates greater than the actual cost.
 • Indirect administrative costs will not be reimbursed unless an indirect cost allocation plan has already been approved by an appropriate federal agency and submitted with this application.

B.12a. Program Revenues

| REVENUE SOURCE | COLUMN A - CITY OF SCOTTSDALE | COLUMN B - OTHER SOURCES | COMMITTED OR TENTATIVE | SUM OF COLUMN A & B |
|--------------------|-------------------------------|--------------------------|------------------------|---------------------|
| City of Scottsdale | \$ 35,000.00 | | Tentative | \$ 35,000.00 |
| H5 Grant | | \$ 10,000.00 | Committed | \$ 10,000.00 |
| | \$ 35,000.00 | \$ 10,000.00 | | \$ 45,000.00 |

B.12b. Expenditures- Personnel Services

| PERSONNEL SERVICES | COLUMN A - CITY OF SCOTTSDALE | COLUMN B - OTHER SOURCES | SUM OF COLUMN A & B |
|--------------------|-------------------------------|--------------------------|---------------------|
| Salaries | \$ 15,000.00 | | \$ 15,000.00 |
| BFE | \$ 2,000.00 | | \$ 2,000.00 |
| | \$ 17,000.00 | | \$ 17,000.00 |

B.12c. Expenditures-Contracted Services

| CONTRACTED SERVICES | NOTES | COLUMN A - CITY OF SCOTTSDALE | COLUMN B - OTHER SOURCES | SUM OF COLUMN A & B |
|------------------------|--------------------|-------------------------------|--------------------------|---------------------|
| Professional Services | Social Workers | \$ 10,000.00 | \$ 0.00 | \$ 10,000.00 |
| Telephone | Cell Phone Service | \$ 1,000.00 | \$ 0.00 | \$ 1,000.00 |
| Utilities | | | \$ 0.00 | \$ 0.00 |
| Rent | | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Insurance | Auto | \$ 2,000.00 | \$ 0.00 | \$ 2,000.00 |
| Fuel/Tolls | Gas | \$ 2,000.00 | \$ 0.00 | \$ 2,000.00 |
| Other-Specify in Notes | | | \$ 0.00 | \$ 0.00 |
| Other-Specify in Notes | Hotel Vouchers | | \$ 10,000.00 | \$ 10,000.00 |
| Other-Specify in Notes | | | \$ 0.00 | \$ 0.00 |
| | | \$ 16,000.00 | \$ 10,000.00 | \$ 26,000.00 |

B.12d. Expenditures-Supplies & Miscellaneous Services

| CONTRACTED SERVICES | NOTES | COLUMN A - CITY OF SCOTTSDALE | COLUMN B - OTHER SOURCES | SUM OF COLUMN A & B |
|------------------------|-------|-------------------------------|--------------------------|---------------------|
| Office Supplies | | | \$ 0.00 | \$ 0.00 |
| Building Materials | | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Printing/Duplication | Flora | \$ 2,000.00 | \$ 0.00 | \$ 2,000.00 |
| Other-Specify in Notes | | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Other-Specify in Notes | | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Other-Specify in Notes | | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| | | \$ 2,000.00 | | \$ 2,000.00 |



Proposal Submittal for All Funding Sources

q Proposals shall be submitted in Neighborly, by Friday, October 18, 2024, by 4:00 p.m.

| | | | |
|---------|-------------------------|---------|------------------------|
| Program | Funding Process | Name | Test Orientation |
| Id | 30050 | Address | 6535 E Osborn Rd Ste B |
| Status | Application in Progress | | unit 8 |
| Funding | | | Scottsdale, AZ 85087 |

Submit

Once an application is submitted, it can only be "Re-opened" by an Administrator.

CERTIFICATIONS

The Grantee hereby assures and certifies that it will comply with the regulations, policies, guidelines, and requirements with respect to the acceptance and use of federal funds for this federally assisted program, if approved for funding.

Signature: Title:

No save history



What Makes a Good Proposal

- Human Services Commissioner **Neal Shear**

Staff Contacts for questions or concerns:

- § CDBG Public Service
- § CDBG Housing
- § Scottsdale Cares
- § SRPMIC
- § General Funds
- § Endowment Funds
- § Program Budget
Technical Assistance

Mary Witkofski
Community Assistance Manager
(480) 312-2479
mwitkofski@scottsdaleaz.gov

Chad Beougher
Community Development Supervisor
(480) 312-7424
cbeougher@scottsdaleaz.gov

Melissa McNeal
Community Grants Specialist
(480) 312-7731
mmcneal@scottsdaleaz.gov

SUBRECIPIENT AGREEMENT

CITY OF SCOTTSDALE, ARIZONA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

This Agreement (“Agreement”) is made and entered into this 1st day of July 2024, by and between **Agency Name Here**, an Arizona non-profit corporation, hereinafter referred to as the subrecipient (“Subrecipient”) and the City of Scottsdale, an Arizona municipal corporation, hereinafter referred to as the City (“City”).

The City and the Subrecipient, for and in consideration of the sum to be paid by the City, in the manner and at the time provided in this Agreement, and for other covenants and agreements contained in this Agreement, agree as follows:

STATEMENT OF WORK:

In accordance with 24 C.F.R. Part 570 and the terms and conditions of this Agreement, Subrecipient agrees to complete the project (“Project”) **entitled Project Title Here**, described in Exhibit A, attached, which is incorporated in this Agreement by this reference, as if fully set forth. The Subrecipient shall furnish all labor, materials, services, supervision, tools, equipment, licenses and permits necessary to complete the Project.

CONTRACT AMOUNT:

The City shall provide financial assistance to Subrecipient in an amount not to exceed **Contract Dollar Amount Here Dollars and xx/100 (\$XX,XXX.XX)**. This amount constitutes the City's entire participation and obligation in the performance and completion of all work to be performed under this Agreement. Notwithstanding any other provision of this Agreement, failure by Subrecipient to complete the Project or perform or deliver the work, supplies or services required by this Agreement or failure by Subrecipient to submit when due all required reports, documents, proper payment requests and applicable, accurate and complete supporting documentation substantiating the payment requests will result in the withholding of payment under this Agreement.

CONTRACT TERM:

The term of this Agreement is one (1) year beginning as of the date of this Agreement, first written above. The term may be extended by written mutual consent of the Community Assistance Manager and the Subrecipient. The foregoing notwithstanding, the provisions of this Agreement shall remain in effect, during any time period that the Subrecipient remains in control of Community Development Block Grant (“CDBG”) funds or other assets, including program income.

METHOD OF PAYMENT:

Payment shall be made on a reimbursement basis only and in such amounts and increments as may be approved by the City for various phases of work following submission by Subrecipient of a proper request for payment, including applicable, accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the scope of work and program budget. Payment request and performance reporting are required to be submitted **monthly** under this Agreement. Documents and forms relating to billing are attached

in Exhibit B, which is incorporated in this Agreement by this reference, as if fully set forth. The final billing for the contract must be received by the first Friday in July; if it is a holiday, submit the final invoice on the Thursday before.

PROGRAM INCOME:

Any program income, as defined in 24 C.F.R. 570.500(a), received by the Subrecipient, during the term of the Agreement, shall be used for the purposes of this Agreement, as provided by its terms and conditions, and as provided in 24 C.F.R. 570.504(c). Program income shall be substantially disbursed prior to the payment of any CDBG funds that otherwise may be due, pursuant to this Agreement. Under this Agreement, program income refers solely to that income derived from the expenditure of funds granted under this Agreement and includes, but is not limited to, income received from the clients served for services performed or materials purchased and proceeds from the disposition of real property purchased in whole or in part with CDGB funds. Documentation supporting the amount of program income received shall be submitted with monthly billings. All unexpended program income shall be returned to the City at the end of the contract 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 City. Any program income on hand when the Agreement expires, or received after the Agreement's expiration, shall be paid to the City as required by 24 C.F.R. § 570.503(b)(8).

RECORD KEEPING AND RETENTION:

The Subrecipient will maintain and provide when due, or at any time upon the City's request, and also maintain for five (5) years after the completion of the Project, all records required by 24 C.F.R. § 570.506 and 24 C.F.R. Part 570 Subpart K which shall include but not be limited to:

- a) Records demonstrating that the Subrecipient is and remains a qualified subrecipient for CDBG funds under Housing and Urban Development ("HUD") regulations;
- b) Records demonstrating that participating citizens served by the Project meet the income and other criteria required by federal law and that no unlawful discrimination occurs in the solicitation process of lower income persons or groups;
- c) Financial records as required by 24 C.F.R. § 570.502 and 2 C.F.R. § 200.333 as modified by, including source documentation for entities not subject to 2 C.F.R. Part 200; and
- d) Performance and other reports submitted by the Subrecipient, as required by the City.

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 City shall be exempt from payment of all unemployment compensation, FICA, retirement, life and/or medical insurance and Worker's Compensation Insurance, as the Subrecipient is an independent contractor.

SUBCONTRACTING:

All work or services covered by this Agreement, which is subcontracted by the Subrecipient, shall be specified by written contract and subject to all provisions of this Agreement. All subcontracts must be approved by the City prior to execution.

THE SUBRECIPIENT AGREES TO:

1. Utilize normal and customary practices and procedures for the delivery of the Project and provide a level of service that is consistent with the level of service for similar programs administered by the Subrecipient, exclusive of this Agreement.
2. 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 those 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.
3. Comply with the requirements of 2 C.F.R. Part 230, as applicable, establish and/or maintain accounting systems to assure that it is audited and that those audits meet the requirements of 2 C.F.R. Part 215 and comply with the audit requirements of Subpart F of the Uniform Grant Guidance for these same institutions. Such system will be subject to monitoring from time to time by the City or by the Department of Housing and Urban Development.
4. Keep records of all ethnic and racial statistics of persons and families benefited in the performance of its services on the project site, including, but not limited to, the number of low- and moderate-income persons and households assisted in accordance with federal income limits, the number of elderly (over 62 years of age) and handicapped, family size, and number of female heads of households. Subrecipient agrees to provide City with monthly written reports of its activities and a final report when this Agreement terminates, setting forth the activities, program accomplishments, new program information and current program statistics on expenditures, caseload and activities. City and the United States Government and/or their representatives shall have access for purposes of monitoring, auditing, and examining performance, to books, documents and papers, and the right to examine records. However, nothing herein shall be construed to require access to any privileged or confidential information as set forth in federal or state law.
5. Acknowledge that the funds being provided by City for the Project are received by City, pursuant to the Housing and Community Development Act of 1974 (“Act”), as amended, and 24 C.F.R. Part 570 and that expenditures of these funds shall be in accordance with the provisions of the Act and all pertinent regulations issued by agencies of the federal government. Subrecipient agrees to comply fully with all federal, state and local laws and court orders applicable to its operation, whether or not expressly referred to in this Agreement.

6. Comply with the indemnification and insurance requirements set forth in Exhibit C, attached, which is incorporated in this Agreement by this reference, as if fully set forth, and provide insurance and evidence of insurance, as indicated in Exhibit C.
7. Give all notices and comply with all laws, ordinances, and rules, building codes, regulations and lawful orders of any public authority bearing on the performance of the Project and activities, pursuant to this Agreement. If the Subrecipient believes that any part of the Agreement, including the Exhibits, are in conflict with any laws, statutes, building codes and/or regulations, it shall promptly notify the City, in writing, and any necessary changes shall be accomplished by appropriate written modification.
8. The Subrecipient and its subcontractors shall abide by all regulations pursuant to the Immigration and Naturalization Reform Act of 1986, specifically as it relates to employment and client services, and such other provisions as may be applicable. Should the Subrecipient perform any work knowing it to be contrary to applicable laws, ordinances, rules, building codes and/or its negligence, and not give proper notice to the City, the Subrecipient will assume full responsibility for its actions and bear all resulting costs. The City will not be liable for any work performed by the Subrecipient.
9. Comply with and require all subcontractors paid with funds provided by this Agreement to comply with all the applicable provisions of the Housing and Community Development Act of 1974, as amended, 24 C.F.R. Part 570 and the Special Conditions for activities assisted pursuant to Title I of the Community Development Act of 1974.
10. Transfer to the City, upon expiration, cancellation or termination of the Agreement, any Community Development Block Grant funds or program income on hand, and any accounts receivable attributable to the use of Community Development Block Grant funds.
11. Comply with the following requirements pertaining to real property: If the Subrecipient has any real property under the Subrecipient's control that was acquired or improved, in whole or in part, with CDBG funds under this Agreement in excess of \$25,000, the Subrecipient agrees 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. 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 City 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 City.
12. Comply with the following requirements pertaining to equipment: If the Subrecipient has equipment acquired, in whole or in part, with CDBG funds under this Agreement that is sold, the proceeds shall be program income (prorated to reflect the extent to which 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 City for the CDBG program or (b) retained after compensating the City an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.
13. Acknowledge the contributions of the City of Scottsdale Community Development Block Grant program in all published literature, brochures, programs, fliers, etc., during the term of this Agreement. Compliance shall be enforced by periodic site reviews.

14. Prepare and submit to the City monthly performance reports in the form, with the content and at the times required by the City. Unless modified by the City, Subrecipient shall submit monthly performance reports in the form as shown in Exhibit B and including the supporting documentation as required by the City.
15. Comply with the Certifications applicable to it, including Section 319 of Public Law 101-121, and execute all applicable documents, in Exhibit D, attached, which is incorporated in this Agreement by this reference, as if fully set forth.
16. Comply with the conflict-of-interest provisions in 2 C.F.R. Part 200 and 24 C.F.R. § 570.611. In the procurement of supplies, equipment, construction and services by Subrecipient, the conflict-of-interest provisions in 2 C.F.R. Part 200 shall apply, and Subrecipient shall abide by such provisions. In all cases not governed by 2 C.F.R. Part 200, the provisions of 24 C.F.R. § 570.611 shall apply, and Subrecipient shall comply with such provisions, including the following: 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 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 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 Subrecipient, the City or any designated public agency.
17. Complete and provide to the City a completed Exhibit F, listing Subrecipient’s designated contract representatives who shall be responsible for Project management, financial reporting, and performance reporting under this Agreement. The designated contract representative(s) having signature authority for Subrecipient shall be indicated on Exhibit F. Subrecipient shall submit a revised Exhibit F to the City within thirty (30) days of any change.
18. Not begin the Project until after receiving a Notice to Proceed from the City indicating that all environmental reviews have been completed.
19. Within 30 days of signing this Agreement, obtain from SAM.gov and provide to the City a Unique Entity Identifier (“UEI”) which Subrecipient shall keep active through the duration of this Agreement.

THE CITY AGREES TO:

1. Disburse funds in a timely manner as described in this Agreement.
2. Provide technical assistance to the Subrecipient to comply with applicable federal guidelines governing the use of Community Development Block Grant funds.
3. Complete all environmental review requirements as described in 24 C.F.R. Part 58.
4. Comply with the Certifications applicable to it in Exhibit D, attached.
5. Verify Subrecipient’s UEI is active and in good standing prior to issuing a Notice to Proceed.

TERMINATION:

In accordance with 2 C.F.R. Part 200, the City 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 in this Agreement, 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 its obligations under this Agreement, in a timely and proper manner;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect, or incomplete, in any material aspect.

In accordance with 2 C.F.R. § 200.339, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or part, by setting forth reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. If in the case of a partial termination, however, the City determines that the remaining portion of the award will not accomplish the purpose for which the award is being made, the City may terminate the award in its entirety. The parties shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible.

NON-DISCRIMINATION:

1. Subrecipient shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, familial status, or physical/mental handicap. Subrecipient shall take affirmative action in employment and ensure that employees are treated during employment, without regard to their race, color, religion, sex, national origin, age, familial status, physical/mental handicap. The scope of non-discrimination and affirmative action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation and selection for training, including apprenticeship. Subrecipient agrees to post in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of non-discrimination as described in this clause.
2. Subrecipient shall not discriminate against any applicant for service because of race, color, religion, sex, national origin, age, familial status, or physical/mental handicap. Subrecipient shall, in all solicitations or advertisements, state that all qualified applicants will receive consideration for employment or service without regard to race, color, religion, sex, national origin, age, familial status or mental/physical handicap. Subrecipient agrees to adopt and post in all offices or site locations a Policy of Nondiscrimination on the Basis of Disability. See Exhibit D, attached.
3. Subrecipient shall comply with the City of Scottsdale's Non-discrimination and Anti-harassment Policy as set forth in Chapter 15 of the Scottsdale Revised Code which

prohibits discrimination because on actual or perceived race, color, religion, sex, age, disability, national origin, sexual orientation or gender identity.

4. This Agreement does not, is not intended to, and shall not be interpreted to contravene the employment rights of religious organizations as recognized in federal, state, and local laws including but not limited to: Section 702(a) of Title VII, 42 U.S.C. § 2000e-1(a); 42 U.S.C. § 12113(d)(1) and (d)(2); the First Amendment of the U.S. Constitution; the Religious Freedom Restoration Act of 1993, 107 Stat. 1488, 42 U.S.C. § 2000bb et seq.; Section 204(c) of Executive Order 11246, as amended; A.R.S. § 41-1493 et seq.; A.R.S. § 41-1462; and Scottsdale Revised Code § 15-17(D).

IMMIGRATION LAW COMPLIANCE

Under the provisions of A.R.S. § 41-4401, the Subrecipient warrants to the City that the Subrecipient and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Subrecipient and all its subcontractors now comply with the E-Verify Program under A.R.S. § 23-214(A).

A breach of this warranty by the Subrecipient or any of its subcontractors will be considered a material breach of this Agreement and may subject the Subrecipient or Subcontractor to penalties up to and including termination of this Agreement or any subcontract. The Subrecipient will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The Subrecipient's failure to assure compliance by all its' subcontractors with the E-Verify Program may be considered a material breach of this Agreement by the City.

The City retains the legal right to inspect the papers of any employee of the Subrecipient or any subcontractor who works on this Agreement to ensure that the Subrecipient or any subcontractor is complying with the warranty given above.

The City may conduct random verification of the employment records of the Subrecipient and any of its subcontractors to ensure compliance with this warranty. The Subrecipient agrees to indemnify, defend and hold the City harmless for, from and against all losses and liabilities arising from any and all violations of these statutes.

FISCAL RESPONSIBILITY:

It is understood and agreed that the total amount of the funds used under this Agreement shall be used for the Project outlined in this Agreement. Therefore, should the Project not be completed, be partially completed, or completed at a lower cost than the original budget called for, the amount reimbursed to Subrecipient shall be for only the amount of dollars actually spent by Subrecipient. For any funds received under this Agreement for which expenditure is disallowed, Subrecipient shall reimburse said funds directly to City immediately but not later than fifteen (15) business days, exclusive of weekends and holidays.

GENERAL PROVISIONS:

1. It is expressly understood by the Parties hereto that this Agreement has been negotiated and executed in anticipation of receipt of funds by the City from the U.S. Department of Housing and Urban Development (HUD) pursuant to the Community Development Block Grant Program and that therefore, the terms, conditions and sums payable under this Agreement are subject to any changes or limitations which may be required by HUD, the

CDBG regulations and/or the terms of the grant agreement between the City and HUD. Notwithstanding any other provisions of this Agreement, any payment to the Subrecipient by the City under this Agreement is contingent upon the City's actual receipt of funds from HUD.

2. Subsequent to the execution of this Agreement, the Community Assistance Manager, who at the time of the execution of this Agreement is Mary Witkofski, shall represent the City in the administration of this Agreement and shall be the City's Contract Administrator. A person designated by the Subrecipient, as indicated below, shall represent the Subrecipient in the administration of this Agreement. All written communications between the Subrecipient and the City shall be sent to the respective representatives of the Parties, as indicated below:

| <u>Subrecipient</u> | <u>City</u> |
|---------------------|---|
| Name: | Mary Witkofski |
| Title: | Community Assistance Manager |
| Address: | Paiute Neighborhood Center 6535 E Osborn Rd., Bldg. #8 Scottsdale, AZ 85251 |
| City/Town: | |
| Phone: | (480) 312-2309 |
| Fax: | (480) 312-7761 |

3. The Parties hereto understand and acknowledge that each party may cancel this Agreement pursuant to A.R.S. § 38-511.
4. In the event that the Project, which is the subject of this Agreement, is to be conducted at a City facility, or on City property, the Subrecipient will execute a revocable license agreement, prepared by the City, relating to the use of the facility or property. If a revocable license agreement is required by the City, its execution by the Subrecipient will be a condition precedent to this Agreement.
5. Any dispute not disposed of by mutual agreement of the Parties shall be decided in accordance with the applicable Arizona laws.
6. This Agreement is the entire Agreement of the Parties regarding its subject matter. It supersedes any and all other agreements, either oral or in writing, between the Parties hereto and contains all the covenants and agreements between the Parties. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein.
7. The Subrecipient shall not assign, or transfer, any interest in this Agreement, without the prior written consent of the City.
8. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona and all applicable federal laws and regulations, including but not limited to those listed in Exhibit E, attached, which is incorporated in this Agreement by this reference, as if fully set forth.
9. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

- 10. The City's failure to act with respect to a breach by the Subrecipient does not waive the City's right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.
- 11. All Exhibits to this Agreement are fully incorporated herein, as though fully set forth in this Agreement.
- 12. The Subrecipient and the City represent, warrant, and covenant to each other that each party has full power and authority to enter into and perform this Agreement.
- 13. The Subrecipient and the City represent, warrant, and covenant to each other that the individual(s) signing this Agreement on each party's behalf is/are authorized by each respective party to do so.
- 14. Any amendments to this Agreement shall be in writing and signed by both parties.
- 15. The "Community Development Block Grant Grantee Certifications", which are attached as a part of Exhibit D, have been met with regard to the Subrecipient's participation with the City's Community Development Block Grant program.
- 16. If the City Council does not appropriate funds necessary to fulfill City's obligations under this Agreement, City may terminate this Agreement at the end of the current fiscal period. City agrees to give written notice of termination to Subrecipient at least thirty (30) days before the end of its current fiscal period and will pay to Subrecipient all approved charges incurred through the end of this period.

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read, understand, approve, and accept all of the provisions of this Agreement and the attachments thereto, which shall be effective as of the first date written above.

SUBRECIPIENT: _____ DATE: _____

BY: _____
ITS: _____

TAX ID #: _____

[Remainder of page intentionally blank.]

CITY OF SCOTTSDALE,
an Arizona municipal corporation

BY: _____
David D. Ortega, Mayor

DATE: _____

ATTEST: _____
Ben Lane, City Clerk

DATE: _____

APPROVED AS TO FORM:

Sherry R. Scott, City Attorney
By: Karen Tyler, Senior Assistant City Attorney

DATE: _____

REVIEWED BY:

William B. Murphy
Assistant City Manager

DATE: _____

George Woods, Jr.
Risk Management Director

DATE: _____

**CITY OF SCOTTSDALE
CDBG SUBRECIPIENT AGREEMENT
EXHIBITS**

- A. Statement of Work
- B. Budget & billing information
- C. Insurance requirements
- D. Certifications
- E. Federal laws & regulations
- F. Subrecipient's Designated Contract Representatives

EXHIBIT "A" STATEMENT OF WORK

This Scope of Work and Program Budget will document specific costs to be paid for under a contract for services.

1. Agency Name:

2. *Program Name and Location:

Name: _____

Address: _____

City: _____ State: AZ ZIP: _____

*If this program exists in multiple locations, please record additional locations on a separate sheet and attach to the back of this page.

3. Total CDBG Funds requested for this program:

\$ _____

4. List the service(s) to be provided, the number of units of service and number of unduplicated Scottsdale persons or households the requested funding will pay for:

| Service | Units of service | # of unduplicated Scottsdale persons or households |
|--------------|------------------|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total | | ** |

5. Total number of unduplicated Scottsdale persons or households to be assisted:

| Income Level | Persons/Households |
|---|--------------------|
| Very Low Income (0 – 30% of median income) | |
| Low Income (31 – 50% of median income) | |
| Low-Moderate Income (51 – 80% of median income) | |
| Moderate Income (81% or greater of median income) | |
| TOTAL | |

****Note: The total unduplicated persons/households in item 4 must equal the total unduplicated persons/households from the four income levels in item 5.**

6. Define how you will determine client eligibility and how you will determine if you are serving Scottsdale Residents?

- Client eligibility will be documented by:

- Scottsdale residency will be documented by:

7. Program Outcomes and Indicators: Complete the Outcome Chart by identifying at least one outcome to client/participants for each proposed service. Each outcome must be supported by at least one indicator and identification of the measurement that will be used to verify that the benefit has occurred.

| Service | Outcomes | Indicators | How Receipt of Service is Documented |
|--|--|--|---|
| <i>Example:</i> Assistance with disability claims. | <i>Example:</i> Clients have increased financial self-sufficiency. | <i>Example:</i> By June 30, 2024, 15 clients have started to receive appropriate benefits. | <i>Example:</i> File is considered complete upon receipt of award letter. |
| | | | |
| | | | |

8. Eligible Activity: (Check all that apply)

- NATIONAL OBJECTIVE #1 - Primary Benefit of Low and Moderate-Income Persons
- NATIONAL OBJECTIVE #2 - Prevention or Removal of Slum and Blight
- NATIONAL OBJECTIVE #3 - Mitigation or Elimination of a Certified Emergency Condition (e.g., major catastrophes or emergencies such as floods and earthquakes)

**EXHIBIT “B”
BUDGET & BILLING INFORMATION**

9. CDBG Funds will pay for the following costs. Actual costs reimbursed under the contract will be those costs directly attributable to this program. (Refers to Program Budget Summary located on the next page.)

Personnel Services:

(For example, list FTE position(s) that this funding will pay for.)

Contracted Services:

(Explain in detail what contracted services will pay for, especially professional services.)

Supplies & Miscellaneous:

(Explain in detail what funding will be used for.)

TOTAL PROGRAM BUDGET SUMMARY

| CITY OF SCOTTSDALE (COS) | | | | |
|---|--------------------|---------------|--------------------------------|----------------|
| Funding Year: 07/01/2023 – 06/30/2024 | | | | |
| Subrecipient Name: | | | | |
| Program Name: | | | | |
| | Column (A) | Column (B) | | Col. (A) + (B) |
| Revenues | City of Scottsdale | Other Sources | Committed - C or Tentative - T | Total |
| City of Scottsdale CDBG Funding | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL PROGRAM REVENUES | | | | |
| Expenditures | | | | |
| <i>Personnel Services:</i> | | | | |
| Salaries | | | | |
| ERE | | | | |
| Total Personnel Services | | | | |
| <i>Contracted Services:</i> | | | | |
| Professional Services | | | | |
| Telephone | | | | |
| Utilities | | | | |
| Rent | | | | |
| Insurance | | | | |
| Travel/Mileage | | | | |
| Other (specify) audit | | | | |
| Total Contracted Services | | | | |
| <i>Supplies & Miscellaneous:</i> | | | | |
| Office Supplies | | | | |
| Building Materials | | | | |
| Printing/Duplication | | | | |
| Other (specify) other operating | | | | |
| Total Supplies & Miscellaneous | | | | |
| TOTAL PROGRAM EXPENSES | | | | |

Note: TOTAL PROGRAM REVENUES MUST EQUAL TOTAL PROGRAM EXPENSES.
 Note 2: Employee related expenses cannot be reimbursed at rates greater than the actual costs.
 Note 3: Indirect administrative costs will not be reimbursed unless an indirect cost allocation plan has already been approved by an appropriate federal agency and submitted with this application.

REIMBURSEMENT REQUEST REQUIREMENTS AND PERFORMANCE REPORTS

NOTE: This section is very important to facilitate the expeditious processing of your agency's request for reimbursement. Please carefully follow the summary of monthly reimbursement and performance reporting requirements listed below.

The Agency is the responsible party for the following:

- § A request for reimbursement must be reviewed and signed by the agency executive director, be submitted to the City on the agency's letterhead, and include the contract number;
- § Submitting a financial format/budget pro forma summarizing monthly and year-to-date expenditures including the agency's match from other resources (form to be supplied by the City of Scottsdale);
- § Providing copies of all supporting documents. If the CDBG funds are paying for salaries, please provide: salary and ERE calculations, copies of timecards (indicating the hours dedicated to this specific Scottsdale funded activity) signed by employee and supervisor, payroll ledgers, and earnings statements. If the CDBG funds are paying for rent, please provide copies of the rent calculation, invoices, and payment checks.
- § The agency is **required** to submit billing requests and performance reports by the **15th of the following month**. If there is no financial activity, the agency is still required to report on progress of their activity to the contract administrator. The final billing for the contract must be received by the first Friday in July; if it is a holiday, submit the final invoice on the Thursday before.
- § All of the above components must be included in the agency's monthly reimbursement request. City Community Assistance staff generally processes the agency's reimbursement request within fourteen (14) days. If the reimbursement procedures are not followed correctly, or if additional documentation is required, the City will contact the agency. This will delay the processing and the agency's reimbursement check.
- § A monthly performance report (form to be supplied by the City of Scottsdale) that explains the progress the project has made in relation to the performance indicators submitted. The report will also include ethnic and income information as requested.

INVOICE # _____
(to appear on Agency letterhead)

Date: _____

TO:
Community Assistance Office
6535 E Osborn Rd., Bldg. 8
Scottsdale, AZ 85251
Attn: Community Grant Specialist

RE: Community Development Block Grant (CDBG) Agreement # **2025-xxx-COS**

BRIEF DESCRIPTION OF SERVICES PROVIDED:

Amount Requested: \$ _____ for the month of _____.

Remit payment to: _____

Signature of Person Authorized to Sign for Agency

Print Name and Title

City of Scottsdale

CDBG Program

Annual Income Guidelines

(subject to change to reflect the most current HUD guidelines)

Effective Date: July 1, 2020

Gross Annual Family Income Qualifications from the Department of Housing and Urban Development

| Household Size (persons) | CDBG/HOME | | |
|-----------------------------|----------------|----------------|--------|
| | Table A 30% | Table B 50% | 80% |
| 1 | 16,350 | 27,250 | 43,600 |
| 2 | 18,700 | 31,150 | 49,800 |
| 3 | 21,050 | 35,050 | 56,050 |
| 4 | 23,350 | 38,900 | 62,250 |
| 5 | 25,250 | 42,050 | 67,250 |
| 6 | 27,100 | 45,150 | 72,250 |
| 7 | 29,000 | 48,250 | 77,200 |
| 8 | 30,850 | 51,350 | 82,200 |

Presumed Benefit Groups

- Abused Children
- Elderly Persons (62 years or older)
- Battered Spouses
- Homeless Persons
- Severely Disabled Persons
- Illiterate Adults
- Migrant Farm Workers
- Persons Living with AIDS

CITY OF SCOTTSDALE (COS)

AGENCY NAME: _____

BILLING STATEMENT FOR MONTH OF: _____

PROJECT NAME: _____

| <u>DESCRIPTION</u> | <u>COS</u> | <u>OTHER SOURCES</u> | <u>TOTAL</u> |
|--------------------------------|------------|----------------------|--------------|
| Personnel Services: | | | |
| Salaries | | | |
| ERE | | | |
| Total Personnel Services | _____ | _____ | _____ |
| Contracted Services: | | | |
| Professional Services | | | |
| Telephone | | | |
| Utilities | | | |
| Rent | | | |
| Insurance | | | |
| Maintenance | | | |
| Travel/Mileage | | | |
| Other (Specify) | | | |
| Total Contracted Services | _____ | _____ | _____ |
| Supplies & Miscellaneous | | | |
| Office Supplies | | | |
| Building Materials | | | |
| Printing/Duplication | | | |
| Other (Specify) | | | |
| Total Supplies & Miscellaneous | _____ | _____ | _____ |
| TOTAL PROGRAM EXPENSES | _____ | _____ | _____ |

City of Scottsdale Performance Report

| | | | |
|----------------------------|---------------------------|---------------------------|-------------------------|
| Report Type: | Public Service | | |
| Report Time Period: | | <small>Start Date</small> | <small>End Date</small> |
| | Report Time Frame: | | Monthly |

| | | |
|--------------------|-----------------------------|--|
| Agency Name | Project/Program Name | Contact Person & Phone Number |
| | | |

| | | | | |
|--------------------|--------------------------|---------|--------------------------|------------|
| Report for: | <input type="checkbox"/> | Persons | <input type="checkbox"/> | Households |
|--------------------|--------------------------|---------|--------------------------|------------|

| | |
|---|--|
| Total Unduplicated Number Assisted During Reporting Period | |
|---|--|

| Race/Ethnicity of Persons Served | Current | | Year-to-Date (YTD) | |
|--|---------|----------|--------------------|----------|
| | Total | Hispanic | Total | Hispanic |
| 11 White | | | | |
| 12 Black/African American | | | | |
| 13 Asian | | | | |
| 14 American Indian/Alaskan Native | | | | |
| 15 Native Hawaiian/Other Pacific Islander | | | | |
| 16 American Indian/Alaskan Native and White | | | | |
| 17 Asian and White | | | | |
| 18 Black/African American and White | | | | |
| 19 Amer. Indian/Alaskan Native & Black/African Amer. | | | | |
| 20 Other Multi-Racial | | | | |
| Total | 0 | 0 | 0 | 0 |

| Income Status (% of Median Family Income) | Current Total | YTD Total |
|---|---------------|-----------|
| Extremely Low (0 - 30% of Median Income) | | |
| Low (31 - 50% of Median Income) | | |
| Moderate (51 - 80% of Median Income) | | |
| Non-Low Moderate (81+% of Median Income) | | |
| Total | 0 | 0 |

| Family Size | Current Total | YTD Total |
|-------------------|---------------|-----------|
| Small (4 or less) | | |
| Large (5 or more) | | |

| | Current Total | YTD Total |
|--------------------------|---------------|-----------|
| Female Head of Household | | |
| Elderly (62+) | | |
| Disabled | | |

| | Current Total | YTD Total |
|--|---------------|-----------|
| # of Units Provided | | |
| Service Unit Description (as defined in Application) | | |

| |
|-----------|
| Narrative |
|-----------|

EXHIBIT "C" INSURANCE REQUIREMENTS

Indemnification

To the fullest extent permitted by law, Subrecipient, its successors, assigns and guarantors, must defend, indemnify and hold harmless City of Scottsdale, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Subrecipient relating to work or services in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Subrecipient's and Subcontractor's employees.

Insurance provisions set forth in this agreement are separate and independent from the indemnity provisions of this paragraph and will not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph will not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

Insurance Representations and Requirements

General: Subrecipient agrees to comply with all applicable City ordinances and state and federal laws and regulations.

Without limiting any obligations or liabilities of Subrecipient, Subrecipient must purchase and maintain, at its own expense, hereinafter stipulated minimum insurance in a company or companies lawfully authorized to do business in the State of Arizona with an AM Best, Inc. rating of B++6 or above with policies and forms satisfactory to City of Scottsdale. Failure to maintain insurance as specified may result in termination of this Contract at City of Scottsdale's option.

No Representation of Coverage Adequacy: By requiring insurance herein, City of Scottsdale does not represent that coverage and limits will be adequate to protect Subrecipient. City of Scottsdale reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this agreement or failure to identify any insurance deficiency will not relieve Subrecipient from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

Coverage Term: All insurance required herein must be maintained in full force and effect until all work or services required to be performed under the terms of subject contract are satisfactorily performed, completed and formally accepted by the City of Scottsdale, unless specified otherwise in this Contract.

Policy Deductibles and or Self-Insured Retentions: The policies set forth in these requirements may provide coverage which contain deductibles or self-insured retention amounts. Subrecipient will be solely responsible for any such deductible or self-insured retention amount. City of Scottsdale, at its option, may require Subrecipient to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

Use of Subcontractors: If any work under this agreement is subcontracted in any way, Subrecipient will execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting City of Scottsdale and Subrecipient. Subrecipient will be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

Evidence of Insurance: Prior to commencing any work or services under this Contract, Subrecipient will furnish City of Scottsdale with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Subrecipient's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide

the required coverage, conditions, and limits of coverage and that such coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City of Scottsdale will reasonably rely upon the Certificate of Insurance as evidence of coverage but such acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this agreement. If any of the above-cited policies expire during the life of this Contract, it will be Subrecipient's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions.

Certificates must specifically cite the following provisions:

1. City of Scottsdale, its agents, representatives, officers, directors, officials and employees are named an Additional Insured under the following policies:
 - a) Commercial General Liability
 - b) Auto Liability
 - c) Excess Liability - Follow Form to underlying coverage as required
2. Subrecipient's insurance will be primary insurance as respects performance of subject contract.
3. All policies, except for Professional Liability insurance if applicable, waive rights of recovery (subrogation) against City of Scottsdale, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Subrecipient under this Contract.
4. If the Subrecipient receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be the Subrecipient's responsibility to provide prompt notice of the same to the City, unless such coverage is immediately replaced with similar policies.

Required Coverage

Commercial General Liability: Subrecipient must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$1,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy will cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Subrecipients whose services include working with, and/or caring for children and/or vulnerable adults, should have their policies specifically endorsed to include coverage for "sexual abuse and molestation. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance will be "follow form" equal or broader in coverage scope than underlying insurance.

Professional Liability: If the Subrecipient engages in any professional services or work adjunct or residual to performing the work under this Contract, Subrecipient must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Subrecipient, or anyone employed by Subrecipient, or anyone for whose acts, mistakes, errors and omissions Subrecipient is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims.

Vehicle Liability: If any vehicle is used in the performance of the Scope of Work that is the subject of this Agreement, the Subrecipient must maintain Business Automobile Liability insurance with a limit of \$1,000,000 each accident on Subrecipient's owned, hired, and non-owned vehicles assigned to or used in the performance of the Subrecipient's work or services under this Contract. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance will be "follow form" equal or broader in coverage scope than underlying insurance.

Workers Compensation Insurance: Subrecipient must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Subrecipient's employees engaged in the performance of work or services under this Contract and must also maintain Employers' Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit.

SAMPLE ACORD CERTIFICATE OF INSURANCE (Contract Exhibit C)

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|------------------------|----------------------|--|------------------------------|-----------------------|------------------------|--|-------------------------------|--|--------------------------------------|---------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|
| ACORD_m | CERTIFICATE OF LIABILITY INSURANCE | DATE (MM/DD/YY) | | | | | | | | | | | | | | | | | | | | | | |
| <p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>PRODUCER</p> <hr/> <p>INSURED THIS MUST MATCH EXACTLY TO THE CONTRACTOR NAME AND INFORMATION AS LISTED IN THE CONTRACT OR SCOPE OF WORK.</p> | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT NAME:</td> </tr> <tr> <td>PHONE (A/C. No. Ext):</td> <td>Fax (A/C. No):</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS:</td> </tr> <tr> <td colspan="2">PRODUCER CUSTOMER ID#:</td> </tr> <tr> <td style="text-align:center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align:center;">NAIC #</td> </tr> <tr> <td>INSURER A:</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table> | | CONTACT NAME: | | PHONE (A/C. No. Ext): | Fax (A/C. No): | E-MAIL ADDRESS: | | PRODUCER CUSTOMER ID#: | | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A: | | INSURER B: | | INSURER C: | | INSURER D: | | INSURER E: | | INSURER F: | |
| CONTACT NAME: | | | | | | | | | | | | | | | | | | | | | | | | |
| PHONE (A/C. No. Ext): | Fax (A/C. No): | | | | | | | | | | | | | | | | | | | | | | | |
| E-MAIL ADDRESS: | | | | | | | | | | | | | | | | | | | | | | | | |
| PRODUCER CUSTOMER ID#: | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER A: | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER B: | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER C: | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER D: | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER E: | | | | | | | | | | | | | | | | | | | | | | | | |
| INSURER F: | | | | | | | | | | | | | | | | | | | | | | | | |

| COVERAGES | CERTIFICATE NUMBER: | REVISION NUMBER: |
|---|---|---|
| <p><small>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</small></p> | | |
| INS LTR | TYPE OF INSURANCE | LIMITS |
| GENERAL LIABILITY | COMMERCIAL GENERAL LIABILITY | EACH OCCURRENCE |
| | CLAIMS MADE £ OCCUR | DAMAGE TO RENTED PREMISES (Ea Occurrence) |
| | | MEDICAL EXP (Any One Person) |
| | | PERSONAL & ADV INSURY |
| | | GENERAL AGGREGATE |
| | GEN'L AGGREGATE LIMIT APPLIES PER: ○POLICY○PROJECT○LOC | PRODUCTS – COMP/OP AGG |
| AUTOMOBILE LIABILITY | ANY AUTO | COMBINED SINGLE LIMIT (Ea accident) |
| | ALL OWNED AUTOS | BODILY INJURY (Per person)) |
| | SCHEDULED AUTOS | BODILY INJURY (Per accident) |
| | HIRED AUTOS | PROPERTY DAMAGE (Per Accident) |
| | NON-OWNED AUTOS | EACH OCCURRENCE |
| | Umbrella Liab £ OCC | AGGREGATE |
| | Excess Liab £ CLAIMS MADE | |
| | DEDUCTIBLE | |
| | RETENTION \$ | |
| | | |
| WORKERS COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS BELOW: | Y/N £ | N/A |
| | £ | £ |
| | | |
| | | |

Description of Operations/Locations/Vehicles(Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City of Scottsdale, its representatives, agents and employees, is an Additional Insured under Commercial General Liability and Auto Liability. All cited insurance shall be primary coverage and waive rights of recovery (subrogation), including Workers Compensation, against City of Scottsdale. Contract #2023-xxx-COS

| | |
|--|--|
| <p>CERTIFICATE HOLDER</p> <p>City of Scottsdale Attn: Paiute Neighborhood Center Community Assistance Office 6535 E Osborn Rd., Bldg. 8 Scottsdale, AZ 85251</p> | <p>CANCELLATION</p> <p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p> |
|--|--|

EXHIBIT “D” CERTIFICATIONS

CERTIFICATIONS BY THE CITY:

1. The services described in Exhibit A will principally benefit low- and moderate-income persons within the community.
2. The primary benefit of the financial participation of the City is for low- and moderate-income persons as stated in the above referenced Project.
3. The Community Development Block Grant funds designated for the Project constitute reasonable and prudent assistance necessary for the completion of the Project.

CERTIFICATIONS BY THE SUBRECIPIENT:

1. It is a non-profit corporation.
2. The Subrecipient shall be responsible for assuring that all of its employees and agents who are engaged in the activities or providing the services which are the subject matter of this Agreement are qualified to do so and possess all such current licenses, permits or permissions as may be required to engage in such activities or perform such services. The Subrecipient shall also screen employees and agents to determine whether they are suited to participate in the activities or provide the services and that their participation will be appropriate. Additionally, the Subrecipient shall actively supervise its employees and agents in furtherance of the goals and objectives of the Agreement.
3. It intends to provide the service for which funds are granted under this Agreement for one year.
4. Its governing body has duly adopted or passed as an official act, a resolution, motion, or similar action authorizing the person identified as the official representative of the Subrecipient to execute this Agreement and to comply with the terms of this Agreement.
5. The Project will be carried out and services administered in compliance with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352;42 U.S.C. 2000d (Seq.)) and Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284;42 U.S.C. 3601 (Seq.)).
6. The Project assisted under this Agreement is designed to give maximum feasible priority to activities which benefit low- and moderate-income families.
7. It will comply with other applicable laws.

CERTIFICATION

Policy of Nondiscrimination on the Basis of Disability

The undersigned representative agrees, on behalf of _____, to have or adopt a Policy of Nondiscrimination on the Basis of Disability. Such Policy shall state that the Subrecipient does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs or activities.

Signature

Date

Minority and Women's Business Enterprise Policy

Region IX -- San Francisco

Pursuant to our responsibilities under Executive order 11625, 12432 and 12138 and in support of directives from the Secretary of the U.S. Department of Housing and Urban Development, Region IX has developed an affirmative action policy to further full participation of minority, women-owned, and disadvantaged business enterprise (MBE/WBE/DBE) in all federally funded programs.

Community Development Block Grant
Rental Rehabilitation
Section 312
Urban Development Action Grant
Home Investments Partnerships Program

Such affirmative action and participation is specifically required under OMB Circular A-102, Attachment 0 referenced in the applicable regulations for the above programs.

All grantees of HUD funds should take affirmative steps to assure that small and minority businesses and women's business enterprises are utilized when possible as sources of supplies, equipment, construction and services, affirmative steps shall include the following:

- (1) Including qualified small and minority businesses on solicitation lists, e.g., solicitation of bidding for public works, professional service or rehabilitation contracts.
- (2) Assuring that small and minority businesses are solicited whenever they are potential sources, particularly for purchase of supplies and materials.
- (3) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation.
- (4) Where the requirement permits, establishing delivery schedules which will encourage participation by small and minority business.
- (5) If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in 1 through 4 above.
- (6) Grantees shall take similar appropriate affirmative action in support of women's and disadvantaged business enterprises.

Signature

Date

**CITY OF SCOTTSDALE
COMMUNITY DEVELOPMENT BLOCK GRANT
SUBRECIPIENT CERTIFICATIONS
AND
APPENDIX TO CDBG CERTIFICATIONS**

In accordance with the Housing and Community Development Act of 1974, as amended (the Act), and with 24 C.F.R. § 570.303 of the CDBG regulations, the Subrecipient certifies that:

1. It possesses legal authority to make a grant submission and to execute a community development and housing program;
2. During the submission of its final statement/proposal to the City, the Subrecipient has:
 - (a) Met the citizen participation requirements;
 - (b) Prepared its final statement/proposal and projected use of funds and made the final statement available to the public;
3. It provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance; which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the disabled;
4. It provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
5. It identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;
6. CDBG funds will be conducted and administered in compliance with Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. § 2000d *et seq.*) and the Fair Housing Act (42 U.S.C. § 3601-20) and that:
 - (a) It will affirmatively further fair housing;
 - (b) It has developed its final statement/proposal of projected use of funds so as to give maximum feasible priority to activities which benefit low- and moderate-income families; and
 - (c) It has developed or is following a City community development plan, for the period specified in its proposal, that identifies community development and housing needs and specifies both short and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Act;
7. It is in compliance with the City's current comprehensive housing affordability strategy (CHAS) which has been approved by HUD and that any housing activities will be consistent with the CHAS;
8. It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under § 570.606(b) and federal implementing regulations; and it is following a residential anti-

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displacement and relocation assistance plan as required under section 104(d) of the Act and in § 570.606(c); and it will comply with the relocation requirements of § 570.606(d) governing optional relocation assistance under the Act § 105(a)(11);

9. It has adopted and is enforcing:
 - (a) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 - (b) A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such no-violent civil rights demonstrations within its jurisdiction;
10. To the best of its knowledge and belief:
 - (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, grant, loan, or cooperative agreement;
 - (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 - (c) It will require that language 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;
11. It will or will continue to provide a drug-free workplace by:
 - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Subrecipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
12. It will or will continue to establish an ongoing drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
13. It will require that each employee to be engaged in the performance of the Project be given a copy of the statement required by item 11;

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- (a) Notifying the employee in the statement required by paragraph 11 that, as a condition of employment under the grant, the employee will:
 - (i) Abide by the terms of the statement; and
 - (ii) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the work place no later than five calendar days after such conviction;
- 14. It will notify the City in writing, within ten calendar days after receiving notice under paragraph 13 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 15. Within 30 calendar days of receiving notice under paragraph 13, with respect to any employee who is convicted, the Subrecipient will:
 - (a) Take appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (b) Require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency;
- 16. It will make a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 11 through 15; and
- 17. It will comply with the other provisions of the Act and with other applicable laws.

Signature

Date

APPENDIX TO CDBG CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification - Paragraph 10

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

B. Drug-Free Workplace Certification - Paragraph 11

By signing and/or submitting this contract, application or grant agreement, the grantee is providing the certification set out in paragraph 11.

The certification set out in paragraph 11 is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or state highway department while in operation, state employees in each local unemployment office, performers in concert halls or radio stations).

Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees attention is called in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and is further defined by regulation 21 C.F.R. 1308.11 through 1308.15;

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the federal or state criminal drug statutes;

"Criminal drug statute" means a federal or non-federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant and who are not on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

EXHIBIT "E"

FEDERAL LAWS AND REGULATIONS

A. APPLICABILITY OF UNIFORM ADMINISTRATIVE REQUIREMENTS

- (a) The Subrecipient shall comply with 2 C.F.R. 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 24 C.F.R. § 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 24 C.F.R. § 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 24 C.F.R. § 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 City for the CDBG program or shall be retained after compensating the City.
 - (7) Section 200.333 "Retention requirements for records" applies except that:
 - 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 24 C.F.R. § 470.503, or 3 years after the submission of the annual performance and evaluation report, as prescribed in 24 C.F.R. § 91.520, 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 24 C.F.R. § 570.503(b)(7) or change of use provisions at 24 C.F.R. § 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. EQUAL OPPORTUNITY

The Subrecipient agrees to comply with:

1. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the HUD regulations under 24 C.F.R. Part 1, which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of,

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or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance by way of grant, loan, or contract and will immediately take away any measures necessary to effectuate this Agreement. If any real property or structure thereof is provided or improved with the aid of federal financial assistance extended to the Subrecipient, this assurance shall obligate the Subrecipient, or in the case of any transfer of such property or structure is used for a purpose of which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

2. Title VIII of the Civil Rights Act of 1968 (P.L. 90-284), as amended by the Fair Housing Amendments Act of 1988 (P.L. 100-430) and will administer all programs and activities relating to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act.
3. Section 109 of the Housing and Community Development Act of 1974, as amended, and in conformance with all requirements imposed pursuant to the regulations of the Department of HUD (24 C.F.R. § 570.602) issued pursuant to that Section; and in accordance with Equal Opportunity obligations of that Section, no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with the Community Development funds.

Section 109 of the Act further provides that any prohibition against discrimination on the basis of age, under the Age Discrimination Act of 1975 (24 C.F.R. Part 146) and the prohibition against discrimination on the basis of disability under Section 504 of the Rehabilitation Act of 1973 (24 C.F.R. Part 8), shall also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act.

4. Executive Order 11063 on equal opportunity in housing and related facilities owned or operated by the federal government or provided with federal financial assistance.
5. Executive Order 11246, as amended, requiring nondiscrimination and affirmative action to ensure nondiscrimination in employment by government contractors and subcontractors and under federally-assisted construction contractors.
6. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, the HUD regulations issued pursuant thereto (24 C.F.R. Part 135) as follows:
 - a. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the 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. 1701u); Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to low and very low-income residents of the Project area and contracts for work in connection with the Project be awarded to business concerns that are located in or owned in substantial part by persons residing in the area of the Project.
 - b. The Parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 C.F.R. Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The Parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.

- c. The contractor will send to each labor organization or representative or workers, with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advertising the said labor organization or workers' representative of his 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.
- d. The contractor will include this Section 3 clause to every subcontract for work in connection with the Project and will, at the direction of the applicant or Community of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 C.F.R. Part 135. The contractor will not subcontract with any subcontractor 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 subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- e. Compliance with the provisions of Section 3, the regulations set forth in 24 C.F.R. Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the Project.

C. HATCH ACT

The Subrecipient agrees to comply with all provisions of the Hatch Act and that no part of the program will involve political activities, nor shall personnel employed in the administration of the program be engaged in activities in contravention of Title V, Chapter 15, of the United States Code.

D. LABOR STANDARDS PROVISIONS

The Subrecipient agrees to comply with 24 C.F.R. § 570.603, Labor Standards, of the Regulations published by HUD for CDBGs, the Davis-Bacon Act, as amended, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq) and the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq).

E. COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS

The Subrecipient agrees to comply with any conditions resulting from the City's compliance with the provisions of the National Environmental Policy Act of 1969 and the other provisions of law specified at 24 C.F.R. § 58.5 insofar as the provisions of such Act apply to activities set forth in the Scope of Work.

F. COMPLIANCE WITH FLOOD DISASTER PROTECTION ACT

In accordance with the requirements of the Flood Disaster Protection Act of 1973, 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).

G. COMPLIANCE WITH AIR AND WATER ACTS

This Agreement is subject to and Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement: the Clean Air Act, as amended, 42 U.S.C. 7401 *et seq.*; the Federal Water Pollution Control Act., as amended, 33 U.S.C. 1251 *et seq.*; 33 U.S.C.1318 relating to inspection, monitoring, entry, reports and information as well as other requirements specified in Section 114 and Section 308 and all regulations and guidelines issued thereunder, and the regulations of the Environmental Protection Agency pursuant to 40 C.F.R. Part 50, as amended from time to time.

H. HISTORIC PRESERVATION

This Agreement is subject to and Subrecipient agrees to comply with the requirements of the National Historic Preservation Act of 1966 (P.L. 89-665), the Archaeological and Historic Preservation Act of 1974 (P.L. 93-291), Executive Order 11593, and the procedures prescribed by the Advisory Council on Historic Preservation in 36 C.F.R. Part 800. The Subrecipient must take into account the effect of a Project on any district, site, building, structure, or object listed in or found by the Secretary of the Interior, pursuant to 36 C.F.R. Part 800, to be eligible for inclusion in the National Register of Historic Places, maintained by the National Park Service of the U.S. Department of the Interior, and must make every effort to eliminate or minimize any adverse effect on a historic property.

I. ARCHITECTURAL BARRIERS

This Agreement is subject to and Subrecipient agrees to comply with the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. § 4151 *et seq.*) and its regulations.

J. LEAD-BASED PAINT

This Agreement is subject to and Subrecipient agrees to comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4821 *et seq.*), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. § 4851 *et seq.*), and the Lead-Based Paint Regulations (24 C.F.R. Part 35 and 24 C.F.R. § 570.608). The use of lead-based paint is prohibited whenever CDBG funds are used directly or indirectly for the construction, rehabilitation, or modernization of residential structures. Immediate lead-based paint hazards existing in residential structures assisted with CDBG funds must be eliminated, and purchasers and tenants of assisted structures constructed prior to 1978 must be notified of the hazards of lead-based paint poisoning.

K. LOBBYING

Block Grant funds shall not be used for publicity or propaganda purposes designed to support or defeat legislation pending federal, state, or local governments.

L. ACQUISITION/RELOCATION

This Agreement is subject to, and Subrecipient agrees to comply with and hereby certifies that it will comply with, the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 C.F.R. Part 24 and 24 C.F.R. Part 511.14, which govern the acquisition of real property for the Project and provision of relocation assistance to persons displaced as a direct result of acquisition, rehabilitation, or demolition for the Project and 24 C.F.R. § 570.606.

M. SECTION 504

This Agreement is subject to and the Subrecipient agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against the handicapped in any federally-assisted program.

N. FEDERAL FIRE PREVENTION AND CONTROL ACT OF 1992

The Fire Administration Authorization Act of 1992 added a new Section 31 to the Federal Fire Prevention and Control Act of 1974. This Section requires that approved smoke detectors be installed in all houses assisted under the CDBG Program.

To comply with this requirement and locally adopted codes Subrecipient shall install smoke detectors in all sleeping areas and any hallway connecting these sleeping areas.

O. IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY

Executive Order 13166 entitled "Improving Access to Services for Persons with Limited English Proficiency" pursuant to Title VI of the Civil Rights Act requires that all recipients of federal funds will adopt policies and procedures to ensure non-discrimination and equal access to federally funded projects and activities, including persons with Limited English Proficiency (LEP).

To comply with this requirement, Subrecipients are required to make reasonable efforts to provide language assistance to ensure meaningful access for LEP persons. These efforts include: 1) conducting a four-factor analysis; 2) developing a Language Access Plan (LAP); and 3) providing appropriate language assistance.

P. AMERICANS WITH DISABILITIES ACT

This Agreement is subject to and Subrecipient agrees to comply with the Americans with Disabilities Act of 1990, as amended.

Q. ELIGIBILITY RESTRICTIONS

This Agreement is subject to and Subrecipient agrees to comply with requirements of 24 C.F.R. § 570.613 pertaining to eligibility restrictions for certain resident aliens.

R. USE OF DEBARRED, SUSPENDED OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS

This Agreement is subject to and Subrecipient agrees to comply with requirements of 24 C.F.R. § 570.609 pertaining to debarred, suspended or ineligible contractors or subrecipients.

Signature

Date

EXHIBIT "F"
SUBRECIPIENT'S DESIGNATED CONTRACT REPRESENTATIVES

Communication and details concerning management, financial and performance of this Subrecipient Agreement shall be directed to the following designated contract representatives:

CEO/President: * **Signature Authority** * **Primary Contact** * **Insurance Information**

Name Title

Address

City State Zip

Direct Phone Number Email Address

Contract and Billing: * **Signature Authority** * **Primary Contact** * **Insurance Information**

Name Title

Address

City State Zip

Direct Phone Number Email Address

Performance Reporting: * **Signature Authority** * **Primary Contact** * **Insurance Information**

Name Title

Address

City State Zip

Direct Phone Number Email Address

* Please indicate which representative has signature authority, is the primary contact, for each section, and is responsible for insurance information.

**CITY OF SCOTTSDALE
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT ("Agreement"), made and entered into this 1st day of July 2024, by and between the City of Scottsdale, an Arizona municipal corporation ("City") and **XXXXXX**, an Arizona non-profit corporation, referred to as "Agency".

WITNESSETH

1. Article 8, Section 1 of the Scottsdale City Charter provides that all contracts shall be executed in the name of the City by the Mayor, except as provided by the charter or by law.

2. Scottsdale Revised Code Section 2-180 provides that except as otherwise provided in the Code the City Purchasing Director ("Director") shall procure all materials, services and construction required by any department, in accordance with the provisions of the Code, and that the Director may delegate such authority to a department of the City.

3. Pursuant to Procedure P2-180.2 of the Procurement Code the Director has delegated the procurement of customary and routine human services activities, such as those which are the subject of this Agreement, to the Community Services Executive Director or appointed designee. The duties of Community Services Executive Director are currently being completed by Assistant City Manager, William B. Murphy.

4. The Agency is qualified to provide services the City is seeking, the City Council has approved the funding of the services and both parties desire to enter into an agreement setting forth the terms and conditions under which the services will be provided.

In consideration of the mutual promises and obligations stated in this Agreement, the parties agree as follows:

TERMS

1.0 DESCRIPTION, ACCEPTANCE, DOCUMENTATION

Agency shall act under the authority and approval of the Contract Administrator for the City, as designated within this Agreement, to provide the professional services required by this Agreement.

1.1 SERVICE DESCRIPTION

The Scope of Work for this activity is included in Exhibit A, attached, which is incorporated in this Agreement by this reference.

1.2 PERFORMANCE EVALUATION, ACCEPTANCE AND DOCUMENTATION

A. The Agency is required to provide a report with each billing identified in Section 2.2 of this Agreement. The criteria used in evaluating the Agency's performance of this Agreement shall include, but not be limited to:

1. Progress toward meeting units of service, detailed in Exhibit A - Scope of Work.
 2. Number of unduplicated individuals served.
 3. Demographic information, if available, by race, ethnicity, income, age, sex and zip code.
 4. Submission of accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work and program budget.
- B. The City may, at its discretion, require the Agency to include other items of specific information to be contained in the reports.
- C. Each report must be reviewed and approved by the Contract Administrator or designee to determine acceptable completion.
- D. The City will provide Exhibits B, C and D of this Agreement in electronic form to the Agency for use in completing the tasks specified within this Agreement.

2.0 BILLING RECORDS, AUDIT, FEES

2.1 BILLING RECORDS, AUDIT

Agency shall maintain all books, papers, documents, accounting records and other evidence pertaining to the services performed in the Scope of Work (Exhibit A) and make such materials available for audit by the City pursuant to Section 4.7 of this Agreement.

2.2 FEE SCHEDULE

The amount paid to Agency under this Agreement shall not exceed **Dollars and 00/100 (\$)**, which includes all authorized expenses, as shown in Exhibit B, attached, which is incorporated in this Agreement by this reference, as if fully set forth herein. City shall utilize funds from Scottsdale Cares when making payments under this Agreement.

Payment shall be made on a reimbursement basis only and in such amounts and increments as may be approved by the City following submission by Agency of a proper request for payment, including applicable, accurate, and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work and program budget. Payment request and performance reporting are required to be submitted quarterly, on the dates shown below, under this Agreement. Documents and forms to be used for billing are attached in Exhibit B.

The Agency shall bill according to the following schedule, using the invoice template shown in Exhibit B: October 21, 2024, January 20, 2025, April 21, 2025 and June 20, 2025.

2.3 PAYMENT APPROVAL

All invoices must be approved by Contract Administrator, or designee, prior to payment.

The October 21, 2024 payment will be made subject to receipt by the Contract Administrator of: (1) a report for July 1st – October 15th showing satisfactory progress toward meeting units of service, detailed in Exhibit A-Scope of Work; (2) submission of accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work, program budget and Exhibit B and (3) documentary evidence that the insurance required by this Agreement is and will be in effect through June 30, 2025.

The January 20, 2025 payment will be made subject to receipt by the Contract Administrator of: (1) a report for October 16th – January 15th showing satisfactory progress toward meeting units of service, detailed in Exhibit A-Scope of Work; (2) submission of accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work, program budget and Exhibit B and (3) documentary evidence that the insurance required by this Agreement is and will be in effect through June 30, 2025.

The April 21, 2025 payment will be made subject to receipt by the Contract Administrator of: (1) a report for January 16th – April 15th showing satisfactory progress toward meeting units of service, detailed in Exhibit A-Scope of Work; (2) submission of accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work, program budget and Exhibit B and (3) documentary evidence that the insurance required by this Agreement is and will be in effect through June 30, 2025.

The June 20, 2025 payment will be made subject to receipt by the Contract Administrator of: (1) a report for April 16th – June 15th showing satisfactory progress toward meeting units of service, detailed in Exhibit A-Scope of Work; (2) submission of accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work, program budget and Exhibit B and (3) documentary evidence that the insurance required by this Agreement is and will be in effect through June 30, 2025.

3.0 TERM, EXTENSION, TERMINATION

3.1 TERM AND EXTENSION

The term of this agreement shall be from July 1, 2024 through June 30, 2025.

3.2 TERMINATION

Termination for Convenience: City reserves the right to terminate this Agreement or any part of this Agreement for its sole convenience with thirty (30) days' written notice. In the event of any termination, Agency must immediately stop all work and must immediately cause any of its suppliers and subcontractors to cease all work. As compensation in full

for services performed to the date of such termination, the Agency will receive a fee for the percentage of services actually completed. This fee will be in the amount to be mutually agreed upon by the Agency and the City, based on the agreed Scope of Work. If there is no mutual agreement, the Contract Administrator will determine the percentage of completion of each task detailed in the Scope of Work and the Agency's compensation will be based upon such determination. The City will make this final payment within sixty (60) days after the Agency has delivered the last of the partially completed items. Agency will not be paid for any work done upon receipt of the notice of termination, nor for any costs incurred by Agency's suppliers or subcontractors, which Agency could reasonably have avoided.

Cancellation for Cause: City may also cancel this Agreement or any part of it with seven (7) days' notice for cause in the event of any default by the Agency, or if the Agency fails to comply with any of the terms and conditions of this Agreement. Unsatisfactory performance as judged by the Contract Administrator, and failure to provide City, upon request, with adequate assurances of future performance will all be causes allowing City to cancel this Agreement for cause. In the event of cancellation for cause, City will not be liable to Agency for any amount, and Agency will be liable to City for any and all damages sustained by reason of the default which gave rise to the cancellation.

In the event Agency is in violation of any Federal, State, County or City law, regulation, or ordinance, the City may cancel this Agreement immediately upon giving notice to the Agency.

If the City cancels this Agreement or any part of the Agreement services, the City will notify the Agency in writing, and upon receiving notice, the Agency shall discontinue advancing the work and proceed to close all operations.

Upon cancellation, the Agency must deliver to the City all drawings, special provisions, reports, and other documents, entirely or partially completed, in any format, including but not limited to written or electronic media, together with all unused materials supplied by the City. Use of incomplete data will be at the City's sole responsibility.

The Agency shall appraise the work it has completed and submit its appraisal to the City for evaluation. At that time, the Agency will be entitled to be paid for work performed and accepted by the City before the default.

If the Agency fails to fulfill in a timely and proper manner its obligations, or if the Agency violates any of the terms of this Agreement, the City may withhold any payments to the Agency for the purpose of setoff until the exact amount of damages due the City from the Agency is determined by a court of competent jurisdiction.

If the City improperly cancels the Contract for cause, the cancellation for cause will be converted to a termination for convenience.

3.3 FUNDS APPROPRIATION

If the City Council does not appropriate funds to continue this Agreement and pay for charges, the City may terminate this Agreement at the end of the current fiscal period.

The City agrees to give written notice of termination to the Agency at least 30 days before the end of its current fiscal period and will pay to the Agency all approved charges incurred through the end of this period.

4.0 GENERAL TERMS

4.1 ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified. This Agreement may not be modified or amended except by a written document, signed by authorized representatives or each party.

4.2 ARIZONA LAW

This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

4.3 MODIFICATIONS

Any amendment, modification or variation from the terms of this Agreement must be in writing and will be effective only after approval of all parties signing the original Agreement.

4.4 ASSIGNMENT

Services covered by this Agreement may not be assigned or sublet in whole or in part without first obtaining the written consent of the Contract Administrator.

4.5 SUCCESSORS AND ASSIGNS

This Agreement extends to and is binding upon Agency, its successors and assigns, including any individual, company, partnership or other entity with or into which Agency merges, consolidates or is liquidated, or any person, corporation, partnership or other entity to which Agency sells its assets.

4.6 CONTRACT ADMINISTRATOR

The Contract Administrator for the City shall be the Community Assistance Manager or designee. The Contract Administrator will oversee the execution of this Agreement, assist the Agency in accessing the organization, audit billings, approve payments, establish delivery schedules, approve addenda, and assure Certificates of Insurance are in the City's possession and are current and conform to the Agreement requirements. The Agency must channel reports and special requests through the Contract Administrator.

The Agency shall complete and provide to the City a completed Exhibit D, listing the Agency's designated contract representatives who shall be responsible for project management, financial reporting, and performance reporting under this Agreement. The designated contract representative(s) having signature authority for the Agency shall be indicated on Exhibit D. The Agency shall submit a revised Exhibit D to the City within

thirty (30) days of any change.

4.7 RECORDS AND AUDIT RIGHTS

The City may audit all of the Agency's records, calculations, and working documents pertaining to this work at a mutually agreeable time and place.

Agency's records (hard copy, as well as computer readable data), and any other supporting evidence considered necessary by the City to substantiate charges and claims related to this Agreement must be open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Agency or any of his payees in accordance with the execution of the Agreement. The City's authorized representative must be afforded access, at reasonable times and places, to all of the Agency's records and personnel in accordance with the provisions of this section throughout the term of this Agreement and for a period of three years after last or final payment.

Agency shall require all subcontractors, insurance agents, and material suppliers (payees) to comply with the provisions of this section by insertion of the requirements in a written contract agreement between Agency and payee. These requirements will also apply to any and all subcontractors.

If an audit, in accordance with this section, discloses overcharges, of any nature, by the Agency to the City in excess of one percent (1 %) of the total contract billings, the actual cost of the City's audit must be reimbursed to the City by the Agency. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Agency's invoices and/or records must be made within a reasonable amount of time (not to exceed 90 days) from presentation of City's findings to Agency.

4.8 ATTORNEY'S FEES

In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which will be considered to have accrued on the commencement of the action and will be enforceable whether or not such action is prosecuted to judgment.

4.10 INDEPENDENT CONTRACTOR

The services the Agency provides under the terms of this Agreement to the City are that of an independent contractor, not an employee, or agent of the City. The City will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

Withholding of income tax is not deducted from contractual payments unless required under federal or state law. As a result of this, Agency may be subject to I.R.S. provisions for payment of estimated income tax. Agency is responsible for consulting the local I.R.S.

office for current information on estimated tax requirements. Failure to comply may subject Agency to a penalty.

4.11 CONFLICT OF INTEREST

The Agency warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Agency, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person or persons, other than a bona fide employee working solely for the Agency any fee, commission, percentage, brokerage fee, gifts or any consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City will have the right to cancel this Agreement without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of any fee, commission, percentage, brokerage fee, gift or contingent fee, together with costs and attorney’s fees.

The City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City's departments or agencies is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a consultant to any other party to the Agreement with respect to the subject matter of the Agreement. The cancellation shall be effective when written notice from the City is received by all other parties to the Agreement, unless the notice specifies a later time (A.R.S. §38-511).

4.12 NOTICES

All notices or demands required to be given in accordance with the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this section.

In the case of Agency: _____

In the case of City: City of Scottsdale
Paiute Neighborhood Center
6535 E Osborn Rd., Bldg. #8
Scottsdale, Arizona 85251
Attention: Community Assistance Manager

Notices will be considered received on date delivered, if delivered by hand, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Notice by facsimile or electronic mail is not adequate notice.

4.13 FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting from, acts beyond their control. These acts include, but are not limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

4.14 TAXES

The fee listed in this Agreement includes all taxes applicable to the services authorized.

The City will have no obligation to pay additional amounts for taxes of any type.

4.15 ADVERTISING

No advertising or publicity concerning the City using the Agency's services shall be undertaken without prior written approval of such advertising or publicity by the City Contract Administrator.

4.16 COUNTERPARTS

This Agreement may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Agreement will be considered to possess the full force and effect of the original.

4.17 CAPTIONS

The captions used in this Agreement are solely for the convenience of the parties, do not constitute a part of this Agreement and are not to be used to construe or interpret this Agreement.

4.18 SUBCONTRACTORS

During the performance of the Agreement, the Agency may engage any additional subcontractors as may be required for the timely completion of this Agreement. The addition of any subcontractors requires that the Agency first obtain the approval of the City.

In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with the Agency.

The Agency will pay its subcontractors within seven (7) calendar days of receipt of each progress payment from the City. The Agency will pay for the amount of the work performed by each subcontractor as accepted and approved by the City with each progress payment. In addition, any reduction of retention, if any, by the City will result in a corresponding reduction to subcontractors who have performed satisfactory work. The Agency will pay subcontractors the reduced retention within 14 calendar days of the payment of the reduction of the retention to the Agency. No Contract between the Agency

and its subcontractors may materially alter the rights of any subcontractor to receive prompt payment and retention reduction as provided in this Agreement.

If the Agency fails to make payments in accordance with these provisions, the City may take any of one or more of the following actions and the Agency agrees that the City may take these actions:

- A. To hold the Agency in default under this Agreement;
- B. Withhold future payments including retention until proper payment has been made to subcontractors in accordance with these provisions;
- C. Reject all future offers to perform work for the City from the Agency for a period not to exceed one (1) year from the completion date of this project; or
- D. Terminate this Agreement.

4.19 CHANGES IN THE WORK

The City may at any time, as the need arises, order changes within the scope of the work without invalidating the Agreement. If any changes increase or decrease the amount due under the Agreement documents, or in the time required for performance of the work, an equitable adjustment will be authorized by written Change Order.

The City will execute a formal Change Order based on detailed written quotations from the Agency for work-related changes and/or a time of completion variance. All Change Orders are subject to approval by the City.

Contract Change Orders are subject to the Rules and Procedures within the City's Procurement Code.

4.20 USE OF CITY FACILITY OR PROPERTY.

In the event that the services to be provided by the Agency, pursuant to this Agreement, as described in Exhibit A, attached, are to be provided at or from a City facility, or on City property, the Agency will execute a revocable license agreement, prepared by the City, relating to the use of the facility or property. If a revocable license agreement is required by the City, its execution by the Agency will be a condition precedent to this Agreement.

4.21 COMPLIANCE WITH FEDERAL AND STATE LAWS

The Agency understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, the Agency understands and acknowledges the applicability of A.R.S. §§34-301 and 34-302. The Agency shall include the terms of this provision in all contracts and subcontracts for work performed under this Agreement including supervision and oversight.

4.22 IMMIGRATION LAW COMPLIANCE

Under the provisions of A.R.S. §41-4401, the Agency warrants to the City that the Agency and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Agency and all its subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the Agency or any of its subcontractors will be considered a material breach of this Agreement and may subject the Agency or subcontractor to penalties up to and including termination of this Agreement or any subcontract. The Agency will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The City may consider it a material breach of this Agreement if the Agency fails to assure compliance by all its subcontractors with the E-Verify Program.

The City retains the legal right to inspect the papers of any employee of the Agency or any subcontractor who works on this Agreement to ensure that the Agency or any subcontractor is complying with the warranty given above.

The City may conduct random verification of the employment records of the Agency and any of its subcontractors to ensure compliance with this warranty. The Agency agrees to indemnify, defend and hold the City harmless for, from, and against all losses and liabilities arising from any and all violations of these statutes.

The City will not consider the Agency or any of its subcontractors in material breach of this Agreement if the Agency and its subcontractors establish that they have complied with the employment verification provisions prescribed by 8 U.S.C.A. §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).

The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

The provisions of this section must be included in any contract the Agency enters into with any and all of its subcontractors who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building, or transportation facility or improvement to real property. The Agency will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The Agency's failure to assure compliance by all its subcontractors with the E-Verify Program may be considered a material breach of this Agreement.

4.23 LAWFUL PRESENCE IN THE UNITED STATES FOR PERSONS

A.R.S. §1-502 (H.B. 2008) requires that all Persons who will be awarded a contract and apply for public benefit must demonstrate through a signed affidavit and the presentation of a copy of documentation that verifies that they are lawfully present in the United States.

A Person is defined as all natural persons, individuals, and sole proprietorships as indicated by your W9 Filing. (This law does not apply to LLP's, LLC's, PLLC's, Corporations Limited Partnerships or General Partnerships.)

By entering into this Agreement, Agency is agreeing that if selected as the awardee and meeting the criteria of a Person, Agency will abide by this law and sign and submit an Affidavit Demonstrating Lawful Presence In The United States and attach the appropriate copy of documentation to verify that statement. Types of acceptable documentation copies are: an Arizona Driver's License issued after 1996, Arizona nonoperating identification license, U.S. birth certificate, U.S. Passport, I-94 Form with photograph and several others that are all listed on the affidavit form that the City will send Agency for completion before issuing any contract.

If Agency has previously done business with the City and has already filed the above affidavit with copies of an acceptable documentation, please indicate when it was previously filed. If an acceptable affidavit is already on file with the City, Agency has complied with this requirement.

If Agency fails to provide a completed affidavit and accompanying copy of acceptable documentation, or if Agency does not advise the City of the previous filing within 10 calendar days after receiving the City's request, Agency may be considered non-responsive and disqualified from that award consideration. The complete affidavit form is available from the Purchasing Department at (480) 312-5700 or the City's website at <http://www.scottsdaleaz.gov/Purchasing> on the lower right side of the page under Forms.

4.24 COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

Agency acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services, and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Agency will provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state, and local disability rights legislation. Agency agrees not to discriminate against disabled persons in the provision of services, benefits, or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Agency, its employees, agents, or assigns will constitute a material breach of this Agreement.

4.25 NO PREFERENTIAL TREATMENT OR DISCRIMINATION

In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the City will not grant preferential treatment to or discriminate against any individual or group on the basis of race, sex, color, ethnicity or national origin.

4.26 INDEMNIFICATION

To the fullest extent permitted by law, Agency, its successors, assigns and guarantors, must defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney

fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any act or omission, negligence, recklessness, or intentional wrongful conduct by Agency in the performance of this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Agency's and subcontractor's employees.

Insurance provisions stated in this Agreement are separate and independent from the indemnity provisions of this section and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this section shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.27 OWNERSHIP OF PROJECT DOCUMENTS

All documents, including but not limited to notes, records, data compilations, studies, and reports in any format, including but not limited to, written or electronic media, prepared in the performance of this Agreement will remain the property of the City and must be delivered to the Contract Administrator before final payment is made to the Agency.

When the work detail covers only the preparation of preliminary reports or documents, there will be no limitations upon the City concerning use of the ideas or recommendations in the reports or documents. The City will release the Agency from any liability for the preparation and use of preliminary reports or documents.

4.28 COMPLETENESS AND ACCURACY

The Agency will be responsible for the completeness and accuracy of work prepared by the Agency and shall correct, at its expense, all errors or omissions which may be disclosed. The cost to correct those errors shall be chargeable to the Agency. Additional work or construction added to the project shall not be the responsibility of the Agency unless the need for additional work or construction was created by any error, omission, or negligent act of the Agency. The City's acceptance of the Agency's work will not relieve the Agency of any of its responsibilities. The professional standard to which the Agency is held shall be that of a similar agency or entity as practiced in the State of Arizona.

4.29 ALTERATIONS OR ADDITIONS TO SCOPE OF SERVICES

The total Scope of the Work to be performed is stated in this Agreement. Any services requested outside the Scope of Work are additional services. The Agency will not perform these additional services without a written Change Order approved by the City. If the Agency performs additional services without a Change Order, the Agency will not receive any additional compensation.

4.30 EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Agreement, the Agency will follow the Federal government's guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sex or national origin.

This Agreement does not, is not intended to, and shall not be interpreted to contravene the employment rights of religious organizations as recognized in federal, state, and local laws including but not limited to: Section 702(a) of Title VII, 42 U.S.C. § 2000e-1(a); 42 U.S.C. § 12113(d)(1) and (d)(2); the First Amendment of the U.S. Constitution; the Religious Freedom Restoration Act of 1993, 107 Stat. 1488, 42 U.S.C. § 2000bb et seq.; Section 204(c) of Executive Order 11246, as amended; A.R.S. § 41-1493 *et seq.*; A.R.S. § 41-1462; and Scottsdale Revised Code § 15-17(D).

4.31 THIRD-PARTY BENEFICIARY

Nothing under this Agreement shall be construed to give any rights or benefits in the Agreement to anyone other than the City and the Agency, and all duties and responsibilities undertaken in accordance with this Agreement will be for the sole and exclusive benefit of the City and the Agency and not for the benefit of any other party.

4.32 ON-SITE SAFETY REPORTING REQUIREMENTS

For any non-construction City supplier whose service contract(s) (either singular or in aggregate) results in the contractor working 500 or more hours onsite at a City location(s) in any one calendar quarter, the following documentation must be provided by the contractor to the Contract Administrator:

- the contractor's most recent OSHA 300A (if applicable);
- all accident reports for injuries that occurred in the city under the contract during the most recent review period;
- the contractor's current worker's compensation experience modifier;
- the above information is to be provided to the Contract Administrator initially and every February thereafter as long as the contract is in force; and
- the Contract Administrator will provide this information to Risk Management when requested.

5.0 INSURANCE

A current standard Acord Certificate is acceptable.

Failure to provide an appropriate Certificate(s) of Insurance will result in rejection of your certificate(s) and delay in execution of the Agreement.

Additionally, Certificates of Insurance submitted without referencing an Agreement number will be subject to rejection and returned or discarded.

5.1 INSURANCE REPRESENTATIONS AND REQUIREMENTS

- 5.1.1 General: Agency agrees to comply with all applicable City ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Agency, Agency must purchase and maintain, at its own expense, the stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted

insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City. Failure to maintain insurance as specified may result in termination of this Agreement at City's option.

- 5.1.2 No Representation of Coverage Adequacy: By requiring insurance, City does not represent that coverage and limits will be adequate to protect Agency. City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements stated in this Agreement or failure to identify any insurance deficiency will not relieve Agency from, nor be construed or considered a waiver of, Agency's obligation to maintain the required insurance at all times during the performance of this Agreement.
- 5.1.3 Coverage Term: All insurance required by this Agreement must be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.
- 5.1.4 Claims Made: In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall continue uninterrupted throughout the term of this Agreement by keeping coverage in force using the effective date of this Agreement as the retroactive date on all "claims made" policies. The retroactive date for exclusion of claims must be on or before the effective date of this Agreement and can never be after the effective date of this Agreement. Upon completion or termination of this Agreement, the "claims made" coverage shall be extended for an additional three (3) years using the original retroactive date, either through purchasing an extended reporting option or by continued renewal of the original insurance policies. Submission of annual Certificates of Insurance, citing the applicable coverages and provisions specified herein, shall continue for three (3) years past the completion or termination of this Agreement.
- 5.1.5 Policy Deductibles and or Self-Insured Retentions: The policy requirements may provide coverage which contain deductibles or self-insured retention amounts. These deductibles or self-insured retention must not be applicable with respect to the policy limits provided to City. Agency is solely responsible for any deductible or self-insured retention amount. City, at its option, may require Agency to secure payment of the deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.
- 5.1.6 Use of Subcontractors: If any work under this Agreement is subcontracted in any way, Agency must execute a written agreement with subcontractor containing the same indemnification and insurance requirements as stated in this Agreement protecting City and Agency. Agency is responsible for executing the agreement with subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.
- 5.1.7 Evidence of Insurance and Required Endorsements: Before starting any work or services under this Agreement, Agency must furnish City with Certificate(s) of Insurance, or formal endorsements as required by this Agreement, issued by Agency's insurer(s) as evidence that policies are placed with acceptable insurers as specified in this Agreement and

provide the required coverage, conditions, and limits of coverage and that this coverage and the provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the above cited policies expire during the life of this Agreement, it is Agency's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions endorsed to the Agency's policy:

1. City of Scottsdale, its agents, representatives, officers, directors, officials and employees shall be named an Additional Insured under the following policies:
 - a) Commercial General Liability
 - b) Auto Liability
 - c) Excess Liability - Follow Form to underlying insurance as required
2. Agency's insurance must be primary insurance as respects performance of subject Agreement. This also applies to any excess policies that the Agency uses to fulfill the total insurance limits requires under this Agreement.
3. All policies, except Professional Liability insurance, if applicable, waive rights of recovery (subrogation) against City of Scottsdale, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Agency under this Agreement.
4. If the Agency receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be the Agency's responsibility to provide prompt notice of same to the City, unless such coverage is immediately replaced with similar policies.
5. Each liability insurance policy must contain a "severability of interests" condition or endorsement, which stipulates that coverage applies "separately" to each insured.

5.2 REQUIRED COVERAGE

- 5.2.1 Commercial General Liability: Agency shall maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy must cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Agencies whose services include working with, and/or caring for children and/or vulnerable adults, must have their policies specifically endorsed to include coverage for "sexual abuse and molestation". If any Excess insurance is utilized to fulfill the

requirements of this section, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying.

- 5.2.2 Professional Liability: If the Agreement is the subject of any professional services or work, or if Agency engages in any professional services or work adjunct or residual to performing the work under this Agreement, Agency must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Agency, or anyone employed by Agency, or anyone for whose acts, mistakes, errors and omissions Agency is legally liable, with a liability insurance limit of \$1,000,000 each claim and \$2,000,000 all claims. If the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for 3 years past completion and acceptance of the work or services. The Agency must annually submit Certificates of Insurance stating that the applicable coverage is in force and contains the required provisions for 3 years.
- 5.2.3 Vehicle Liability: If any vehicle is used in the performance of the Scope of Work that is the subject of this Agreement, the Agency must maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Agency's owned, hired, and non-owned vehicles assigned to or used in the performance of the Agency's work or services under this Agreement. If any hazardous material, as defined by any local, state or federal authority, is the subject, or transported, in the performance of this Agreement, an MCS 90 endorsement is required providing \$5,000,000 per occurrence limits of liability for bodily injury and property damage. If any Excess insurance is utilized to fulfill the requirements of this section, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying.
- 5.2.4 Workers Compensation Insurance: Agency shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes applicable to Agency's employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit. All insurance policies must waive rights of recovery against the City and its agents. The Agency must submit an insurance certificate to appropriate City staff reflecting the required above insurance coverages and provisions.

If the Agency is a sole proprietor, has no employees, and has elected not to purchase workers compensation insurance, a completed and signed Workers Compensation Waiver form will substitute for the insurance requirement. The Workers Compensation Waiver form cannot be used by corporations, LLC's, partnerships, or sole proprietors with employees.

6.0 SEVERABILITY AND AUTHORITY

6.1 SEVERABILITY

If any term or provision of this Agreement is found to be illegal or unenforceable, then despite this illegality or unenforceability, this Agreement shall remain in full force and effect and the term or provision shall be considered to be deleted.

6.2 AUTHORITY

Each party warrants and represents that it has full power and authority to enter into and perform this Agreement and that the person signing on behalf of each has been properly authorized and empowered to enter this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

7.0 REQUEST FOR TAXPAYER I.D. NUMBER & CERTIFICATION I.R.S. W-9 FORM

Upon request, the Agency shall provide the required I.R.S. W-9 Form which is available from the IRS website at www.IRS.gov under their forms section.

8.0 ADDITIONAL COMPLIANCE REQUIREMENTS

Agency and the services provided under this Agreement shall comply with all applicable federal, state, and local laws, and Agency shall maintain all applicable licenses and permits and comply with all their applicable requirements. Agency shall not use the funds provided under this Agreement for any sectarian purpose or activity, including sectarian worship or instruction. Agency shall not use the funds provided under this Agreement for political activities, for lobbying any legislative or administrative body as defined in State or federal law or lobbying the City Council, or for the purpose of influencing the outcome of any election.

9.0 ISRAEL BOYCOTT PROHIBITION

By executing this Agreement, Agency certifies that it is not currently engaged in and will not for the duration of this Agreement engage in boycott activity proscribed by A.R.S. § 35-393 *et seq.*

10.0 UYGHURS FORCED LABOR PROHIBITION

By executing this Agreement, Agency certifies that it is does not currently and will not for the duration of this Agreement support the forced labor of ethnic Uyghurs in the People's Republic of China as proscribed by A.R.S. § 35-394. Pursuant to that statute, Agency agrees that if it becomes aware that it is not in compliance with this certification during the term of this Agreement, it shall comply with the notice and remedy provisions of A.R.S. § 35-394 or this Agreement may terminate.

11.0 DONATIONS

No donations allowed. To avoid the appearance of impropriety, Agency shall not make any donation to the City, of any good or services during the term of this Agreement, unless it has specifically been approved by the City Manager or designee.

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

Agency

By: _____
Its: _____
TAX ID #: _____

DATE: _____

City of Scottsdale

CITY OF SCOTTSDALE,
an Arizona Municipal Corporation

William B. Murphy
Assistant City Manager

DATE: _____

ATTEST:

Ben Lane
City Clerk

APPROVED AS TO FORM:

Sherry R. Scott, City Attorney
By: Karen Tyler, Senior Assistant City Attorney

REVIEWED BY:

George Woods, Jr.
Risk Management Director

DATE: _____

Community Assistance Manager
Contract Administrator

DATE: _____

LIST OF EXHIBITS

- A. Scope of Work
- B. Budget
- C. Certificate of Insurance
- D. Agency's Designated Contract Representatives

**EXHIBIT "A"
STATEMENT OF WORK**

This Scope of Work and Program Budget will document specific costs to be paid for under a contract for services.

1. Name of Program

2. Project Location-Please include all locations where the program exists.

| Address | City | State | Zip |
|---------|------|-------|-----|
| | | AZ | |

3. Indicate the number of staff and volunteers for your agency and the program you are applying for:

| | Agency |
|----------------------|--------|
| Staff Members | |
| Number of Volunteers | |

4. Total Scottsdale Cares/General Funds/Endowment Funds Requested for this Program:

\$

5. List the service(s) to be provided, the number of units of service and number of unduplicated Scottsdale persons or households the requested funding will pay for:

| Service | Units of Service | # of unduplicated Scottsdale persons or households |
|---------|------------------|--|
| | | |

6. Total number of unduplicated Scottsdale persons or households to be assisted:

| Income Level | Persons/Households |
|---|--------------------|
| Very Low Income (0 – 30% of median income) | |
| Low Income (31 – 50% of median income) | |
| Low-Moderate Income (51 – 80% of median income) | |
| Moderate Income (81% or greater of median income) | |

7. Define how you will determine client eligibility and how you will determine if you are serving Scottsdale Residents?

- 7a. Client eligibility will be documented by:**
- 7b. Scottsdale residency will be documented by:**

8. Program Outcomes and Indicators:

Complete the Outcome Chart by identifying at least one outcome to client/participants for each proposed service. Each outcome must be supported by at least one indicator and identification of the measurement that will be used to verify that the benefit has occurred.

| Service | Outcomes | Indicators | How Receipt of Service is Documented |
|---------|----------|------------|--------------------------------------|
| | | | |

9. Eligible Activity: Yes

EXHIBIT "B"

BUDGET & BILLING INFORMATION

10. Scottsdale Cares/General Funds/Endowment Funds will pay for the following costs. Actual costs reimbursed under the contract will be those costs directly attributable to this program.

10a. Personnel Services:

\$0

10b. Contracted Services:

10c. Supplies & Miscellaneous:

\$0

11. TOTAL PROGRAM BUDGET SUMMARY

| Funding Year: 07/01/2024 – 06/30/2025 | |
|---------------------------------------|--|
| Subrecipient Name: | |
| Program Name: | |

11a. Program Revenues

| Revenue Source | Column A- City of Scottsdale | Column B- Other Sources | Committed or Tentative | Sum of Column A & B |
|---|---------------------------------|----------------------------|------------------------------|------------------------|
| City of Scottsdale- Scottsdale Cares | \$ | \$0.00 | Tentative | \$ |
| SCP-General Fund | \$0.00 | \$60,000.00 | Committed | \$ |
| | \$ | \$60,000.00 | | \$ |

11b. Expenditures-Personnel Services

| Personnel Services | Column A- City of Scottsdale | Column B- Other Sources | Sum of Column A & B |
|--------------------|---------------------------------|----------------------------|------------------------|
| Salaries | \$0.00 | \$0.00 | \$0.00 |
| ERE | \$0.00 | \$0.00 | \$0.00 |
| | \$0.00 | \$0.00 | \$0.00 |

11c. Expenditures-Contracted Services

| Contracted Services | Notes | Column A- City of Scottsdale | Column B- Other Sources | Sum of Column A & B |
|---------------------------|-----------|---------------------------------|----------------------------|------------------------|
| Professional Services | | \$0.00 | \$0.00 | \$0.00 |
| Telephone | | \$0.00 | \$0.00 | \$0.00 |
| Utilities | | \$0.00 | \$0.00 | \$0.00 |
| Rent | | \$0.00 | \$0.00 | \$0.00 |
| Insurance | | \$0.00 | \$0.00 | \$0.00 |
| Travel/Mileage | | \$0.00 | \$0.00 | \$0.00 |
| Other-Specify in Notes | Equipment | \$0.00 | \$0.00 | \$0.00 |
| Other-Specify in Notes | | \$19,125.00 | \$60,000.00 | \$79,125.00 |
| Other-Specify in Notes | | \$0.00 | \$0.00 | \$0.00 |
| Other-Specify in Notes | | \$0.00 | \$0.00 | \$0.00 |
| | | \$19,125.00 | \$60,000.00 | \$79,125.00 |

11d. Expenditures-Supplies & Miscellaneous Services

| Contracted Services | Notes | Column A- City of Scottsdale | Column B- Other Sources | Sum of Column A & B |
|----------------------|-------|---------------------------------|----------------------------|------------------------|
| Office Supplies | | \$0.00 | \$0.00 | \$0.00 |
| Building Materials | | \$0.00 | \$0.00 | \$0.00 |
| Printing/Duplication | | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|------------------------|--------------------|---------------|---------------|---------------|
| Other-Specify in Notes | Operating Expenses | \$0.00 | \$0.00 | \$0.00 |
| Other-Specify in Notes | Miscellaneous | \$0.00 | \$0.00 | \$0.00 |
| Other-Specify in Notes | In-Kind | \$0.00 | \$0.00 | \$0.00 |
| | | \$0.00 | \$0.00 | \$0.00 |

| TOTAL PROGRAM EXPENSES | Column A- City of Scottsdale | Column B- Other Sources | Sum of Column A & B |
|-------------------------------|---|------------------------------------|------------------------------------|
| | \$19,125.00 | \$60,000.00 | \$79,125.00 |

Note: TOTAL PROGRAM REVENUES MUST EQUAL TOTAL PROGRAM EXPENSES.

Note 2: Employee related expenses cannot be reimbursed at rates greater than the actual costs.

Note 3: Indirect administrative costs will not be reimbursed unless an indirect cost allocation plan has already been approved by an appropriate federal agency and submitted with this application.

QUARTERLY REIMBURSEMENT REQUEST REQUIREMENTS AND PERFORMANCE REPORTS

NOTE: This section is very important to facilitate the expeditious processing of your agency's request for reimbursement. Please carefully follow the summary of quarterly reimbursement and performance reporting requirements listed below.

The Agency is the responsible party for the following:

- A request for reimbursement must be reviewed and signed by the agency executive director, be submitted to the City on the agency's letterhead, and include the contract number;
- Submitting a financial format/budget pro forma summarizing monthly and year-to-date expenditures including the agency's match from other resources (form to be supplied by the City of Scottsdale);
- Providing copies of all supporting documents showing satisfactory progress toward meeting units of service, detailed in Exhibit A-Scope of Work; (2) submission of accurate and complete supporting documentation that substantiates the payment request and that is in accordance with the Scope of Work, program budget and Exhibit B.
- The agency is **required** to submit quarterly billing requests and performance reports by the **15th of the following month** of October, January, April and June. If there is no financial activity, the agency is still required to report on progress of their activity to the contract administrator. The final billing for the contract must be received by the first Friday in July; if it is a holiday, submit the final invoice on the Thursday before.
- All of the above components must be included in the agency's quarterly reimbursement request. City Community Assistance staff generally processes the agency's reimbursement request within fourteen (14) days. If the reimbursement procedures are not followed correctly, or if additional documentation is required, the City will contact the agency. This will delay the processing and the agency's reimbursement check.
- A quarterly performance report (form to be supplied by the City of Scottsdale) that explains the progress the project has made in relation to the performance indicators submitted. The report will also include ethnic and income information as requested.

INVOICE # _____
(to appear on Agency letterhead)

Date: _____

TO:
Community Assistance Office
6535 E Osborn Rd., Bldg. 8
Scottsdale, AZ 85251
Attn: Community Grant Specialist

RE: Scottsdale Cares/General Funds/Endowment Agreement # **2024-108-COS**

BRIEF DESCRIPTION OF SERVICES PROVIDED:

Amount Requested: \$ _____ for the month of _____.

Remit payment to: _____

Signature of Person Authorized to Sign for Agency

Print Name and Title

CITY OF SCOTTSDALE (COS)

AGENCY NAME: _____

BILLING STATEMENT FOR MONTH OF: _____

PROJECT NAME: _____

| <u>DESCRIPTION</u> | <u>COS</u> | <u>OTHER SOURCES</u> | <u>TOTAL</u> |
|--------------------------------|------------|----------------------|--------------|
| Personnel Services: | | | |
| Salaries | | | |
| ERE | | | |
| Total Personnel Services | _____ | _____ | _____ |
| Contracted Services: | | | |
| Professional Services | | | |
| Telephone | | | |
| Utilities | | | |
| Rent | | | |
| Insurance | | | |
| Maintenance | | | |
| Travel/Mileage | | | |
| Other (Specify) | | | |
| Total Contracted Services | _____ | _____ | _____ |
| Supplies & Miscellaneous | | | |
| Office Supplies | | | |
| Building Materials | | | |
| Printing/Duplication | | | |
| Other (Specify) | | | |
| Total Supplies & Miscellaneous | _____ | _____ | _____ |
| TOTAL PROGRAM EXPENSES | _____ | _____ | _____ |

Quarterly Reporting and Accomplishment shall be done in the Neighborly Portal Accomplishments

Case Id: 30479

Name: Test - 2024

Report Id: 344: Mar 2024

No data saved

Accomplishments

Only click Complete and Submit on this step once Accomplishments have been provided.

| | |
|--|--|
| Total Number of Persons Assisted | |
| Total Number of Unduplicated Persons Assisted this Month | |

| | |
|---|--|
| Beneficiaries - Income | |
| Number of Extremely Low Income persons assisted (<30% AMI) | |
| Number of Low Income persons assisted (30%-50% AMI) | |
| Number of Moderate Income persons assisted (50% - 80% AMI) | |
| Number of persons assisted who are NOT Low to Moderate Income | |

| | |
|----------------------------|--|
| Family Size | |
| Small (4 or less) | |
| Large (5 or more) | |
| Unknown/Declined to Report | |

| | |
|--------------------------------|--|
| Additional Demographics | |
| Female Head of Household | |
| Elderly (62+) | |
| Disabled | |
| Number of Units Provided | |

| | |
|---|--|
| Race and Ethnicity | |
| White-Hispanic | |
| White Non-Hispanic | |
| Black/African American-Hispanic | |
| Black/African American Non-Hispanic | |
| Asian-Hispanic | |
| Asian Non-Hispanic | |
| American Indian/Alaskan Native- Hispanic | |
| American Indian/Alaskan Native Non-Hispanic | |
| Native Hawaiian/Other Pacific Islander- Hispanic | |
| Native Hawaiian/Other Pacific Islander Non-Hispanic | |
| American Indian/Alaskan Native and White-Hispanic | |

19864174v1

| | |
|--|--|
| American Indian/Alaskan Native and White Non-Hispanic | |
| Amer. Indian/Alaskan Native & Black/African Amer.-Hispanic | |
| Amer. Indian/Alaskan Native & Black/African Amer. Non-Hispanic | |
| Asian and White- Hispanic | |
| Asian and White Non-Hispanic | |
| Black/African American and White- Hispanic | |
| Black/African American and White Non-Hispanic | |
| Other Multi-Racial-Hispanic | |
| Other Multi-Racial Non-Hispanic | |

Narrative and Supporting Documents

Case Id: 30479

Name: Test - 2024

Report Id: 344: Mar 2024

No data saved

Narrative and Supporting Documents

Please provide a narrative describing accomplishments and barriers during this reporting period. You may also upload any supporting documentation below.

Areas of Concern

Documentation

Supporting Documents

***No files uploaded*

Submit

No data saved

Case Id: 30479

Name: Test - 2024

Report Id: 344: Mar 2024

CERTIFICATION: I hereby certify that the information contained in this Monthly Report is accurate and the project/program is operating in accordance with the terms and conditions set forth in the AGREEMENT by and between the city and the above named agency which I represent.

Signature

***Not signed*

19864174v1

SAMPLE ACORD CERTIFICATE OF INSURANCE (Contract Exhibit "C")

ACORDm CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD/YY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

PRODUCER CONTACT NAME: PHONE (A/C. No. Ext): Fax (A/C. No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID#: INSURER(S) AFFORDING COVERAGE NAIC # INSURED THIS MUST MATCH EXACTLY TO THE CONTRACTOR NAME AND INFORMATION AS LISTED IN THE CONTRACT OR SCOPE OF WORK.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN.

Table with columns: INS LTR, TYPE OF INSURANCE, ADDL INSR, SUBR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include GENERAL LIABILITY, AUTOMOBILE LIABILITY, and WORKERS COMPENSATION AND EMPLOYER'S LIABILITY.

Description of Operations/Locations/Vehicles(Attach ACORD 101, Additional Remarks Schedule, if more space is required) City of Scottsdale, its representatives, agents and employees, is an Additional Insured under Commercial General Liability and Auto Liability.

CERTIFICATE HOLDER: City of Scottsdale Attn: Paiute Neighborhood Center Community Assistance Office 6535 E Osborn Rd., Bldg. 8 Scottsdale, AZ 85251 CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

EXHIBIT "D"
AGENCY'S DESIGNATED CONTRACT REPRESENTATIVES

Communication and details concerning management, financial and performance of this Agreement shall be directed to the following designated contract representatives:

CEO/President: **Signature Authority** **Primary Contact** **Insurance Information**

Name Title

Address

City State Zip

Direct Phone Number Email Address

Contract and Billing: **Signature Authority** **Primary Contact** **Insurance Information**

Name Title

Address

City State Zip

Direct Phone Number Email Address

Performance Reporting: **Signature Authority** **Primary Contact** **Insurance Information**

Name Title

Address

City State Zip

Direct Phone Number Email Address

* Please indicate which representative has signature authority, is the primary contact, and is responsible for insurance information.

**COMMUNITY DEVELOPMENT BLOCK GRANT
FEDERAL REGULATIONS**

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Labor Standards

24 CFR 570.603

[Code of Federal Regulations]

[Title 24, Volume 3]

[Revised as of August 1, 2019]

From the U.S. Government Publishing Office via GPO's ecf.gov website

[CITE: 24CFR570.603]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 570_COMMUNITY DEVELOPMENT BLOCK GRANTS--Table of Contents

Subpart K_Other Program Requirements

Sec. 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.

(b) The regulations in 24 CFR Part 70 apply to the use of volunteers.

[61 FR 11477, Mar. 20, 1996]

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National Objectives

24 CFR 570.200

[Code of Federal Regulations]

[Title 24, Volume 3]

[Revised as of August 1, 2019]

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[CITE: 24CFR570.200]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 570_COMMUNITY DEVELOPMENT BLOCK GRANTS--Table of Contents

Subpart C_Eligible Activities

Sec. 570.200 General policies.

(a) *Determination of eligibility.* An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) *Compliance with section 105 of the Act.* Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) *Compliance with national objectives.* Grant recipients under the Entitlement and HUD-administered Small Cities programs and recipients of insular area funds under section 106 of the Act must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low- and moderate-income families or aid in the prevention or elimination of slums or blight. The projected use of funds may also include activities that the recipient certifies are designed to meet other 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. Consistent with the foregoing, each recipient under the Entitlement or HUD-administered Small Cities programs, and each recipient of insular area funds under section 106 of the Act must ensure and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are found in §570.208.

(3) *Compliance with the primary objective.* The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, entitlement

National Objectives

24 CFR 570.200

recipients, non-entitlement CDBG grantees in Hawaii, and recipients of insular area funds under section 106 of the Act must ensure that, over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under §570.208(a) or under §570.208(d)(5) or (6) for benefiting low- and moderate-income persons. For grants under section 107 of the Act, insular area recipients must meet this requirement for each separate grant. See §570.420(d)(3) for additional discussion of the primary objective requirement for insular areas funded under section 106 of the Act. The requirements for the HUD-administered Small Cities program in New York are at §570.420(d)(2). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under §570.205 and §570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to §570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M of this part (including repayment of the portion of a loan used to pay any issuance, servicing, underwriting, or other costs as may be incurred under §470.705(g)) shall be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under §570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under §570.208(a) shall be counted for this purpose in their entirety.

(4) *Compliance with environmental review procedures.* The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 58), as applicable.

(5) *Cost principles.* Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR part E. All items of cost listed in 2 CFR part 200, subpart E, that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in 2 CFR part 200, subpart E and are otherwise eligible under this subpart C, except for the following:

(i) Depreciation methods for fixed assets shall not be changed without the approval of the Federal cognizant agency.

(ii) Fines and penalties, damages and other settlements are unallowable costs to the CDBG program.

(iii) Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445);

(iv) Organization costs (2 CFR 200.455); and

National Objectives

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(v) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) *Special policies governing facilities.* The following special policies apply to:

(1) *Facilities containing both eligible and ineligible uses.* A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) *Fees for use of facilities.* Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) *Special assessments under the CDBG program.* The following policies relate to special assessments under the CDBG program:

(1) *Definition of special assessment.* The term “special assessment” means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) *Special assessments to recover capital costs.* Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

National Objectives

24 CFR 570.200

(3) *Public improvements not initially assisted with CDBG funds.* The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in §570.208(a)(1), (b), or (c); and

(iii) The requirements of §570.200(c)(2)(ii) are met.

(d) *Consultant activities.* Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) *Employer-employee type of relationship.* No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation.

(2) *Independent contractor relationship.* Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 200, subpart D, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) *Recipient determinations required as a condition of eligibility.* In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of §§ 570.201(f), 570.201(i)(2), 570.201(p), 570.201(q), 570.202(b)(3), 570.206(f), 570.209, 570.210, and 570.309.

(f) *Means of carrying out eligible activities.* (1) Activities eligible under this subpart, other than those authorized under §570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 200, subpart D;

or

(ii) Through loans or grants under agreements with subrecipients, as defined at §570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under §570.204(a) may only be undertaken by entities specified in that section.

National Objectives

24 CFR 570.200

(g) *Limitation on planning and administrative costs-*(1) *Origin year grant expenditure test.* For origin year 2015 grants and subsequent grants, no more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in §§570.205 and 570.206, respectively. Expenditures of program income for planning and program administrative costs are excluded from this calculation.

(2) *Program year obligation test.* For all grants and recipients subject to subpart D, the amount of CDBG funds obligated during each program year for planning plus administrative costs, as defined in §§570.205 and 570.206, respectively, shall be limited to an amount no greater than 20 percent of the sum of the grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year. For origin year 2015 grants and subsequent grants, recipients must apply this test consistent with paragraph (g)(1) of this section.

(3) Funds from a grant of any origin year may be used to pay planning and program administrative costs associated with any grant of any origin year.

(h) *Reimbursement for pre-award costs.* The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan, an amended consolidated plan action plan, or an application under subpart M of this part, except that a new entitlement grantee preparing to receive its first allocation of CDBG funds may incur costs necessary to develop its consolidated plan and undertake other administrative actions necessary to receive its first grant, prior to the costs being included in its consolidated plan;

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or \$300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi)

National Objectives

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of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) *Urban Development Action Grant.* Grant assistance may be provided with Urban Development Action Grant funds, subject to the provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of §570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) *Equal participation of faith-based organizations.* The HUD program requirements in §5.109 of this title apply to the CDBG program, including the requirements regarding disposition and change in use of real property by a faith-based organization.

(k) Any unexpended CDBG origin year grant funds in the United States Treasury account on September 30 of the fifth Federal fiscal year after the end of the origin year grant's period of availability for obligation by HUD will be canceled. HUD may require an earlier expenditure and draw down deadline under a grant agreement.

[53 FR 34439, Sept. 6, 1988, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996; 65 FR 70215, Nov. 21, 2000; 68 FR 56404, Sept. 30, 2003; 69 FR 32778, June 10, 2004; 70 FR 76369, Dec. 23, 2005; 72 FR 46370, Aug. 17, 2007; 80 FR 67633, Nov. 3, 2015; 80 FR 69870, Nov. 12, 2015; 80 FR 75936, Dec. 7, 2015; 81 FR 19418, Apr. 4, 2016]

National Objectives
24 CFR 570.200

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Presumed Benefit Clientele

24 CFR 570.208

[Code of Federal Regulations]

[Title 24, Volume 3]

[Revised as of August 1, 2019]

From the U.S. Government Publishing Office via GPO's ecf.gov website

[CITE: 24CFR570.208]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 570_COMMUNITY DEVELOPMENT BLOCK GRANTS--Table of Contents

Subpart C_Eligible Activities

Sec. 570.208 Criteria for national objectives.

The following criteria shall be used to determine whether a CDBG-assisted activity complies with one or more of the national objectives as required under §570.200(a)(2):

(a) *Activities benefiting low- and moderate-income persons.* Activities meeting the criteria in paragraph (a) (1), (2), (3), or (4) of this section as applicable, will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary. In assessing any such evidence, the full range of direct effects of the assisted activity will be considered. (The recipient shall appropriately ensure that activities that meet these criteria do not benefit moderate income persons to the exclusion of low income persons.)

(1) *Area benefit activities.* (i) An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion.

(ii) For metropolitan cities and urban counties, an activity that would otherwise qualify under §570.208(a)(1)(i), except that the area served contains less than 51 percent low- and moderate-income residents, will also be considered to meet the objective of benefiting low- and moderate-income persons where the proportion of such persons in the area is within the highest quartile of all areas in the recipient's jurisdiction in terms of the degree of concentration of such persons. This exception is inapplicable to non-entitlement CDBG grants in Hawaii. In applying this exception, HUD will determine the lowest proportion a recipient may use to qualify an area for this purpose, as follows:

(A) All census block groups in the recipient's jurisdiction shall be rank ordered from the block group of highest proportion of low and moderate income persons to the block

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group with the lowest. For urban counties, the rank ordering shall cover the entire area constituting the urban county and shall not be done separately for each participating unit of general local government.

(B) In any case where the total number of a recipient's block groups does not divide evenly by four, the block group which would be fractionally divided between the highest and second quartiles shall be considered to be part of the highest quartile.

(C) The proportion of low and moderate income persons in the last census block group in the highest quartile shall be identified. Any service area located within the recipient's jurisdiction and having a proportion of low and moderate income persons at or above this level shall be considered to be within the highest quartile.

(D) If block group data are not available for the entire jurisdiction, other data acceptable to the Secretary may be used in the above calculations.

(iii) An activity to develop, establish, and operate for up to two years after the establishment of, a uniform emergency telephone number system serving an area having less than the percentage of low- and moderate-income residents required under paragraph (a)(1)(i) of this section or (as applicable) paragraph (a)(1)(ii) of this section, provided the recipient obtains prior HUD approval. To obtain such approval, the recipient must:

(A) Demonstrate that the system will contribute significantly to the safety of the residents of the area. The request for approval must include a list of the emergency services that will participate in the emergency telephone number system;

(B) Submit information that serves as a basis for HUD to determine whether at least 51 percent of the use of the system will be by low- and moderate-income persons. As available, the recipient must provide information that identifies the total number of calls actually received over the preceding 12-month period for each of the emergency services to be covered by the emergency telephone number system and relates those calls to the geographic segment (expressed as nearly as possible in terms of census tracts, block numbering areas, block groups, or combinations thereof that are contained within the segment) of the service area from which the calls were generated. In analyzing this data to meet the requirements of this section, HUD will assume that the distribution of income among the callers generally reflects the income characteristics of the general population residing in the same geographic area where the callers reside. If HUD can conclude that the users have primarily consisted of low- and moderate-income persons, no further submission is needed by the recipient. If a recipient plans to make other submissions for this purpose, it may request that HUD review its planned methodology before expending the effort to acquire the information it expects to use to make its case;

(C) Demonstrate that other Federal funds received by the recipient are insufficient or unavailable for a uniform emergency telephone number system. For this purpose, the recipient must submit a statement explaining whether the lack of funds is due to the insufficiency of the amount of the available funds, restrictions on the use of such funds, or the prior commitment of funds by the recipient for other purposes; and

(D) Demonstrate that the percentage of the total costs of the system paid for by CDBG funds does not exceed the percentage of low- and moderate-income persons in

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the service area of the system. For this purpose, the recipient must include a description of the boundaries of the service area of the emergency telephone number system, the census divisions that fall within the boundaries of the service area (census tracts or block numbering areas), the total number of persons and the total number of low- and moderate-income persons within each census division, the percentage of low- and moderate-income persons within the service area, and the total cost of the system.

(iv) An activity for which the assistance to a public improvement that provides benefits to all the residents of an area is limited to paying special assessments (as defined in §570.200(c)) levied against residential properties owned and occupied by persons of low and moderate income.

(v) For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service area.

(vi) In determining whether there is a sufficiently large percentage of low- and moderate-income persons residing in the area served by an activity to qualify under paragraph (a)(1) (i), (ii), or (vii) of this section, the most recently available decennial census information must be used to the fullest extent feasible, together with the section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. Recipients that believe that the census data does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the service area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percent of such persons that are low and moderate income. HUD will accept information obtained through such surveys, to be used in lieu of the decennial census data, where it determines that the survey was conducted in such a manner that the results meet standards of statistical reliability that are comparable to that of the decennial census data for areas of similar size. Where there is substantial evidence that provides a clear basis to believe that the use of the decennial census data would substantially overstate the proportion of persons residing there that are low and moderate income, HUD may require that the recipient rebut such evidence in order to demonstrate compliance with section 105(c)(2) of the Act.

(vii) Activities meeting the requirements of paragraph (d)(5)(i) of this section may be considered to qualify under this paragraph, provided that the area covered by the strategy is either a Federally-designated Empowerment Zone or Enterprise Community or primarily residential and contains a percentage of low- and moderate-income residents that is no less than the percentage computed by HUD pursuant to paragraph (a)(1)(ii) of this section or 70 percent, whichever is less, but in no event less than 51 percent. Activities meeting the requirements of paragraph (d)(6)(i) of this section may also be considered to qualify under paragraph (a)(1) of this section.

(2) *Limited clientele activities.* (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. (The following kinds of activities may not qualify under paragraph (a)(2) of this section: activities, the benefits of which are available to all the residents of an area; activities involving the acquisition, construction or rehabilitation of property for housing; or activities where the benefit to

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low- and moderate-income persons to be considered is the creation or retention of jobs, except as provided in paragraph (a)(2)(iv) of this section.) To qualify under paragraph (a)(2) of this section, the activity must meet one of the following tests:

(A) Benefit a clientele who are generally presumed to be principally low and moderate income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low- and moderate-income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or

(B) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit; or

(C) Have income eligibility requirements which limit the activity exclusively to low and moderate income persons; or

(D) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

(ii) An activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled" will be presumed to qualify under this criterion if it is restricted, to the extent practicable, to the removal of such barriers by assisting:

(A) The reconstruction of a public facility or improvement, or portion thereof, that does not qualify under paragraph (a)(1) of this section;

(B) The rehabilitation of a privately owned nonresidential building or improvement that does not qualify under paragraph (a)(1) or (4) of this section; or

(C) The rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under paragraph (a)(3) of this section.

(iii) A microenterprise assistance activity carried out in accordance with the provisions of § 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low- and moderate-income persons. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

(iv) An activity designed to provide job training and placement and/or other employment support services, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify under this paragraph in the following limited circumstance:

(A) In such cases where such training or provision of supportive services assists business(es), the only use of CDBG assistance for the project is to provide the job training and/or supportive services; and

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(B) The proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.

(3) *Housing activities.* An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the recipient, a subrecipient, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. Where two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure. Where housing activities being assisted meet the requirements of paragraph §570.208 (d)(5)(ii) or (d)(6)(ii) of this section, all such housing may also be considered for this purpose as a single structure. For rental housing, occupancy by low and moderate income households must be at affordable rents to qualify under this criterion. The recipient shall adopt and make public its standards for determining “affordable rents” for this purpose. The following shall also qualify under this criterion:

(i) When less than 51 percent of the units in a structure will be occupied by low and moderate income households, CDBG assistance may be provided in the following limited circumstances:

(A) The assistance is for an eligible activity to reduce the development cost of the new construction of a multifamily, non-elderly rental housing project;

(B) Not less than 20 percent of the units will be occupied by low and moderate income households at affordable rents; and

(C) The proportion of the total cost of developing the project to be borne by CDBG funds is no greater than the proportion of units in the project that will be occupied by low and moderate income households.

(ii) When CDBG funds are used to assist rehabilitation eligible under §570.202(b)(9) or (10) in direct support of the recipient's Rental Rehabilitation program authorized under 24 CFR part 511, such funds shall be considered to benefit low and moderate income persons where not less than 51 percent of the units assisted, or to be assisted, by the recipient's Rental Rehabilitation program overall are for low and moderate income persons.

(iii) When CDBG funds are used for housing services eligible under §570.201(k), such funds shall be considered to benefit low- and moderate-income persons if the housing units for which the services are provided are HOME-assisted and the requirements at 24 CFR 92.252 or 92.254 are met.

(4) *Job creation or retention activities.* An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low- and moderate-income persons. To qualify under this paragraph, the activity must meet the following criteria:

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(i) For an activity that creates jobs, the recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.

(ii) For an activity that retains jobs, the recipient must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided:

(A) The job is known to be held by a low- or moderate-income person; or

(B) The job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

(iii) Jobs that are not held or filled by a low- or moderate-income person may be considered to be available to low- and moderate-income persons for these purposes only if:

(A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and

(B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs.

(iv) For purposes of determining whether a job is held by or made available to a low- or moderate-income person, the person may be presumed to be a low- or moderate-income person if:

(A) He/she resides within a census tract (or block numbering area) that either:

(1) Meets the requirements of paragraph (a)(4)(v) of this section; or

(2) Has at least 70 percent of its residents who are low- and moderate-income persons; or

(B) The assisted business is located within a census tract (or block numbering area) that meets the requirements of paragraph (a)(4)(v) of this section and the job under consideration is to be located within that census tract.

(v) A census tract (or block numbering area) qualifies for the presumptions permitted under paragraphs (a)(4)(iv)(A)(1) and (B) of this section if it is either part of a Federally-designated Empowerment Zone or Enterprise Community or meets the following criteria:

(A) It has a poverty rate of at least 20 percent as determined by the most recently available decennial census information;

(B) It does not include any portion of a central business district, as this term is used in the most recent Census of Retail Trade, unless the tract has a poverty rate of at least 30 percent as determined by the most recently available decennial census information; and

(C) It evidences pervasive poverty and general distress by meeting at least one of the following standards:

(1) All block groups in the census tract have poverty rates of at least 20 percent;

(2) The specific activity being undertaken is located in a block group that has a poverty rate of at least 20 percent; or

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(3) Upon the written request of the recipient, HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.

(vi) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

(A) In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

(B) Where CDBG funds are used to pay for the staff and overhead costs of an entity making loans to businesses exclusively from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during each program year.

(C) Where CDBG funds are used by a recipient or subrecipient to provide technical assistance to businesses, this requirement may be met by aggregating the jobs created or retained by all of the businesses receiving technical assistance during each program year.

(D) Where CDBG funds are used for activities meeting the criteria listed at §570.209(b)(2)(v), this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(E) Where CDBG funds are used by a Community Development Financial Institution to carry out activities for the purpose of creating or retaining jobs, this requirement may be met by aggregating the jobs created or retained by all businesses for which CDBG assistance is obligated for such activities during the program year, except as provided at paragraph (d)(7) of this section.

(F) Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement.

(1) Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

(2) In any case where the cost per job to be created or retained (as determined under paragraph (a)(4)(vi)(F)(1) of this section) is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public

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facility/improvement, locate or expand in the service area of the facility/improvement between the date the recipient identifies the activity in its action plan under part 91 of this title and the date one year after the physical completion of the facility/improvement. In addition, the assisted activity must comply with the public benefit standards at §570.209(b).

(b) *Activities which aid in the prevention or elimination of slums or blight.* Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

(1) *Activities to address slums or blight on an area basis.* An activity will be considered to address prevention or elimination of slums or blight in an area if:

(i) The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;

(ii) The area also meets the conditions in either paragraph (A) or (B):

(A) At least 25 percent of properties throughout the area experience one or more of the following conditions:

(1) Physical deterioration of buildings or improvements;

(2) Abandonment of properties;

(3) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;

(4) Significant declines in property values or abnormally low property values relative to other areas in the community; or

(5) Known or suspected environmental contamination.

(B) The public improvements throughout the area are in a general state of deterioration.

(iii) Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall establish definitions of the conditions listed at §570.208(b)(1)(ii)(A), and maintain records to substantiate how the area met the slums or blighted criteria. The designation of an area as slum or blighted under this section is required to be redetermined every 10 years for continued qualification. Documentation must be retained pursuant to the recordkeeping requirements contained at §570.506 (b)(8)(ii).

(iv) The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

(2) *Activities to address slums or blight on a spot basis.* The following activities may be undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area:

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acquisition; clearance; relocation; historic preservation; remediation of environmentally contaminated properties; or rehabilitation of buildings or improvements. However, rehabilitation must be limited to eliminating those conditions that are detrimental to public health and safety. If acquisition or relocation is undertaken, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

(3) *Activities to address slums or blight in an urban renewal area.* An activity will be considered to address prevention or elimination of slums or blight in an urban renewal area if the activity is:

(i) Located within an urban renewal project area or Neighborhood Development Program (NDP) action area; i.e., an area in which funded activities were authorized under an urban renewal Loan and Grant Agreement or an annual NDP Funding Agreement, pursuant to title I of the Housing Act of 1949; and

(ii) Necessary to complete the urban renewal plan, as then in effect, including *initial* land redevelopment permitted by the plan.

NOTE: Despite the restrictions in (b) (1) and (2) of this section, any rehabilitation activity which benefits low and moderate income persons pursuant to paragraph (a)(3) of this section can be undertaken without regard to the area in which it is located or the extent or nature of rehabilitation assisted.

(c) *Activities designed to meet community development needs having a particular urgency.* In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the recipient certifies that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the recipient is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the recipient.

(d) *Additional criteria.* (1) Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be based on the planned use of the property after acquisition. A final determination shall be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under §570.505.

(2) Where the assisted activity is relocation assistance that the recipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity. Where the relocation assistance is voluntary on the part of the grantee the recipient may qualify the assistance either on the basis of the national objective addressed by the displacing activity or on the basis that the recipients of the relocation assistance are low and moderate income persons.

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(3) In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet the requirements of paragraph (a)(1) of this section as well as those of paragraph (a)(4) of this section in order to qualify as benefiting low and moderate income persons.

(4) CDBG funds expended for planning and administrative costs under §570.205 and §570.206 will be considered to address the national objectives.

(5) Where the grantee has elected to prepare an area revitalization strategy pursuant to the authority of §91.215(e) of this title and HUD has approved the strategy, the grantee may also elect the following options:

(i) Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities in the area for which, pursuant to the strategy, CDBG assistance is obligated during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(6) Where CDBG-assisted activities are carried out by a Community Development Financial Institution whose charter limits its investment area to a primarily residential area consisting of at least 51 percent low- and moderate-income persons, the grantee may also elect the following options:

(i) Activities carried out by the Community Development Financial Institution for the purpose of creating or retaining jobs may, at the option of the grantee, be considered to meet the requirements of this paragraph under the criteria at paragraph (a)(1)(vii) of this section in lieu of the criteria at paragraph (a)(4) of this section; and

(ii) All housing activities for which the Community Development Financial Institution obligates CDBG assistance during the program year may be considered to be a single structure for purposes of applying the criteria at paragraph (a)(3) of this section.

(7) Where an activity meeting the criteria at §570.209(b)(2)(v) may also meet the requirements of either paragraph (d)(5)(i) or (d)(6)(i) of this section, the grantee may elect to qualify the activity under either the area benefit criteria at paragraph (a)(1)(vii) of this section or the job aggregation criteria at paragraph (a)(4)(vi)(D) of this section, but not both. Where an activity may meet the job aggregation criteria at both paragraphs (a)(4)(vi)(D) and (E) of this section, the grantee may elect to qualify the activity under either criterion, but not both.

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 60 FR 1945, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56912, Nov. 9, 1995; 61 FR 18674, Apr. 29, 1996; 71 FR 30035, May 24, 2006; 72 FR 46370, Aug. 17, 2007]

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[Code of Federal Regulations]

[Title 2, Part 200]

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TITLE 2—GRANTS AND AGREEMENTS

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Subpart D—Post Federal Award Requirements

PROCUREMENT STANDARDS

§200.317 Procurements by states.

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

§200.318 General procurement standards.

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise

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when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.213 Suspension and debarment.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

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(j)(1) The non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:

- (i) The actual cost of materials; and
- (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 43309, July 22, 2015]

§200.319 Competition.

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;
- (6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical

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preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

§200.320 Methods of procurement to be followed.

The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for

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bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement

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of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) [Reserved]

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) The item is available only from a single source;

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

(4) After solicitation of a number of sources, competition is determined inadequate. [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 54409, Sept. 10, 2015]

§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

§200.322 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of

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recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

§200.323 Contract cost and price.

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§200.324 Federal awarding agency or pass-through entity review.

(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

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(1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;

(2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

(1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;

(2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§200.325 Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure

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payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§200.326 Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

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Program Administrative Costs

24 CFR 570.206

[Code of Federal Regulations]

[Title 24, Volume 3]

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TITLE 24--HOUSING AND URBAN DEVELOPMENT

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Subpart C_Eligible Activities

Sec. 570.206 Program administrative costs.

Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan. This does not include staff and overhead costs directly related to carrying out activities eligible under §570.201 through §570.204, since those costs are eligible as part of such activities.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the recipient's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year (or the grant period for grants under subpart F). Program administration includes the following types of assignments:

- (i) Providing local officials and citizens with information about the program;
- (ii) Preparing program budgets and schedules, and amendments thereto;

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- (iii) Developing systems for assuring compliance with program requirements;
 - (iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;
 - (v) Monitoring program activities for progress and compliance with program requirements;
 - (vi) Preparing reports and other documents related to the program for submission to HUD;
 - (vii) Coordinating the resolution of audit and monitoring findings;
 - (viii) Evaluating program results against stated objectives; and
 - (ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i) through (viii) of this section.
- (2) Travel costs incurred for official business in carrying out the program;
 - (3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and
 - (4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with CDBG funds.
- (c) *Fair housing activities.* Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.
- (d) [Reserved]
- (e) *Indirect costs.* Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with OMB Circular A-21, A-87, or A-122 as applicable.
- (f) *Submission of applications for federal programs.* Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.
- (g) *Administrative expenses to facilitate housing.* CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be

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occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons. Examples of eligible actions are as follows:

- (1) The cost of conducting preliminary surveys and analysis of market needs;
 - (2) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and “sketch drawings,” but excluding architectural, engineering, and other details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details;
 - (3) Reasonable costs associated with development of applications for mortgage and insured loan commitments, including commitment fees, and of applications and proposals under the Section 8 Housing Assistance Payments Program pursuant to 24 CFR parts 880-883;
 - (4) Fees associated with processing of applications for mortgage or insured loan commitments under programs including those administered by HUD, Farmers Home Administration (FmHA), Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA);
 - (5) The cost of issuance and administration of mortgage revenue bonds used to finance the acquisition, rehabilitation or construction of housing, but excluding costs associated with the payment or guarantee of the principal or interest on such bonds; and
 - (6) Special outreach activities which result in greater landlord participation in Section 8 Housing Assistance Payments Program-Existing Housing or similar programs for low and moderate income persons.
- (h) *Section 17 of the United States Housing Act of 1937.* Reasonable costs equivalent to those described in paragraphs (a), (b), (e) and (f) of this section for overall program management of the Rental Rehabilitation and Housing Development programs authorized under section 17 of the United States Housing Act of 1937, whether or not such activities are otherwise assisted with funds provided under this part.
- (i) Whether or not such activities are otherwise assisted by funds provided under this part, reasonable costs equivalent to those described in paragraphs (a), (b), (e), and (f) of this section for overall program management of:
- (1) A Federally designated Empowerment Zone or Enterprise Community; and
 - (2) The HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 54 FR 37411, Sept. 8, 1989; 60 FR 56912, Nov. 9, 1995; 69 FR 32778, June 10, 2004; 80 FR 69870, Nov. 12, 2015; 80 FR 75937, Dec. 7, 2015]

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Restriction on Location of Activities

24 CFR 570.309

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Subpart D_Entitlement Grants

Sec. 570.309 Restriction on location of activities.

CDBG funds may assist an activity outside the jurisdiction of the grantee only if the grantee determines that such an activity is necessary to further the purposes of the Act and the recipient's community development objectives, and that reasonable benefits from the activity will accrue to residents within the jurisdiction of the grantee. The grantee shall document the basis for such determination prior to providing CDBG funds for the activity.

[60 FR 56914, Nov. 9, 1995]

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Subrecipient Agreements

24 CFR 570.503

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Subpart J_Grant Administration

Sec. 570.503 Agreements with subrecipients.

(a) Before disbursing any CDBG funds to a subrecipient, the recipient shall sign a written agreement with the subrecipient. The agreement shall remain in effect during any period that the subrecipient has control over CDBG funds, including program income.

(b) At a minimum, the written agreement with the subrecipient shall include provisions concerning the following items:

(1) *Statement of work.* The agreement shall include a description of the work to be performed, a schedule for completing the work, and a budget. These items shall be in sufficient detail to provide a sound basis for the recipient effectively to monitor performance under the agreement.

(2) *Records and reports.* The recipient shall specify in the agreement the particular records the subrecipient must maintain and the particular reports the subrecipient must submit in order to assist the recipient in meeting its recordkeeping and reporting requirements.

(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).

(4) *Uniform administrative requirements.* The agreement shall require the subrecipient to comply with applicable uniform administrative requirements, as described in §570.502.

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(5) *Other program requirements.* The agreement shall require the subrecipient to carry out each activity in compliance with all Federal laws and regulations described in subpart K of these regulations, except that:

(i) The subrecipient does not assume the recipient's environmental responsibilities described at § 570.604; and

(ii) The subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR part 52.

(6) *Suspension and termination.* The agreement shall set forth remedies for noncompliance and provisions on termination in accordance with 2 CFR part 200, subpart D.

(7) *Reversion of assets.* The agreement shall specify that upon its expiration the subrecipient shall transfer to the recipient any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. It shall also include provisions designed to ensure that any real property under the subrecipient's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the subrecipient in the form of a loan) in excess of \$25,000 is either:

(i) Used to meet one of the national objectives in § 570.208 (formerly § 570.901) until five years after expiration of the agreement, or for such longer period of time as determined to be appropriate by the recipient; or

(ii) Not used in accordance with paragraph (b)(7)(i) of this section, in which event the subrecipient shall pay to the recipient an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. The payment is program income to the recipient. (No payment is required after the period of time specified in paragraph (b)(7)(i) of this section.)

[53 FR 8058, Mar. 11, 1988, as amended at 53 FR 41331, Oct. 21, 1988; 57 FR 27120, June 17, 1992; 60 FR 56915, Nov. 9, 1995; 68 FR 56405, Sept. 30, 2003; 80 FR 69873, Nov. 12, 2015; 80 FR 75938, Dec. 7, 2015]

Uniform Administrative Requirements

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Subpart J_Grant Administration

Sec. 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.

(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:

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(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]

[80 FR 75937, Dec. 7, 2015]

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Uniform Relocation Act

24 CFR 507.606

[Code of Federal Regulations]

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Subpart K_Other Program Requirements

Sec. 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).

(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.

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(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

(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 anti-displacement and relocation assistance plan.* The grantee shall comply with the requirements of 24 CFR part 42, subpart B.

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(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.

(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]

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CHAPTER 15: ENVIRONMENTAL REVIEW

CHAPTER PURPOSE & CONTENTS

This chapter provides grantees with general information on environmental review. The chapter will provide an overview of the applicable regulations, responsibilities, guidance on classifying the activity and the appropriate level of review. Grantees must consult the regulations (cited within this chapter) and their HUD Environmental Representative for more detailed guidance than this chapter can provide.

| SECTION | TOPIC |
|---------|--|
| 15.1 | Overview of Environmental Requirements |

15.1 Overview of the Environmental Requirements

15.1.1 Background and Applicable Regulations

The purpose of the environmental review process is to analyze the effect a proposed project will have on the people and the natural environment within a designated project area and the effect the material and social environment may have on a project.

Grantees who receive CDBG funds are considered responsible entities and must complete an environmental review of all project activities prior to obligating CDBG funds. This requirement also applies to projects funded with CDBG generated program income.

The HUD rules and regulations that govern the environmental review process can be found at 24 CFR Part 58.

The provisions of the National Environmental Policy Act (NEPA) and the Council on Environmental Quality (CEQ) regulations in 40 CFR Parts 1500 through 1508 also apply. In addition, a myriad of other Federal and state laws and regulations (some of which are enforced by State agencies) also apply depending upon the type of project and the level of review required.

The following is a summary of applicable statutory and regulatory cites and other reference materials available from HUD:

Key Topics in This Section: Applicable environmental rules, Legal responsibilities, Triggering actions, Classifying the activity

Regulatory/Statutory Citations: 24 CFR Part 58, §570.604, 40 CFR Part 1500-1508

Other Reference Materials on This Topic HUD's Office of Environment and Energy: <http://www.hud.gov/offices/cpd/environment/> , HUD's Environmental Review Requirements: <http://www.hud.gov/offices/cpd/environment/review/> HUD's Frequently Asked Environmental Questions and Answers: <http://www.hud.gov/offices/cpd/environment/library/>, CPD Notice 02-07

15.1.2 The Responsible Entity & Official Designations

Under 24 CFR Part 58, the term “responsible entity” (RE) means the grantee receiving CDBG assistance. The responsible entity must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the Federal laws and authorities has been achieved, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record (ERR) is complete.

In order to fulfill its obligations under 24 CFR Part 58, the RE should designate two responsible parties:

Certifying Officer: The responsible entity must designate a Certifying Officer -- the “responsible Federal official” -- to ensure compliance with the National Environmental Policy Act (NEPA) and the Federal laws and authorities cited at section 58.5 has been achieved. This person is the chief elected official, chief executive official, or other official designated by formal resolution of the governing body. The certifying officer must have the authority to assume legal responsibility for certifying that all environmental requirements have been followed. This function may not be assumed by administering agencies or consultants.

Environmental Officer: The funding recipient should also designate an Environmental Officer. The Environmental Officer is responsible for conducting the environmental review including such tasks as: writing the project narrative, obtaining maps of the project area, soliciting comments from appropriate local, state and federal agencies, and facilitating responses to comments received on the environmental findings.

15.1.3 Environmental Review Record

Each responsible entity must prepare and maintain a written record of the environmental review undertaken for each project. This written record or file is called the Environmental Review Record (ERR), and it must be available for public review upon request.

The ERR shall contain all the environmental review documents, public notices (and proof of their publication), and written determinations or environmental findings required by 24 CFR Part 58 as evidence of review, decision making and actions pertaining to a particular project. The document shall:

Describe the project and each of the activities comprising the project, regardless of individual activity funding source; and

Evaluate the effects of the project or the activities on the human environment;

Document compliance with applicable statutes and authorities; and

Record the written determinations and other review findings required by 24 CFR Part 58.

The ERR will vary in length and content depending upon the level of review required for the categories of activities.

Public comments, concerns and appropriate resolution by the recipient are extremely important and must be fully documented in the ERR.

15.1.4 Actions Triggering Environmental Review and Limitations Pending Clearance

According to the NEPA (40 CFR 1500-1508) and Part 58, the responsible entity is required to ensure that environmental information is available before decisions are made and before actions are taken. In order to achieve this objective, Part 58 prohibits the commitment or expenditure of CDBG funds until the environmental review process has been completed and, if required, the grantee receives a release of funds.

Grantees may not spend either public or private funds (CDBG, other Federal or non-Federal funds), or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved.

Grantees must avoid any and all actions that would preclude the selection of alternative choices before a final decision is made – that decision being based upon an understanding of the environmental consequences and actions that can protect, restore and enhance the human environment (i.e., the natural, physical, social and economic environment).

Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the grantee or other project participant's own funds, prior to obtaining environmental clearance.

For the purposes of the environmental review process, "commitment of funds" includes:

Execution of a legally binding agreement (such as a property purchase or construction contract);

Expenditure of CDBG funds;

Use of non-CDBG funds on actions that would have an adverse impact--- e.g., demolition, dredging, filling, excavating; and

Use of non-CDBG funds on actions that would be "choice limiting"--- e.g., acquisition of real property; leasing property; rehabilitation, demolition, construction of buildings or structures; relocating buildings or structures, conversion of land or buildings/structures.

It is acceptable for grantees to execute non-legally binding agreements prior to completion of the environmental review process. A non-legally binding agreement contains stipulations that ensure the project participant does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed.

15.1.5 Classifying the Activity and Conducting the Appropriate Level of Review

To begin the environmental review process, funding recipients must first determine the environmental classification of the project. The term "project" can be defined as an activity or group of activities geographically, functionally, or integrally related, regardless of funding source, to be undertaken by the CDBG recipient, subrecipient, or a public or private entity in whole or in part to accomplish a specific objective.

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If various project activities have different classifications, the recipient must follow the review steps required for the most stringent classification.

The four environmental classifications are:

- Exempt Activities,
- Categorically Excluded Activities,
- Activities Requiring an Environment Assessment, or
- Activities Requiring an Environmental Impact Statement.

Regardless of the number of activities associated with a project, a single environmental review is required. Aggregating related activities ensures the recipient adequately addresses and analyzes the separate and combined impacts of a proposed project.

15.1.6 Exempt Activities

Certain activities are by their nature highly unlikely to have any direct impact on the environment. Accordingly, these activities are not subject to most of the procedural requirements of environmental review.

Listed below are examples which may be exempt from environmental review. For complete details refer to the environmental regulations.

- Environmental and other studies;
- Information and financial services;
- Administrative and management activities;
- Engineering and design costs;
- Interim assistance (emergency) activities if the assisted activities do not alter environmental conditions and are for temporary or permanent improvements limited to protection, repair or restoration actions necessary only to control or arrest the effects of disasters or imminent threats to public safety or those resulting from physical deterioration;
- Public service activities that will not have a physical impact or result in any physical changes;
- Inspections and testing of properties for hazards or defects;
- Purchase of tools or insurance;
- Technical assistance or training;
- Payment of principal and interest on loans made or guaranteed by HUD; and
- Any of the categorically excluded activities subject to Part 58.5 (as listed in 58.35(a)) provided there are no circumstances which require compliance with any other Federal laws and authorities listed at Part 58.5 of the regulations. Refer to the section below on categorically excluded activities subject to Part 58.5.

If a project is determined to be exempt the responsible entity is required to document in writing that the project is exempt and meets the conditions for exemption as spelled out in § 58.34.

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In addition to making a written determination of exemption, the RE must also determine whether any of the requirements of 24 CFR Part § 58.6 are applicable and address as appropriate.

The requirements at 24 CFR § 58.6 include the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones.

15.1.7 Categorically Excluded Activities

Categorically Excluded Activities not Subject to 58.5

The following activities, listed at 24 CFR Part 58.35(b), have been determined to be categorically excluded from NEPA requirements and are not subject to Section 58.5 compliance determinations.

Tenant based rental assistance;

Supportive services including but not limited to health care, housing services, permanent housing placement, short term payments for rent/mortgage/utility costs, and assistance in gaining access to local State and Federal government services and services;

Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training, recruitment, and other incidental costs;

Economic development activities including but not limited to equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations;

Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction such as closing costs, down payment assistance, interest buy downs and similar activities that result in the transfer of title to a property; and

Affordable housing predevelopment costs with NO physical impact such as legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact.

To complete environmental requirements for Categorically Excluded projects not Subject to 24 CFR Part § 58.5, the responsible entity must take the following steps:

Make a finding of Categorical Exclusion not Subject to § 58.5 and put in the ERR.

The ERR must contain a written determination of the RE's finding that a given activity or program is categorically excluded not subject to § 58.5. When these kinds of activities are undertaken, the RE does not have to issue a public notice or submit a request for release of funds (RROF) to HUD.

In order to document the finding of categorical exclusion not subject to §58.5. The RE must cite the applicable subsection of § 58.35(b), identify and describe the specific activity or activities, and provide information about the estimated amount of CDBG or other funds to be used.

Carry out any applicable requirements of 24 CFR Part § 58.6 and document the ERR as appropriate.

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The RE must determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are: the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones.

Categorically Excluded Activities Subject to 58.5

The list of categorically excluded activities is found at 24 CFR Part 58.35. While the activities listed in 58.35(a) are categorically excluded from NEPA requirements, the grantee must nevertheless demonstrate compliance with the laws, authorities and Executive Orders listed in 58.5.

The following are categorically excluded activities subject to 58.5:

Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size, or capacity of more than 20 percent.

Special projects directed toward the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and disabled persons.

Rehabilitation of buildings and improvements when the following conditions are met:

For residential properties with one to four units:

The density is not increased beyond four units;

The land use is not changed; and

If the building is located in a floodplain or in a wetland, the footprint of the building is not increased.

For multi-family residential buildings (with more than four units):

Unit density is not changed more than 20 percent;

The project does not involve changes in land use from residential to non-residential; and

The estimated cost of rehabilitation is less than 75 percent of the total estimated replacement cost after rehabilitation.

For non-residential structures including commercial, industrial and public buildings:

The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and

The activity does not involve a change in land use, e.g. from commercial to industrial, from non-residential to residential, or from one industrial use to another.

An individual action on up to four-family dwelling where there is a maximum of four units on any one site. "*Individual action*" refers to new construction, development, demolition, acquisition, disposition or refinancing (does not include rehabilitation which is covered previously). The units can be four one-unit buildings or one four-unit building or any combination in between;

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An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site;

Acquisition (including leasing) or disposition of or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.

Combinations of the above activities.

The ERR must contain a written determination of the RE's finding that a given activity or program is categorically excluded subject to § 58.5. This determination should:

Include a description of the project (including all the related activities, even though HOME funds may not be used for all of them);

Cite the applicable subsection of § 58.35(a);

Provide the total estimated project cost; and

Provide written documentation as to whether or not there were any circumstances which required compliance with any of the Federal laws and authorities cited in §58.5.

The RE must use the HUD recommended Statutory Checklist, or an equivalent format, to document its environmental findings. (Contact the HUD Environmental Representative for a copy of the most current version of the checklist and instructions for its completion.)

The RE's documentation must support its determinations related to compliance with the Federal laws and authorities cited in §58.5, including correspondence with the applicable agencies having jurisdiction over the various areas on the checklist.

Upon completion of the checklist, the RE will make one of three environmental findings:

The project converts to exempt [§ 58.34(a)(12)];

The project invokes compliance with one or more of the laws and/or authorities and, therefore, requires public notification and approval from HUD; or

The unusual circumstances of the project may result in a significant environmental impact and, therefore, compliance with NEPA is required.

If upon completing the Statutory Checklist, the RE determines compliance is required for one or more of the Federal laws and authorities listed in § 58.5, then the RE must publish or post a public notification known as the Notice of Intent to Request Release of Funds (NOI/RROF).

After the seven-day comment period has elapsed, the responsible entity must prepare the Request for Release of Funds (RROF) and Environmental Certification. The Environmental Certification certifies that the RE is in compliance with all the environmental review requirements. The RROF and Certification must be signed by the Certifying Officer and submitted to HUD. The RE must receive the release of funds from HUD before proceeding forward with the project.

15.1.8 Activities Requiring an Environmental Assessment

Activities which are neither exempt nor categorically excluded (under either category) will require an environmental assessment (EA) documenting compliance with NEPA, HUD and with the environmental requirements of other applicable Federal laws.

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The responsible entity must take the following steps to complete environmental requirements for projects requiring an environmental assessment:

Complete the Modified Format II: Environmental Assessment form completely. The responsible entity must ensure that reliable documentation sources are cited for every item on this assessment checklist. The grantee's HUD Environmental Representative can provide detailed guidance on the Modified Format II, including appropriate documentation for each area of the checklists.

Once the Format II has been completed, including consultation with applicable agencies and persons, the grantee must make a determination as to whether the project will or will not have a significant impact on the environment. This can be done once the review has been completed and any comments have been addressed appropriately. The Responsible Entity must select one of the following two findings/determinations:

The project is not an action that significantly affects the quality of the human environment and, therefore, does not require the preparation of an environmental impact statement; or

The project is an action that significantly affects the quality of the human environment and, therefore, requires the preparation of an environmental impact statement. Both the finding and the environmental assessment must be signed by your environmental certifying officer and included in the ERR.

In most instances, the environmental assessment will result in a finding that the project is not an action that significantly affects the quality of the environment and, therefore, does not require an environmental impact statement. If this is the case, the responsible entity must complete the following:

Publish and distribute a public notice called a Combined/Concurrent Notice of Finding of No Significant Impact (FONSI) and Notice of Intent to Request Release of Funds (NOI/RROF).

The RROF and Environmental Certification must be submitted to HUD no sooner than 16 days after publishing the combined/concurrent notice. The Certification must be signed by the Certifying Officer of the jurisdiction.

HUD must hold the Release of Funds for a 15-day period to allow for public comment. If no comments are received during this time, HUD will send back a signed Release of Funds and the project may proceed.

If the environmental assessment will result in a finding that the project will significantly affect the environment and, therefore, requires an environmental impact statement, the grantee should contact its HUD Environmental Representative for guidance.

15.1.9 Environmental Impact Statement

An Environmental Impact Statement (EIS) details the recipient's final analyses and conclusions, according to NEPA, related to potential significant environmental impact of the project. Recipients must follow prescribed steps in the course of preparation, filing and review of an Environmental Impact Statement (See 24 CFR 58, Subpart G, and 40 CFR 1500-1508).

An EIS may be required when:

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The project is so large that it triggers density thresholds, and common sense suggests it may have a substantial environmental impact.

A Finding of Significant Impact (FOSI) is found as a result of completing an environmental assessment for the project.

Preparation of an EIS is mandatory if the project meets any of these requirements below:

Any project to provide a site or sites for hospitals and nursing homes with a total of at least 2,500 beds.

Any project to remove, destroy, convert or substantially rehabilitate at least 2,500 existing housing units.

Any project to construct, install or provide sites for at least 2,500 housing units.

Any project to provide water and sewer capacity for at least 2,500 housing units.

Any project that exceeds the 2,500-unit threshold for nonresidential housing construction.

EISs are very rare under the CDBG program. Contact your HUD Environmental Officer if there is any indication an EIS may be necessary.